

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY SEVENTH PARLIAMENT

16 ELIZABETH II

VOLUME VI, 1967

COMPRISING THE PERIOD FROM THE TWENTY-SECOND DAY OF JANUARY, 1968,
TO THE TWENTY-THIRD DAY OF FEBRUARY, 1968, INCLUSIVE

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OTTAWA, 1968

27053—363½

HOUSE OF COMMONS

Monday, January 22, 1968

The house met at 2.30 p.m.

[Translation]

THE LATE HON. RENÉ TREMBLAY AND THE LATE MAURICE RINFRET

EXPRESSIONS OF REGRET ON PASSING OF FORMER MEMBERS

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, it is with deep dismay that I learned, as most members, of the death of Hon. René Tremblay which occurred just before noon today. We knew that he had been ill, but we expected that he would still be with us for a long time.

Mr. Tremblay had a rather brilliant career. He studied in Canada and in Europe. He was at first professor at Laval University and then became deputy minister of the department of industry and trade in Quebec. In 1963 he was elected member for Matapédia-Matane. Soon afterwards he was appointed Minister for Citizenship and Immigration—he was thus one of my predecessors—to become eventually Postmaster General.

Mr. Tremblay was not only our colleague, he was everyone's colleague and he was also a personal friend. We are of the same generation not only as far as age is concerned but also from a political standpoint.

You will understand, Mr. Speaker, that as other members of this house, we are particularly affected by this sudden demise, particularly when it is realized that it follows upon the death of Hon. Mr. Favreau and our friend, Maurice Rinfret. This might lead us to ponder on the effects on health of political tensions which may possibly be felt more particularly by the group to which I have the pleasure and the honour to belong.

The death of Hon. René Tremblay is surely a loss for the province of Quebec but it is also a loss for the whole country. I am sure that the members of this house will be unanimous in expressing to his wife and to his children their most sincere condolences.

Personally, I regret that, before leaving us, he did not have the good fortune of seeing certain injustices committed against him repaired as they should have been. But this is probably what one can expect in politics; we are in a ring where the opponents do not always pull their blows and it is in circumstances such as those that we realize that we are mere human beings.

As I have already said, Mr. Speaker, to the name of Hon. Mr. Tremblay we must add that of another friend, a sincere friend of all, that of the hon. member for Saint-Jacques, Maurice Rinfret. He presided over the proceedings of the house with a great deal of humour, of kindness. I do believe that regardless of political affiliations everyone liked Maurice Rinfret. I think, therefore, that the house should also agree to express its condolences to Mrs. Rinfret.

Mr. Rinfret was ill for a very long time. He was seriously ill when he was last with us here, and yet he never complained and no one even noticed it.

At this moment of our political history, Mr. Speaker, when there are so many problems which we must face collectively, it is particularly painful to witness events such as these.

• (2:40 p.m.)

[English]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to associate myself and the members of the official opposition with the comments of the minister regarding the late Maurice Rinfret and Hon. Mr. Tremblay.

I was shocked to learn during the recess of the death of Mr. Rinfret who served in this house as the member for Saint-Jacques and as Deputy Chairman of Committees. Although it was not my privilege to serve with him in the house for any length of time, I quickly became aware of the position of respect and esteem that he held among members of all parties in the House of Commons. I was not aware of his illness and it was a great shock to me when he passed away during the recess of the house. Certainly we would wish to extend our sympathies to Madame Rinfret and members of the family.

Mr. Tremblay, as the minister indicated, served his province and the country in both elective and non-elective offices, having been in the public service of the province of Quebec before he entered the House of Commons. He was educated in both official languages and his education spanned two continents. He

attended Laval and McGill Universities and completed his education on the continent of Europe.

Although he resigned from the cabinet over two years ago he continued to take an active part in and make a positive contribution to political life in this country, particularly with regard to leading questions of our day concerning national unity and economic affairs, which he was particularly well qualified to discuss by reason of his background and education.

[*Translation*]

Mr. Speaker, on behalf of the members of the opposition I should like to extend my deepest sympathy to Mrs. Tremblay and her children, as well as to the members of the Liberal party.

[*English*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on behalf of the members of this party I should like to join with those who have already spoken in expressing our very deep and sincere regret at the passing of two of our colleagues.

Mr. René Tremblay, who was for some time the Minister of Citizenship and Immigration, we came to know very well. I can speak for members of this party in saying that we always found him accessible and courteous. He approached the problems of his department with a deep sense of humanity and with a fine compassion, which we greatly appreciated.

The passing of our colleague Maurice Rinfret is also to be regretted, Mr. Speaker. Many of us came to know him quite well during his time in the house. Personally I had the privilege of being with a Speaker's delegation which visited the Soviet union and Czechoslovakia something over two years ago. We found him a delightful companion and a person who was deeply motivated for the welfare and benefit of this country.

We are exceedingly sorry at the passing of these two members of this house. We should like to extend, through you, Mr. Speaker, to their wives and families our deepest sympathy in their hour of bereavement.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, the members of this group wish to join their colleagues in regretting the loss of two men who have laboured in this house. It is said that life is full of surprises and we have another demonstration of this truth this afternoon. I also believe that the two men whose passing we regret have served our country well.

In fact, Mr. Speaker, I had the honour of sitting with Hon. Mr. Tremblay on the committee on the national anthem of Canada and that is where I had the opportunity of realizing his good sense, his good judgment, the firmness of his decisions, as well as his deep convictions.

As for the lamented Mr. Maurice Rinfret, I could not imagine on Friday before Christmas, when he came to shake my hand at Montreal Central station before I took my train, that I was shaking his hand for the last time. Maurice Rinfret was a great friend and I am not aware that he had a single enemy in the house. His passing is a real loss for his party and for this house.

So, in the name of this group, I wish to offer my most sincere condolences to the two bereaved families and assure them that the memory of these two men will long remain in the hearts of French Canadians as well as of all Canadians labouring in this house.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, as we think of our two colleagues who have been removed from our midst we share the sense of loss and the feelings of deep regret which have been expressed in the house this afternoon. Though we knew that Maurice Rinfret had been seriously ill, we hoped that he would return to the house and that he would be spared for a considerable time. It was a shock to hear that he had passed away.

It has been said that every member of the house held Mr. Rinfret in the deepest respect. I say that for many of us the feeling went beyond respect; we held him in affection, especially when we considered his qualities of character and the attitudes that he evidenced on many occasions.

We are reminded again of the shortness of life in the passing of Hon. René Tremblay, which was perhaps more unexpected than that of Mr. Rinfret.

• (2:50 p.m.)

I want to assure the house again that we share the sense of loss felt on the passing of these two colleagues and we join in expressing sympathy to the loved ones who are left, trusting that divine grace will be vouchsafed to them in this their hour of sorrow.

[*Translation*]

Mr. Speaker: While joining, on behalf of all hon. members, in the words of regret we have just heard at the passing of Hon. René Tremblay, may I speak very briefly about the man who for two years was associated with the functions of Speaker of the house and Chairman of the Committees. A loyal colleague and a wise adviser, a faithful worker of the first hour and the last, Maurice Rinfret gave himself completely to his parliamentary responsibilities. In the discharge of his duties in the chair, he set at all times and in all circumstances an unfailing example of impartiality and honesty. The house will remember Maurice Rinfret as a good and fair man.

[*English*]

PRIVILEGE

MR. WINTERS—ALLEGED INACCURACY IN NEWSPAPER REPORT

Hon. Robert Winters (Minister of Trade and Commerce): I rise on a question of privilege. On Friday, January 12, the Toronto *Daily Star* misquoted me in a headline as saying of the government that "it lacks integrity". Mr. Speaker, I said no such thing. In fact, I said nothing which could be considered as meaning that the government lacks integrity, fiscal or otherwise.

In replying to a question I said that whoever becomes the new leader must attach great importance to fiscal integrity—the fiscal soundness of the country as a whole. In this, of course, the role of the federal government is just one part of the national fiscal structure. I was speaking of the country, not of the government, and in any event I did not say anything which would justify the attribution to me of a quotation such as that which appeared in the newspaper.

Some hon. Members: Hear, hear.

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN EIGHTH REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) presented the eighth report of the standing committee on finance, trade and economic affairs and moved that the report be concurred in.

Motion agreed to.

[*Editor's Note: For text of report see Votes and Proceedings.*]

FINANCE

STATEMENT ON FOREIGN EXCHANGE SITUATION

Hon. Mitchell Sharp (Minister of Finance): I should like to make a brief statement on the foreign exchange situation and table a press announcement made during the week end.

During the ten days preceding this week end there have been abnormally large sales of Canadian dollars in the foreign exchange markets, and we have had to meet these demands by sales of United States dollars from our reserves. This has been evident to those in the market and has been reported in the press.

This selling pressure resulted in part from widespread nervousness in international financial circles about currencies generally following the devaluation of sterling and the abnormal demands for gold. More immediately, however, it appears to have resulted in part from highly exaggerated fears of the effects on Canada of the United States balance of payments regulations, and misunderstanding of the intention of the United States authorities in that regard. In order to clarify this situation, we discussed it with the Secretary of the Treasury and his officers during the week end and they have issued a statement on the matter which has been reported in the press, and a copy of which I wish to table.

Mr. Speaker: Has the hon. minister permission to table this document?

Some hon. Members: Agreed.

Mr. Sharp: On our side the Governor of the Bank of Canada, following discussions with the chartered banks, issued a statement last night saying it had been agreed that the banks would discourage the use of bank credit to facilitate abnormal transfers of funds abroad by Canadian subsidiaries of foreign companies and would also discourage the use of bank credit by such companies to meet requirements in Canada which in the past have normally been met by parent companies. These discussions with the banks were undertaken by the governor after he and I had discussed the matter and agreed that such action was desirable.

The governor also increased the bank rate yesterday from 6 per cent to 7 per cent in the light of recent developments in the exchange market. He had consulted me as usual before taking this action. I believe this move was

appropriate and prudent to protect the Canadian dollar against speculation and strengthen our position. I regret, as we all will regret, that external circumstances have made this step necessary.

Today the market situation has improved. The value of the Canadian dollar in the market has risen and we have bought some United States dollars to ensure that the market readjustment was an orderly one. It is of course too early to draw definite conclusions, but the change is distinctly encouraging.

Our present exchange parity is appropriate to our economic situation and should be and will be maintained. We have very large exchange and gold reserves to defend it, and we also have access to large supplementary sources of finance through the International Monetary Fund and through a reciprocal support arrangement between the Bank of Canada and the federal reserve system, which was increased last fall to $750 million. Our basic position is safeguarded by our unrestricted access to the long-term capital market of the United States, where Canada and Canadian borrowers enjoy high credit ratings. We are fully prepared, if this should be necessary, to use our reserves and the other resources available to us, to defend the Canadian dollar in the exchange markets.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this is a subject on which, of course, one must weigh his words with some care. I am pleased at the reassurance of the minister regarding the determination to maintain the value of our dollar. I am also pleased that he is able to report to the house that the initial results, at least, of the increase in the bank rate appear to be favourable, and certainly I know every member of the house hopes most fervently that these initial, apparently beneficial, results will continue and that nothing further will be required.

I am sure we all have a tremendous confidence in the future of our country, and it should be a matter for all of us who are responsible to make certain that we realize the potential of our country. However, Mr. Speaker, I do not think it would be inappropriate for me to say that the results in the country of the increase in the bank rate are not likely to be very desirable from a domestic point of view, and that consequently it is regrettable that the Governor of the Bank of Canada found it necessary to make this decision.

I emphasize that in the circumstances I am not criticizing his decision. I am quite prepared to accept his judgment in this regard. Nevertheless I think that this is a further indication of the importance of confidence in government or, if you like, in the country—confidence in our willingness and readiness to assure that our country will maintain its economic strength.

Just as I had occasion in the course of the so-called mini-budget debate to suggest that the Canadian people were being asked to pay higher taxes as a measure of trying to restore confidence in the government, I now think that the increase in the bank rate is a further price that the Canadian people will pay with regard to confidence in and credibility of the government.

I do not wish, Mr. Speaker, to appear to be lecturing the government in any pedantic way, but I think it would be appropriate for me to remind members of the government that they have a heavy responsibility during coming months, or for at least as long as it remains their responsibility to form a government.

Some hon. Members: Hear, hear.

• (3:00 p.m.)

Mr. Stanfield: I hope they will make every effort to demonstrate to all concerned that they are prepared to do what is necessary to ensure the economic future, strength and stability of our country, because it is really a question of confidence. I hope the government will pursue policies and attitudes which will inspire confidence. As I take my seat I again repeat that I hope the measure that is taken by the Bank of Canada will have not only the initial result but the continuing results that are considered necessary in this situation.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, like the Leader of the Opposition (Mr. Stanfield), I am well aware that this is a very delicate matter on which to speak and that one must weigh one's words very carefully, because the basis of the operation of a modern monetary system is confidence. I myself am very disturbed by the inevitable results of the action the government has taken, action which it was obliged to take because of its previous policy decisions about which I have spoken on previous

occasions; that is, the incompatible policies of the fixed exchange rate plus the agreement on exchange reserves which are continually coming in conflict.

I am not at all sure that the people of Canada will be satisfied with the way in which the government and the Bank of Canada have dealt with this problem of protecting the Canadian dollar, because the Canadian people will have to suffer for it. There is no question but that the general level of interest rates will rise, that our already acute situation in respect of housing will become worse, that government financing will become more expensive and as a consequence our economy will slow down even more.

I would have hoped that in view of the critical situation in which we find ourselves the government would be prepared at this time to re-assess its whole policy with regard to our exchange rate and its whole policy with regard to our relations with the United States. I and some of my colleagues have suggested earlier in this house that the situation at the present time, even before this immediate crisis had arisen, called for rethinking in respect of our attitude with regard to the fixed exchange rate. It is demonstrated by the present economic problem in this country that we should go back to the floating interest rate and the control of the inflow and outflow of capital from Canada.

The government's present action seems again to be placing the burden on the ordinary Canadian citizen, because it has tied its hands with regard to the monetary and fiscal policy so that it is unable to cope with this problem without curbing the development of the Canadian economy in a way which, in the end, must fundamentally undermine our position internationally far more than any temporary attack on the Canadian dollar,—and which attack would be very severe if continued for any length of time.

I would again point out, as I did a few weeks ago in this house, that when we were on the floating exchange rate which lasted for 12 years the fluctuations were all within a very narrow range of 3 cents United States during that whole period. I would hope that somewhat the same situation would occur now. But in order to prevent anything more drastic in the way of upward pressure, which is equally as dangerous as downward pressure, I would suggest that the government consider the imposition of emergency exchange controls.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I share the concern the minister has expressed in saying he regrets the external circumstances which exist that have made it necessary for the Bank of Canada to step up the interest rates, as it has done. I would just like to add that this serves as an additional reminder that the economic situation both within and outside the country is most serious at the present time. The policy of raising federal housing interest rates to the present level, instead of drawing more capital out of the private sector, has served only to push interest rates still higher. This action today will have the same effect. One wonders just how high interest rates can go.

I should like to remind the minister as he seeks to deal with these problems, many of which are outside his own direct control, that never since 1929 have we faced a problem of high interest rates such as that we have now, and that this action, which may have been necessary at the immediate moment, will serve only to increase further our financial problems. In this regard it relates also to the continued policy of those who control international monetary values in respect of gold being held at the present price. One wonders how long in the future it will be before the price of gold will have to be increased, its having held the same price it holds now while other commodities have doubled or even quadrupled in price.

We share the expression of regret the minister has made in his statement, but we hope he will use every possible effort to bring about some more permanent and more satisfactory solution to the problems of international liquidity and stability of our own dollar, and the problem of the continual rise in the cost of interest and the continued tight money policy which makes Canada's development so difficult.

[*Translation*]

MEAT INSPECTION ACT

AMENDMENT TO PROVIDE FOR INSPECTION LEGEND IN ENGLISH AND FRENCH

Mr. Fernand-E. Leblanc (Laurier) moved for leave to introduce Bill No. C-196, to amend the Meat Inspection Act (inspection legend).

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, according to the Canadian Meat and Canned Foods Act and regulations, meat must be prepared in establishments approved by the government and under the constant control of government veterinary inspectors.

However, section 68 of the regulations provides that the legend on meat inspected shall be marked in English only. This bill provides that the legend shall be bilingual and decorated with the maple leaf appearing on the Canadian flag.

Motion agreed to and bill read the first time.

[*English*]

UNEMPLOYMENT INSURANCE ACT

MEASURE TO BROADEN COVERAGE

Hon. J. R. Nicholson (Minister of Labour) moved that the house go into committee of the whole at its next sitting to consider the following proposed resolution which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to increase the coverage provided by the Act; to establish a new schedule of contributions to be paid by employers on behalf of employees covered by the Act; and to establish a new schedule of benefits corresponding to the new schedule of contributions.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRINCE EDWARD ISLAND PENAL INSTITUTION CONSTRUCTION

Question No. 527—**Mr. McQuaid:**

1. Has the government any immediate plans for the construction of either a maximum or minimum security penal institution in Prince Edward Island?

2. Has the Department of the Solicitor General, or any department of government, ever acted on the suggestion of Premier Campbell to visit Prince Edward Island and look over potential sites for the establishment in that province of a maximum security penal institution and, if not, for what reason?

3. Has a request been received from the government of Prince Edward Island for financial assistance towards the construction and operation of a jail farm or some other type of minimum security institution in that province and, if so, has favourable consideration been given thereto?

4. Does any agreement exist between the government of Canada and the government of Prince Edward Island under section 16 (1) of the Penitentiary Act which provides that the government of Canada may enter into an agreement with the government of any province for the confinement in penitentiaries of persons sentenced under a criminal law of Canada to imprisonment for more than 6 months but less than two years and, if so, what would be the approximate cost per prisoner to the province?

Hon. L. T. Pennell (Solicitor General): 1. No.

2. Officials of the Department of the Solicitor General met with Premier Campbell and the deputy attorney general of Prince Edward Island at Charlottetown on Monday, October 2, 1967 and discussed the penitentiary and gaol situation. No further action was taken because the federal government does not propose to alter the policy to establish its maximum, medium and minimum security institutions for the Atlantic provinces in the Dorchester-Springhill area of New Brunswick and Nova Scotia.

3. The government of Prince Edward Island has discussed with the government of Canada the possibility of financial assistance towards the construction and operation of a minimum security institution on Prince Edward Island. For the reasons given in paragraph 2 no action was taken.

4. No.

FRENCH AND ENGLISH SPEAKING DIRECTORS IN CORPORATIONS

Question No. 528—**Mr. Caouette:**

1. How many directors are there for each "proprietary corporation"?

2. How many of the directors in each corporation are (a) French-speaking (b) English-speaking?

3. Are any steps being taken by the government to assure a distribution of the two groups and, if so, what are they?

Hon. Judy V. LaMarsh (Secretary of State): All the proprietary corporations advise as follows:

1 and 2. See attached list.

3. In making appointments to the boards of directors of proprietary corporations, the government gives the most careful attention to all the qualifications necessary for these positions, including linguistic ability.

1 and 2. Farm Credit Corporation: 1. Five. 2. (a) One; (b) Four.

Canadian Broadcasting Corporation: 1. Eleven. There is one vacancy at present. 2. (a) Three. (b) Seven.

Central Mortgage and Housing Corporation: 1. Ten. 2. (a) Three. (b) Seven.

Polymer Corporation: 1. Nine. 2. (a) One. (b) Eight.

Note: Three of these nine directors speak both English and French.

Eldorado Mining and Refining Limited: 1. Seven. 2. (a) None. (b) Seven.

Note: The Minister of Energy, Mines and Resources hopes to appoint one French speaking member on the above mentioned corporation in the near future.

Eldorado Aviation Limited: 1. Five. 2. (a) None. (b) Five.

Note: The Minister of Energy, Mines and Resources hopes to appoint one French speaking member on the above mentioned corporation in the near future.

Cape Breton Development Corporation: 1. Seven. 2. (a) One. (b) Six.

Note: The Minister of Energy, Mines and Resources hopes to appoint one French speaking member on the above mentioned corporation in the near future.

Canada Deposit Insurance Corporation: 1. Five. 2. (a) Two. (b) Three.

Note: Two of these three directors speak both English and French.

Northern Transportation Company Limited: 1. Six. 2. The mother tongue of all six directors is English. No information is available as to their facilities with the French language.

Export Credits Insurance Corporation: 1. Eight. 2. (a) Four. (b) Four.

Air Canada: 1. Nine. 2. (a) Two. (b) Seven.

Canadian National Railways: 1. Twelve. 2. (a) Four. (b) Eight.

Canadian Overseas Telecommunication Corporation: 1. Seven. 2. (a) Two. (b) Five.

The St. Lawrence Seaway Authority, 1. There are no directors. The St. Lawrence Seaway Authority Act provides only for a president and two other members. 2. (a) One. (b) Two.

The Seaway International Bridge Corporation: 1. Eight. Four Canadian and four United States citizens. 2. Of the four Canadians, three speak both English and French, and one speaks English only.

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Questions

CENTENNIAL TRAIN VISITS

Question No. 593—**Mr. Dinsdale:**

1. Will the centennial train be kept intact for (a) further visits to Canadian communities, and also (b) to undertake promotional tours in the United States?

2. Will one of the centennial caravans be sent to the United Kingdom and Europe for promotional purposes?

3. Is it the government's intention to retain any of the other caravans for continued educational and promotional purposes?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the centennial commission: 1. Serious consideration has been given to the feasibility of maintaining the confederation train for further visits to Canadian communities and promotional tours of the U.S.A., and decision has been made, in view of the heavy cost involved, not to maintain the train for either purpose.

2. No.

3. Yes.

CANADIAN NATIONAL RAILWAYS FREIGHT LOSSES

Question No. 608—**Mr. Coates:**

1. Has the Minister of Transport received any explanation from the Canadian National Railways for the loss of freight loadings by that company and, if so, what is the nature of such explanation?

2. What are the comparable freight loading figures for the Atlantic provinces by the Canadian National Railways for September and October, 1967, and September and October, 1966?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes, the management of Canadian National Railways advises as follows: Effective early in the year, there was an unusual and unexpected drop in demand for transportation services prevailing in Canada and the United States. The falloff became more pronounced in September and October. In the nine months from January to September, Canadian National was down about 100,000 carloads of revenue freight compared with the same period in 1966. In October, traffic dropped 12 per cent. Canadian National carried 226,000 carloads in October 1966 which represents a significant drop of 27,000 cars. Other railroads in Canada and the United States have had a similar experience. For example, net income for Class 1 railroads in the United States dropped nearly 30 per cent in the first three months of 1967, 45 per cent in the second three months and 65.7 per cent in the months of July, August and September. In the Atlantic provinces in particular,

carloads of forest products, grain, mine products, coal, steel, gypsum and crushed rock were all down.

2. The management of the railways also advises that it is not possible to answer the question in the form asked as the system is not administered by provinces but by regions. The figures for the Atlantic Region, which includes lines in the provinces of New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island and those in the province of Quebec, east of Riviere du Loup and the NTR line east of Charny, are as follows:

	1967	1966
September	21,668	25,417
October	23,623	25,604.

OTTAWA-HULL—FEDERAL BUILDINGS

Question No. 674—**Mr. Caouette:**

1. What federal buildings does the government intend to build in (a) Ottawa (b) Hull, during the next three years and what will be the cost of each?

2. What federal buildings were built in (a) Ottawa (b) Hull, during the last three years and what was the cost of each?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the departments of Public Works and National Defence as follows: 1. No accurate information can be provided in respect of Part 1 of the question as every new federal building project is subject to the provision by parliament of funds in the departmental annual estimates.

2. The following is a list of the new federal buildings within the city of Ottawa for which construction was completed in each of the last three fiscal years. No such buildings were completed in the city of Hull during those years.

Fiscal Year 1964-65	
Agriculture Processing and Service Building	$ 165,406
Radio Testing Laboratory	542,362
Animal Breeding Building	426,655
Fiscal Year 1965-66	
Department of Veterans Affairs Records Storage and National Film Board Stills Laboratory	2,324,045
Radiation Protection Building	1,825,056
Fiscal Year 1966-67	
Environmental Health Centre	3,117,350
Administration Building for National Research Council	3,204,932
Fiscal Year 1966-67	
National Library and Archives	13,121,485*
Administration Building for Department of National Health and Welfare (Brooke Claxton Building)	7,507,639*
Administration Building for Department of Agriculture (Sir John Carling Building)	11,426,986*
Supply and installation of four transportable classrooms at Canadian forces base, Uplands	29,454
Addition to operations building—(Leitrim)	516,609

*The amounts shown include estimates of final costs which have not yet been paid.

*EXPO '67—RENTAL PAYMENTS TO QUEEN ELIZABETH HOTEL

Question No. 681—**Mr. Smallwood:**

1. What was the total government expenditure on the rental of guest accommodation in the Queen Elizabeth Hotel, during Expo '67?

2. Did the federal government lease an entire floor of the Queen Elizabeth Hotel, Montreal, for the duration of Expo '67?

3. What other accommodation was leased by the federal government for visitors during the period April 27 to October 29, 1967?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the Privy Council office and the Department of the Solicitor General as follows: 1. The total expenditure, as at November 20, 1967, on rental of guest accommodation at the Queen Elizabeth Hotel during Expo '67 amounts to $137,048.83. Guests include the official visiting parties and the accompanying Canadian officials. The above figure includes prearranged staff gratuities.

Eight thousand, eight hundred forty-eight dollars by the Royal Canadian Mounted Police for the accommodation of police personnel responsible for the security of visiting heads of state and other state visitors during Expo '67.

2. An entire floor of the Queen Elizabeth Hotel was not leased for the duration of Expo '67. A block of rooms, however, was leased by the Commissioner General for Visits of State 1967 from April 27 to October 20 inclusive. By agreement with the hotel these rooms could be rented out if they were not required by the Commissioner General.

3. No accommodation was "leased" in the same sense at other hotels. However, normal reservations were secured well in advance at the Windsor Hotel, Ritz Carlton Hotel and the Chateau Champlain in Montreal when the need arose. The same arrangements were made for accommodation at the Chateau Laurier in Ottawa.

DEUTERIUM OF CANADA LIMITED HEAVY WATER PRODUCTION

Question No. 716—**Mr. Basford:**

1. Regarding the answer given to question 484 on November 8, 1967, what quantity of heavy water was stipulated for production by Deuterium of Canada Limited between July 31, 1966, and March 1, 1968?

2. What is the estimate of the cost of the heavy water that will have been purchased from abroad between July 31, 1966 and January 1, 1968?

3. Did the government of Canada expect to sell abroad any heavy water acquired by Atomic Energy of Canada Limited from Deuterium of Canada Limited and, if so, what was the estimate of the total price of the heavy water that was to have been sold between July 31, 1966 and January 1, 1968?

4. What are the basic terms of the contract made on September 9, 1966?

5. What provisions do the two contracts with Deuterium of Canada Limited contain for compensating Canada for extra costs and losses incurred because of failure of Deuterium of Canada Limited to produce on schedule?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): 1. Approximately 300 tons.

2. Approximately $2,800,000.

3. Not prior to January 1st, 1968.

4. The basic terms of the contract are that Deuterium of Canada Limited will construct a heavy water production plant and produce stipulated quantities of heavy water and that Atomic Energy of Canada Limited will underwrite the sale of such heavy water by guaranteeing to purchase unsold heavy water at stipulated prices. Atomic Energy of Canada Limited has an option to purchase all or any part of such heavy water.

5. Although two contracts have been executed only the September 9th, 1966 is in force since the 27th February, 1964 merges in the later contract. The September 9th, 1966 contract contains no provision for compensating Canada for any costs or losses incurred because of late delivery. The contract does contain a schedule of prices dropping from $20.50 per pound for the first 1,000 tons in four steps to $16 per pound for the fifth 1,000 tons. Should Deuterium of Canada fail to meet the delivery schedule spelled out in the contract, the next lowest price will become applicable on the date when in accordance with such schedule delivery should have been effected.

* APPLICATION OF INCOME TAX TO GIFTS TO PROVINCES AND MUNICIPALITIES

Question No. 721—**Mr. Bell (Carleton):**

1. Would the Minister of Finance consider recommending to parliament an amendment to section 27 (1) (b) of the Income Tax Act so that gifts made by a taxpayer to Her Majesty in the right of a province or gifts made by a taxpayer to a municipal corporation would enjoy the same status of deductibility as gifts made to Her Majesty in the right of Canada?

2. Have representations for an amendment to this effect been received from (a) any provincial government (b) any municipal corporation?

3. If so, from which ones?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the answers to the three parts of this question are as follows: 1. This question concerns budget policy. If the government proposes any change in the Income Tax Act affecting deductions in computing taxable income it will be announced at the appropriate time.

2. No, but representations have been received directly from several museums.

3. Not applicable.

HAMILTON, ONT., POST OFFICE—PURCHASE OF TROLLEY CONVEYOR

Question No. 758—**Mr. Howe (Hamilton South):**

1. Was a trolley conveyor purchased by the Hamilton post office in 1961 for which a contract was let on January 16, 1962?

2. What was the quoted cost of the conveyor, and what was the actual cost including additions?

3. What has been the cost of maintenance up to February, 1965?

4. What firms tendered and what were the amounts tendered?

5. Is this conveyor still in use?

6. If not, on what date was its use discontinued and for what reason?

7. What was the total cost of this equipment to the taxpayer?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, the Department of Public Works purchased a trolley conveyor for the Hamilton post office.

2. The price quoted on July 13, 1961 was $81,745 exclusive of taxes. The ultimate price covering the cost of mechanical and electrical alterations, protection against falling mail bags, and taxes, was $126,481.60.

Questions

3. $165.

4. No tenders were received for this installation. At the request of the Post Office Department, a contract was negotiated with G. W. King of Canada Limited, Burlington, Ontario, who were the sole manufacturers of the Stanrun chain trolley type of conveyor. I am informed that officers from the engineering branch of the Post Office Department had seen applications of the conveyor in the United Kingdom postal service. They believed that it would not only solve the special requirement at the Hamilton post office, but was the type of conveyor they wished to install as an experimental unit.

5. No.

6. I am informed by the postal authorities that the use of the conveyor was discontinued on February 22, 1965, because it could not be kept in a reliable working condition. Continued efforts to operate it would have disrupted the handling of mail in the Hamilton post office.

7. $126,646.60.

EXAMINATION OF PRICE-SALARY SITUATION

Question No. 763—**Mr. Godin:**

1. In the framework of the proposed government program to reduce expenditures, have any persons been employed to date to assess the price and salary situation in Canada and, if so, how many?

2. How many other persons will be so employed?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Finance as follows: 1 and 2. Officers of the Department of Finance do this as part of their regular duties, although this year more than normal attention has been given to it.

EXTERNAL AID BY CANADA

Question No. 769—**Mr. Rynard:**

1. What was the total amount of external aid given by Canada for the year 1966-67?

2. What are the names of the countries receiving the above external aid and what was the amount each country received?

Hon. Paul Martin (Secretary of State for External Affairs): 1. Parliament appropriated $207.7 million in 1966/67 for Canada's bilateral aid programs. In addition, credits authorized for developing countries under Section 21-A of the Export Credits Insurance Act amounted to $61.7 million. Total allocations to developing countries in 1966/67 also included $11.7 million in uncommitted development loan funds appropriated in earlier fiscal years. The total bilateral aid program consequently amounted to $281.2 million.

2. See accompanying table giving bilateral external aid allocations 1966/67.

	Allocations Under Canada's External Aid Program 1966/67 (000,000)	
Bilateral allocations		
South East Asia		
India	156.2†	
Pakistan	27.4	
Ceylon	4.5	
Malaysia	2.7	
Others	4.3	195.1
Africa		
Francophone countries	11.1	
Nigeria	6.5	
Ghana	4.0	
Tanzania	2.3	
Kenya	2.0	
Uganda	1.0	
Other Commonwealth countries	2.7	29.6
Europe		
Greece	4.8*	4.8
Commonwealth Caribbean		
Jamaica	3.5	
Trinidad	3.6	
Guyana	2.0	
Little Eight and British Honduras	4.0	13.1
Latin America		
Mexico	15.2*	
Argentina	3.2*	
Other countries	10.0	28.4
Other allocations		
CUSO, UN food program contingency	10.2	10.2
Total—bilateral		281.2
Multilateral allocations—Total		39.3
Grand Total		320.5‡

* Figures represent ECIC commitments only.

† This includes an ECIC commitment of $38.5 million.

‡ This figure includes a carryover in uncommitted funds of approximately $11.7 million from previous years, while the current year's appropriation totalled $308.8 million.

SALARIES PAID TO NATIONAL DEFENCE PERSONNEL

Question No. 771—**Mr. Ormiston:**

What was the gross annual salary paid to (a) civilian and (b) military personnel employed either temporarily or permanently in the Ottawa area at National Defence Headquarters, Canadian Forces Headquarters, Materiel Command, Defence Research Board, Canadian Forces Base at Rockcliffe, Canadian Forces Communications System, Canadian Forces Base at Uplands, as of December 1, 1966, and as of December 1, 1967?

Hon. Léo Cadieux (Minister of National Defence): Information is not now available to provide an accurate answer to this question and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

ST. LAWRENCE RIVER ICEBREAKING SERVICE

Question No. 775—**Mr. McCleave:**

1. Is it the policy of the Department of Transport to carry out icebreaking between Quebec City and Newfoundland for the purpose of flood control in the Gulf of St. Lawrence?

2. If not, for what purpose is such icebreaking carried on?

3. What has been the mileage for each year since 1962, including the projected program for 1967, covered by icebreakers in the waters east of Quebec City?

4. What has been the annual cost of such icebreaking operations since 1962, by year, including the projected program for 1967?

5. What studies have been carried out with regard to flood control for St. Lawrence River communities, and what were the recommendations?

6. Have studies been carried out by the Department with regard to the effect that flood control or other icebreaking measures on the St. Lawrence River will have (a) west of Quebec City (b) east of Quebec City?

7. If the answer to part 6 is yes, what were the results and what, if any, the recommendations?

8. Has the Department considered whether such icebreaking operations have had an adverse effect on the port business of Halifax, Saint John and other ports in Atlantic Canada and, if so, what steps has it proposed to overcome such effects?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. No.

2. Between Newfoundland and Quebec, Department of Transport icebreakers are employed in support of shipping when ice conditions in shipping routes and in approach channels to harbours make it necessary.

3. 1962, 56,802 nautical miles; 1963, 56,812 nautical miles; 1964, 73,786 nautical miles; 1965, 86,464 nautical miles; 1966, 56,809 nautical miles; 1967, 80,850 nautical miles.

Estimated mileage for 1967-68 season, 75,000.

4. 1962, $1,394,000; 1963, $1,384,000; 1964, $1,608,000; 1965, $1,545,000; 1966, $2,157,000; 1967, $1,707,000.

Estimated cost for 1967-68 season, $1,750,000.

5. Ice control for flood prevention in the St. Lawrence river at Montreal and downstream is under continuing study by the department.

In recent years the problem has become somewhat more complex because of man made changes such as development of the world's fair site, and the presence of commercial shipping in the channel opened by icebreakers for flood control. In recognition of this the department last year initiated an intensive investigation of ice problems, including an expanded program of systematic data collection and observance of ice conditions. As a result of preliminary studies, recommendations were made regarding the use of floating ice booms as an ice control measure and an experimental installation has now been completed in Lake St. Peter. The booms are designed to facilitate icebreaking operations by helping to prevent the ice cover breaking up and drifting into the open channel, due to wind action and ship generated waves. As an additional ice control measure, dredged material is being used to construct several artificial islands in the general area of the ice booms. The performance of the booms and the islands will be carefully observed during the winter months.

The operation of the Laprairie Basin ice control structure is being studied in conjunction with other control measures to obtain the most efficient control of the ice in that area.

The phenomena of ice formation and movement are also being studied on the department's scale model of the St. Lawrence river at Lasalle. These studies are preliminary in nature but it is hoped they will eventually provide a useful link in advancing the knowledge of ice formation and methods of control in the river downstream of Montreal.

6. No.

7. Not applicable.

8. The icebreaking operations have facilitated winter navigation to ports of the Atlantic region and the Gulf of St. Lawrence and to ports on the St. Lawrence river as well as providing flood control.

Questions

CYPRUS—COST OF MAINTAINING CANADIAN TROOPS

Question No. 780—**Mr. Thomas (Middlesex West):**

1. What is the average cost per day of maintaining Canadian troops on the island of Cyprus?

2. How many days were Canadian troops stationed on Cyprus prior to December 1, 1967?

Hon. Léo Cadieux (Minister of National Defence): 1 and 2. From 27 March 1964 to 31 December 1967, a period of 1,375 days, the total out of pocket expenses absorbed by Canada over and above the costs which would normally be required to maintain these forces in Canada, is estimated at $11,559,000. This includes the initial positioning of the troops in Cyprus and subsequent rotation costs. Costs have varied, as the number of troops have been reduced and Canada has asked the United Nations to assume more of the out of pocket costs associated with maintaining the Canadian contingent in Cyprus. Although one could divide the out of pocket estimated costs by the number of days in Cyprus to arrive at an average cost per day, it would not provide a true picture.

BILINGUAL BONUS TO PUBLIC SERVICE EMPLOYEES

Question No. 784—**Mr. Caouette:**

1. How many public service employees receive the 7 per cent bonus paid to bilingual employees, and how many in each department?

2. Under what conditions is the bonus granted?

Hon. Judy V. LaMarsh (Secretary of State): I have been given the following information by the Public Service Commission: 1. The attached list indicates the number of employees under the Public Service Employment Act, in each department, who receive the 7 per cent bonus. (There are other public service employees who receive this bonus, but they do not come under the jurisdiction of this act.)

2. The bonus is granted to employees in respect of positions in the secretarial, stenographic and typing group in which adequate performance of duties and/or effective service to the public requires the use of both official languages, who are actually using a second official language at least 10 per cent of their time in the performance of their duties, and who are qualified by the Public Service Commission as meeting an appropriate standard of competence in the two official languages. The responsibility for certifying that the required conditions have been met rests with the deputy head.

[Mr. Byrne.]

Department	Number receiving 7 per cent bonus
Agriculture	49
Auditor General's Office	1
Board of Broadcast Governors	5
Canada Emergency Measures Organization	3
Canadian Maritime Commission	—
Canadian Penitentiary Service	4
Canadian Transport Commission	2
Air Transport Board	4
Board of Transport Commissioners	6
Chief Electoral Officer	3
Comptroller of the Treasury	27
Defence Production	46
Dominion Bureau of Statistics	22
Dominion Coal Board	—
Energy, Mines and Resources	6
External Affairs	90
External Aid Office	23
Finance	6
Fisheries	10
Forestry and Rural Development	21
Government House	3
Indian Affairs and Northern Development	2
Industry	24
Insurance	1
Justice	45
Labour	19
Manpower and Immigration	215
National Defence	149
National Energy Board	3
National Gallery of Canada	3
National Health and Welfare	62
National Parole Board	—
National Revenue—Customs and Excise	77
National Revenue—Taxation	129
Post Office	57
Privy Council Office	16
Public Archives	—
Public Printing and Stationery (Queen's Printer)	13
Public Service Commission	47
Public Works	44
Registrar General	25
Royal Canadian Mounted Police (Headquarters)	43
Secretary of State	99
Tariff Board	3

Department	Number receiving 7 per cent bonus
Tax Appeal Board	4
Trade and Commerce	13
Transport	66
Unemployment Insurance Commission	162
Veterans Affairs	128
Total:	1,780

2.

	Commitment	Expenditure
Newfoundland (Oct. 31/67)		
Middle Brook Falls	$ 13,000	$ 12,089
12 other rural parks	219,000	147,553
Prince Edward Island		
Throughout the province	139,730	42,143
Nova Scotia		
Various counties	291,900	151,380
New Brunswick		
Various locations throughout the province	204,800	72,624
Quebec		
Infrastructure in Laurentide park	100,008	100,008
5 other various locations	41,475	19,767
Ontario		
Muskoka, Prescott, Leeds, Bruce and Haliburton counties	1,724,000	—
Manitoba		
Spruce Woods provincial park	750,000	31,604
Recreational infrastructure in public recreational areas	244,925	119,425
Saskatchewan		
Saskatchewan recreation and tourist program	316,425	305,050
Alberta		
Forest recreation area development program	255,600	12,850

3. No.

CONTRIBUTIONS TO UNIVERSITY OF MANITOBA FOR GRAIN DEVELOPMENT

Question No. 804—**Mr. Horner (Acadia):**

1. Did the federal government contribute financially to the University of Manitoba for the development of the new grain Triticale?

2. Has the federal government any responsibility in the distribution of the new grain called Triticale and, if so, for what reason were the Alberta seed growers not given an opportunity to test the new grain in that province?

3. Is the federal government contributing anything toward the development of a hybrid wheat and, if not, for what reason?

4. Is the federal government doing any experimenting for the development of plastic coating for winter wheat which would prevent winter kill?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Defence Production and Agriculture as follows: 1. Yes, through assisted research grants.

2. No.

3. Yes.

4. No.

PAYMENTS FOR ESTABLISHMENT OR ENLARGEMENT OF PARKS

Question No. 785—**Mr. MacDonald (Prince):**

1. Is money or other forms of assistance being made available by the Department of Forestry and Rural Development to enlarge or establish provincial parks in any of the provinces of Canada?

2. If so, which ones and how much money has or will be expended?

3. Are other parks or areas being considered and, if so, which ones?

Hon. Maurice Sauve (Minister of Forestry and Rural Development): 1. Yes.

Questions

YUKON—STORAGE DAM SITES

Question No. 805—**Mr. Nielsen:**

1. What storage dam sites in the Yukon, if any, have been examined during each of the years 1960 to 1967 inclusive?

2. In each case, has a report on such site been submitted to the government and, if so, what is the nature of the contents and recommendations, if any, of each such report?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of Energy, Mines and Resources is concerned: 1. Upper and Lower Porcupine Canyon on Porcupine river, 1962 and 1964; Bell Site on Porcupine river, 1963 and 1964; Summit Lake on Porcupine and Rat rivers, 1962 and 1963; Selwyn on Yukon river, 1960; Fort Selkirk Draw on Yukon river, 1960; Upper Ogilvie on Yukon river, 1961; Lower Ogilvie on Yukon river, 1961; Gerc on Pelly river, 1961; Hoole on Pelly river, 1965; Detour on Pelly river, 1966; Granite Canyon on Pelly river, 1966; Aberdeen Falls on Peel river, 1962 and 1964; Wind River on Peel river, 1962 and 1964; Bonnet Flume on Peel river, 1962 and 1964; False Canyon on Frances river, 1961 and 1962; Lower Canyon on Frances river, 1962; Upper Canyon on Frances river, 1965; Upper and Lower Liard Canyon on Liard river, 1961 and 1962; Lower Canyon on White river, 1961; Kluane Canyon on Kluane river, 1962; Ross Canyon on Ross river, 1962; Prevost Canyon on Ross river, 1967; Fraser Falls on Stewart river, 1965; Five Mile Rapids on Stewart river, 1965; Kathleen Lake on Kathleen river, 1961; Otter Falls on Aishihik river, 1967.

2. No. These reports were prepared for departmental use only.

In so far as the Department of Indian Affairs and Northern Development is concerned: 1. and 2. The only relevant information which is in the possession of the Department of Indian Affairs and Northern Development concerns the study of the Yukon's hydroelectric requirements on a long term basis as dictated by the area's existing and potential non-renewable resources developments. This study is being carried out by the firm of T. Ingledow and Associates Limited and, although a preliminary copy of the Ingledow report has been received, the full report will not be available for some time.

HIGHWAY IN PRINCE EDWARD ISLAND NATIONAL PARK

Question No. 807—**Mr. Macquarrie:**

1. When did construction commence on the gulf shore highway in the Prince Edward Island national park?

2. When did construction cease?

[Miss LaMarsh.]

3. What is the total length of this highway?

4. What was the total cost of the highway so far completed?

5. Is it intended to construct the portion of the highway across Rustico harbour?

6. Has the National Research Council completed its study of the feasibility of constructing this portion of the highway?

7. How long has the project been under study?

8. What government departments have been involved?

9. What is the distance by existing highways between portions to gulf shore highway on either side of Rustico harbour?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Indian Affairs and Northern Development and Defence Production as follows: 1. Work commenced on this highway on April 25, 1956.

2. Work ceased November 6, 1965.

3. The highway is 20.0 miles in length.

4. Construction costs were $2,955,743.38. In addition, engineering fees of approximately 5 per cent were paid to the Department of Public Works.

5. Due to the high cost, it does not appear to be practical to construct the bridge at this time.

6. The division of mechanical engineering carried out engineering studies during 1962 and 1963 and submitted laboratory memoranda to the Department of Public Works containing tentative proposals of various schemes of constructing a highway across the entrance of Rustico Harbour.

7. Answered by 6.

8. The Department of Indian Affairs and Northern Development, the Department of Public Works and the National Research Council.

9. The distance from Brackley beach to Rollings Pond, around Rustico Harbour, is 12 miles.

FOOD OUTLOOK—DISTRIBUTION BY DEPARTMENT

Question No. 812—**Mr. Hales:**

1. How many Food Outlook bulletins are circulated each month by the Canadian Department of Agriculture, economics division?

2. What is the approximate cost, including postage, of this circular?

3. Are these bulletins mailed to private individuals?

4. To what groups or organizations are they mailed?

Hon. J. J. Greene (Minister of Agriculture): 1. 1,140.

2. $22 per issue.

3. Yes.

4. The publication Food Outlook is mailed to hospitals, colleges, schools, clubs, orphanages, correctional institutions, dieticians, food buyers and others upon request.

OLD AGE SECURITY PAYMENTS INCREASE

Question No. 816—**Mr. Howe (Wellington-Huron):**

1. Is there to be an increase in old age security payments in the near future?

2. If there is such an increase, how much is it and why are these payments being increased?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. Yes, in January 1968. This information was made known to the house on October 18 when the Minister of National Health and Welfare tabled a press announcement concerning pension increases.

2. The Old Age Security Act provides for an increase in the basic amount of the pension related to increases in the Pension Index. As a result of the Pension Index increasing by two per cent for 1968, Old Age Security pensions will increase from $75 to $76.50 in January. In addition, the maximum supplement payable under the Guaranteed Income Supplement portion of the Old Age Security Act will rise from $30 to $30.60 a month. For those receiving the maximum supplement their combined benefit will be $107.10.

Questions

EXPENDITURES BY COMMISSION ON BILINGUALISM AND BICULTURALISM

Question No. 825—**Mr. Godin:**

1. What were the total expenditures incurred by the royal commission on bilingualism and biculturalism?

2. What were the total expenditures incurred by each of the members of the commission since their appointment?

3. How much will the work of the commission cost the federal treasury?

4. How many copies of the preliminary report of the commission were printed (a) what was the total cost (b) how many copies were printed in French (c) how many copies were printed in English?

5. How many copies of the first report of the commission were printed (a) what was the total cost (b) how many copies were printed in French (c) how many copies were printed in English?

6. How is the distribution being made of the first report of the commission?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Prime Minister's Office and the Department of Public Printing and Stationery as follows: 1. The total expenditures incurred by the Royal Commission on Bilingualism and Biculturalism from August 1963 up to November 30, 1967, were $6,601,-531.06.

2. The total expenditures incurred by each of the members of the Commission since their appointment in July 1963 up to November 30, 1967 were as follows:

Commissioners	Living & Travel Expenses*	No. of days at $100 per day	Total Honoraria Payments	Total Expenditures
C. Cormier, Moncton, N.B.	$ 12,579.94	321½	$ 32,150.00	$ 44,729.94
D. Dunton, Ottawa	4,256.08	528½	52,850.00	57,106.08
R. Frith, Toronto	15,321.74	530	53,000.00	68,321.74
J.-L. Gagnon, Montreal	16,312.35	823½	82,350.00	98,662.35
Mrs. G. Laing, Calgary	25,098.09	416½	41,650.00	67,748.09
P. Lacoste, Montreal	2,393.05†	203	20,300.00	22,693.05
A. Laurendeau, Montreal	16,747.10	903	90,300.00	107,047.10
J. Marchand, Quebec	5,215.03†	144½	14,450.00	19,665.03
J. Rudnyckyj, Winnipeg	18,133.65	394½	39,450.00	57,583.65
F. Scott, Montreal	8,136.44	381	38,100.00	46,236.44
P. Wyczynski, Ottawa	3,967.66	392½	39,250.00	43,217.66
Total	$129,161.13		$503,850.00	$633,011.13

*Reimbursement of actual travel expenses plus allowance of $20 per diem to cover living expenses while absent from home city on Commission business.

†J. Marchand resigned as Commission member September 1965. P. Lacoste appointed Commissioner November 1965.

Questions

3. It is estimated the work of the Comsion will cost the Federal Treasury up to March 31, 1968, $6,957,382.31. This figure is arrived at as follows:

Expenditures up to November 30, 1967	$ 6,601,531.06
Balance of estimates for 1967-68	355,851.35
	$ 6,957,382.31

4. 35,343 Copies (including 4,513 bilingual copies): (a) $33,829.13; (b) 10,398 French copies; (c) 20,432 English copies.

5. 17,131: (a) $36,402.47; (b) 5,700 French copies; (c) 11,431 English copies.

6. Distribution made by the B and B Commission and sales copy through Q.P.'s Mail Order Services, Q.P. Bookshops and Agencies.

[*English*]

*NATIONAL DEFENCE—FATALITIES WHILE IN TRAINING

Question No. 834—**Mr. Herridge:**

What are the statistics relating to the number of men in the Canadian Armed Forces who were killed while in training during the year 1966?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the answer is 13.

ROYAL CANADIAN NAVY—PERSONNEL STRENGTH

Question No. 838—**Mr. Lambert:**

1. As of November 30, 1967, what was the strength in (a) officers (b) non-commissioned officers, and (c) ratings, of the Royal Canadian Navy?

2. What were the related strengths as of (a) November 30, 1966, and (b) May 31, 1967?

3. In the period May 31 to November 30 (1967), how many releases from service were made in the R.C.N., how many re-engagements, and what was the number of recruits for the same period?

Hon. Léo Cadieux (Minister of National Defence): 1 and 2.

	November 30, 1966	May 31, 1967	November 30, 1967
(a)	3,118	3,068	3,187
(b)	9,127	9,363	9,369
(c)	5,857	5,998	5,855

3.

Releases	Re-engagements	Recruits
1,272	1,074	1,254

[Miss LaMarsh.]

NATIONAL DEFENCE—PURCHASE OF JET TRANSPORT AIRCRAFT

Question No. 839—**Mr. Lambert:**

1. Has consideration been given to the acquisition by the Department of National Defence of one or more C-5A jet transport aircraft and, if so, what is the nature of the proposal as to the numbers, cost per copy, schedule of delivery and purpose?

2. Has a decision been reached and, if so, what is the nature thereof?

Hon. Léo Cadieux (Minister of National Defence): 1 and 2. The production of the C-5A jet transport for the United States forces is being watched with interest. However, no decision has been made regarding the acquisition of such aircraft by the Department of National Defence.

NATIONAL DEFENCE—PURCHASE OF DYNAVERT AIRCRAFT

Question No. 842—**Mr. Lambert:**

1. Do the Canadian Forces propose to acquire a number of CL-84 Dynavert aircraft and, if so, how many, at what cost per copy, and what is the schedule of delivery?

2. What role is to be assigned to such an aircraft?

Hon. Léo Cadieux (Minister of National Defence): 1. and 2. Three prototype aircraft are being procured as a joint development program supported by the Department of Industry and the Department of National Defence. The aircraft will be used to conduct technical evaluation and operational trials to determine the potential and military applications of the vertical take off and landing concept in support of land forces, in the maritime environment and for search and rescue. Delivery is expected to commence a year from date of contract. The estimated program cost is $13,-100,000 including development, manufacture, evaluation and support of the three test aircraft.

NATIONAL DEFENCE—TRIAL OF NEW SALUTE

Question No. 847—**Mr. MacEwan:**

Are Canada's Armed Forces now using a new salute on a trial basis and, if so (a) what ranks are using this salute (b) how is the salute physically effected (c) will all members of Canada's Armed Forces be using this salute?

Hon. Léo Cadieux (Minister of National Defence): Yes, (a) selected members of the Canadian forces of all ranks are now using the

proposed new salute; (b) the proposed salute is effected as follows:

(1) To salute to the front, bend the right elbow and bring the right hand by the shortest route to the position at the headdress. (2) During the movement, the back of the hand is uppermost with the fingers together and straight. Continue the upward movement with the palm of the hand down. In the position of the salute, the fingers are extended, together, with the tip of the forefinger approximately in line with the right eyebrow, the upper arm (from shoulder to elbow) horizontal. The forearm, wrist and fingers are straight from the elbow to the point where the forefinger touches the cap. (3) To return to the position of attention, cut the hand to the side by the shortest route. The hand is closed after the forearm is lowered below shoulder level. The salute is held for a regulation pause before returning to the position of attention.

(c) If considered acceptable and when authorized, all members of the Canadian forces will use a common salute.

DISTRIBUTION OF CENTENNIAL MEDALS

Question No. 849—**Mr. Prittie:**

1. Did all the members of the legislatures of all the provinces receive centennial medals?

2. Were centennial medals awarded to all members of civic governments (city councils, municipal councils, school boards, park commissions, etc.)?

3. If the answer to Part 2 is no, what criteria were used to determined which persons in civic government were awarded centennial medals?

4. Who, in each province, was given the responsibility for recommending the names of persons, elected or appointed, in civic government to receive centennial medals?

Hon. Judy V. LaMarsh (Secretary of State):
1. Yes.

2. No.

3. By the terms of reference of the centennial medal, persons nominated for the medal must have given specially valuable service to Canada. Further criteria employed by public and private bodies submitting nominations are at the discretion of such bodies.

4. The government decorations committee formally requested the lieutenant-governor in each province to invite nominations through appropriate channels of provincial and civic governments. No further information is available about the recommending procedures followed.

BISSETT, MAN.—R.C.M.P. DETACHMENT

Question No. 851—**Mr. Schreyer:**

Has the Government of Canada received any representations in 1967 from the Government of Manitoba requesting the re-establishment of an R.C.M.P. Detachment at Bissett?

Hon. L. T. Pennell (Solicitor General): Answer in so far as it relates to the Department of the Solicitor General, is as follows: no.

"WAITING FOR CAROLINE"—EXPENDITURES ON C.B.C. PRODUCTION

Question No. 853—**Mr. Howe (Wellington-Huron):**

What was the total expenditure by the CBC for "Waiting for Caroline", a production on the national network, which was shown on Wednesday, November 29?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows: Final payments have not yet been made. The indicated total cost to C.B.C. is $255,628.18.

LONDON, ENGLAND—PRESENCE OF CANADIAN TREASURY OFFICERS

Question No. 855—**Mr. Godin:**

Are there any Canadian Government Treasury Officers in London, England and, if so (a) what are their names (b) what are their duties (c) what are their annual salaries?

Hon. Mitchell Sharp (Minister of Finance): Yes; (a) J. S. Sutherland; C. A. Zimmerling; and a staff of 23 locally engaged clerical and stenographic employees; (b) To act on behalf of the Comptroller of the Treasury to control all payments out of the consolidated revenue fund on behalf of Canadian government departments in accordance with the provisions of the Financial Administration Act; (c) J. S. Sutherland, $15,931 per annum. C. A. Zimmerling, $7,433 per annum.

TRAVEL EXPENSES TO DOCTORS FROM FRENCH SPEAKING COUNTRIES

Question No. 856—**Mr. Isabelle:**

1. Did the federal government pay travel and residence expenses for certain delegations of doctors from some French-speaking countries in Africa and Asia at the time of the international congress of French-speaking doctors held in Montreal at the end of September, 1967?

2. If so (a) what countries were involved (b) what expenditures were incurred for each country?

Questions

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): Insofar as the Department of External Affairs is concerned:

1. Yes.

2.

(a)	(b)
Ivory Coast	$2,520.94
Upper Volta	1,128.79
Togo	1,203.58
Dahomey	2,263.58
Niger	75.00
Malagasy	3,230.56
Congo (Brazzaville)	1,245.29
Tchad	1,208.79
Gabon	1,245.29
Rwanda	1,420.29
Burundi	1,419.89
Congo (Kinshasa)	1,245.28
Senegal	2,011.58
Cameroun	3,737.37
Tunisia	2,634.87
Laos	3,929.66
Vietnam	3,089.56
Morocco	2,438.00
Central African Republic	1,245.38

[*English*]

CANADIAN TUNA COMPANY LIMITED—FEDERAL SUBSIDY ON SHIPS

Question No. 857—**Mr. MacRae:**

1. How many ships have been built for the Canadian Tuna Company Limited to which a federal government subsidy was paid?

2. Where were these ships built?

3. Where will they be used?

4. What were the total construction costs?

5. What was the total amount of the subsidy?

6. Do Maritime Provinces shipyards have a permanent percentage of federal shipbuilding contracts?

7. If so, what is the percentage allocated to Maritime Provinces shipyards?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Industry, Defence Production, and Transport as follows: 1. There is no record of any federal government subsidy paid or to be paid in respect of fishing vessels built to the order of Canadian Tuna Company Limited.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Not applicable.

6. No.

7. Not applicable.

[Mr. Isabelle.]

REMOVAL OF PERSONNEL FROM NATIONAL DEFENCE TO TRANSPORT

Question No. 859—**Mr. Orlikow:**

1. As of December 1, 1967, how many persons in the Department of National Defence moved to the Department of Transport, and on what dates were they moved?

2. Of these, how many were employed in the Information and/or Public Relations Services of the Department of National Defence?

3. Of these, how many were military personnel?

4. Of those who moved, how many years of service with the Department of National Defence did each have?

Hon. Léo Cadieux (Minister of National Defence): 1. As of 1 December, 1967, ten persons in the Department of National Defence moved to the Department of Transport as follows: 6, 19 September, 1967; 3, 20 September, 1967; 1, 1 December, 1967.

2. One.

3. Two.

4. Mr. W. M. Lee, 24 years 2 months; Corporal J. Y. Gleason, 20 years 4 months; Acting Wing Commander R. Turner, 19 years; Mrs. J. T. Lafleche, 19 years 9¾ months; Mrs. M. B. E. Drolet, 14 years 4 months; Miss M. M. M. Bulger, 4 years 5 months; Mr. R. G. Edwards, 2 years 11 months; Mr. R. G. Gairns, 1 year ½ month; Mr. R. J. McDowall, 2 months; Mr. R. P. Stone, 1 month.

COURSES UNDER MANPOWER AND TECHNICAL-VOCATIONAL LEGISLATION

Question No. 860—**Mr. Orlikow:**

1. How many adults in each province took courses under the provisions of the Manpower Training Act in each month in the years 1965, 1966 and 1967?

2. How many adults in each province took courses under the provisions of the Technical-Vocational Training Act in each month in the years 1965, 1966 and 1967?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The Department of Manpower and Immigration's adult occupational training program has ben in operation only since April 1, 1967. Enrolments are not separated by provinces because some people are referred to training across provincial boundaries. By region, enrolments from April 1 to November 30, 1967, were as follows:

Region	In training on Apr. 1/67	New Enrolments						Total in training during period Apr. 1–Nov. 30/67
		Apr. 1–June 30	July	Aug.	Sept.	Oct.	Nov.	Total	
Atlantic region	10,254	1,097	514	173	3,523	2,226	1,282	8,815	19,069
Quebec region	26,862	196	525	189	1,626	4,526	2,087	9,149	36,011
Ontario region	25,390	8,991	562	1,764	5,320	5,272	5,975	27,884	53,274
Prairie region	10,225	3,413	374	272	3,311	2,576	1,776	11,722	21,947
Pacific region	3,799	1,411	185	83	946	393	571	3,589	7,388
Canada Total	76,530	15,108	2,160	2,481	14,726	14,993	11,691	61,159	137,689

2. Under the technical and vocational training agreements enrolments in the major programs, including apprenticeship, for the years 1964-65, 1965-66 and 1966-67 in each province, were as follows. These provincially operated courses included a considerable number of youths who are now training in provincial programs rather than under the O.T.A. program.

Province	1964-65	1965-66	1966-67
Nfld.	1,361	1,314	4,246
P.E.I.	194	374	656
N.S.	2,348	2,874	6,123
N.B.	2,267	938	4,473
Que.	11,872	12,355	33,410
Ont.	34,478	42,102	70,800
Man.	3,702	4,210	8,003
Sask.	2,712	3,131	6,205
Alta.	6,795	7,873	10,539
B.C.	5,452	4,853	6,839
Y.T.	130	87	146
N.W.T.	23	35	17
Total	71,334	80,146	151,457

	Ontario	Manitoba
April-June	776	—
July	110	—
August	131	149
September	202	—
October	383	—
November	455	—
Total	2,057	149

In the Atlantic region and Quebec language training is included in basic education upgrading courses and not separated from mathematics, science, etc. Similarly, there were no separate (special) language classes under O.T.A. in Saskatchewan.

2. Prior to March 31, 1967, these courses were provided by the provinces under the shared cost technical and vocational training agreements. In statistical reports Special English courses were not separated from general basic education upgrading.

ENGLISH COURSES UNDER MANPOWER AND TECHNICAL VOCATIONAL LEGISLATION

Question No. 861—**Mr. Orlikow:**

1. How many new Canadians in each province took courses in Special English under the provisions of the Manpower Training Act in each month in the years 1965, 1966 and 1967?

2. How many new Canadians in each province took courses in Special English under the provisions of the Technical-Vocational Training Act in each month in the years 1965, 1966 and 1967?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Under the occupational training for adults program, which began to operate on April 1, 1967, the enrolments in language training courses, by province, were as follows:

Alberta	British Columbia	Total
—	93	869
—	—	110
—	—	280
—	—	202
65	—	448
15	7	477
—		
80	100	2,386

DONATIONS TO ENGLAND

Question No. 864—**Mr. Grégoire:**

1. Have donations been made to England in the form of food, merchandise, armaments, or any other form since 1938?

2. If so (a) in which year was each of these donations made (b) what was the value of each of these donations?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Yes.

Questions

2. (a) and (b) Details by individual years are not available. As far as can be determined, Canada made no donations in kind to Britain from 1939-42, from 1946-49 and from 1964-67 (however in 1942 a contribution of 1 billion was made for the purchase by Britain of Canadian war supplies for its own and other Allied use); from 1943-45, goods worth approximately $720 million were made available to Britain each year as part of Canada's Mutual Aid program, under which contracts were signed with allied nations to provide foodstuffs, war materials and other supplies without payment; and between 1950 and 1963, military equipment worth $170,465,000 was donated to Britain under the Mutual Aid program by which NATO allies were provided, at their request, with material surplus to Canadian requirements.

[*English*]

DISCONTINUATION OF RURAL MAIL DELIVERIES ON SATURDAYS

Question No. 870—**Mr. Scott (Victoria (Ont.)):**

1. Is it the intention of the Post Office Department to discontinue urban mail deliveries on Saturdays?

2. Will the Post Office Department continue the delivery of rural mail on Saturdays?

Hon. Jean-Pierre Côté (Postmaster General): 1. Preliminary studies concerning the curtailment of postal service on weekends have been initiated. These studies are in line with recommendations 58 and 59 of the royal commission on working conditions in the Post Office Department.

Studies to date have dealt with the effect these recommendations would have on staff needs. Studies are under way to assess the full impact of the recommendations on such problems as storage space, delays to mail and other related considerations. There is also the question of public reaction to be resolved.

Only after a detailed analysis has been made of all factors concerned will it be possible to make concrete proposals as to the course of action, if any, that will be taken with regard to the curtailment of urban mail deliveries on Saturdays.

2. Any possible effect that a curtailment in postal services upon the weekends might have on rural mail delivery will be thoroughly examined.

EMPLOYMENT OF IMMIGRANTS BY CANADIAN MINES

Question No. 871—**Mr. Orlikow:**

Are any Canadian mining firms or mining associations now recruiting immigrant miners, and mine labourers, overseas, through the facilities of the Department of Manpower and Immigration, or are they hiring those immigrants on their own and then having immigration officials approve their entry into Canada?

2. What are the names and addresses of each mining firm and mining association that are taking part in this overseas recruitment program?

3. (a) What are the European countries visited by representatives of each mining firm and mining association (b) are the Branches of the Department of Manpower and Immigration in each one of those countries assisting or participating in this recruitment?

4. (a) Has the Department of Manpower and Immigration any information as to the total number of immigrant miners and mine labourers each firm will be bringing into Canada during the next six months (b) how many miners and mine labourers have been brought into Canada to date this year by the Department of Manpower and Immigration for employment in the mines as miners and mine labourers?

5. What is the exact location of each mine in Canada where those immigrant miners and mine labourers are to be employed?

6. (a) Have any or all those mines listed their labour requirements with the various Canada Manpower Centres (b) what are the possibilities now of recruiting Canadian workers for employment in the mines as miners and mine labourers instead of bringing into Canada immigrants for this work?

7. (a) Did the Department of Manpower and Immigration discuss with the mining association or with the individual mine officials the possibility of training Canadian workers for this work (b) if so, what was the result (c) can mine workers or prospective mine workers be given training under present training programs?

8. (a) Did the Department of Manpower and Immigration discuss with the unions which have organized the workers in Canadian mines and which have agreements with the mining companies, the attitude of the unions in respect to bringing in immigrant miners and mine labourers to work in Canadian mines (b) if so, what was the attitude of the unions concerned?

9. (a) Did the Department of Manpower and Immigration discuss with the unions which have organized the workers in Canadian mines the attitude of the unions to the training of Canadian workers to work in Canadian mines (b) if so, what was the attitude of the unions concerned?

10. (a) Did the Department of Manpower and Immigration discuss with the mining firms or mining associations the possibility of meeting part or all of their recruitment problems through the hiring and/or training of Canadian Indians and Eskimos (b) if so, what was the attitude of the companies to such a proposal?

[Mr. Martin (Essex East).]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Yes. Three mining firms have been recruiting miners and mine labourers abroad and several other firms are completing arrangements to send representatives overseas for recruitment through the facilities of the Department of Manpower and Immigration.

2. The three mining companies who have been recruiting overseas are: Little Long Lac Gold Mines Ltd., 112 King Street W., Toronto, Ont.; International Nickel Co. of Canada Ltd., Sudbury, Ontario; Patrick Harrison and Company, Montreal, Quebec.

3. (a) Germany—(Little Long Lac Gold Mines Limited) (Patrick Harrison and Company) United Kingdom—(International Nickel Co. of Canada Ltd.) (b) Yes.

4. (a) The three companies have indicated that they hope to recruit: Little Long Lac, 100 miners; International Nickel, 275 miner trainees; Patrick Harrison and Company, 50 miners. (b) 250 were admitted to Canada up to September 30, 1967.

5. It is expected that the immigrant miners and mine labourers who will be recruited as a result of current activity will be employed at the following locations: Little Long Lac group of mines: Macassa Gold Mines Limited, Kirkland Lake, Ontario. Wilroy Mines Limited, Manitouwadge, Ontario. Willecho Mines Limited, Manitouwadge, Ontario. Renabie Mines Limited, Renabie, Ontario. MacLeod-Cockshut Gold Mines Limited, Geraldton, Ontario. Wasamac Mines Limited, Rouyn, Quebec. East Malartic Mines Limited, Norrie, Quebec. Malartic Gold Fields (Quebec) Limited, Fourniere and Dubuisson Townships, Quebec. Marband Gold Mines Limited, Fourniere and Dubuisson Townships, Quebec. Norbeau Mines Limited, Chibougamau, Quebec. International Nickel Co. of Canada Limited, Sudbury, Ontario. Patrick Harrison and Company, contract mining anywhere in Canada.

6. (a) Yes. (b) Canadian workers are continually being recruited for employment in the mines as miners and mine labourers. The supply has been insufficient to meet the need.

7. (a) Yes. (b) In 1966 and 1967 the federal government contributed 50 per cent to 75 per cent of the instructional costs for 22 training projects operated by mining companies. These projects involved the training or upgrading of about 5,300 mine workers. In addition there has recently been a sizable movement of mine workers from other parts of Canada under the department's manpower mobility program. (c) Yes.

8. The unions have not expressed views to the department. If they did so, they would receive full consideration.

9. The unions have not indicated any views. If they did so, they would be received with great interest.

10. (a) Yes. The Department of Manpower and Immigration has discussed with mining firms and the mining association the recruiting of miners and mine trainees in all surplus labour areas of Canada, and has actively promoted the recruiting of Canadian Indians and Eskimos. (b) The attitude of the companies has been to accept suitable candidates obtained through such programs.

CAPE BRETON DEVELOPMENT CORPORATION—PURCHASE OF SHARES

Question No. 877—**Mr. Caouette:**

1. Will the Cape Breton Development Corporation purchase the shares or the assets of the nationalized companies?

2. Will the Corporation indemnify the former owners with money or with interest-bearing bonds?

3. Has the Corporation completed the inventory of the assets to be expropriated and will this inventory be submitted to the registry office?

4. What will be the method of assessment of the amounts of the assets in the balance sheet, the direct evaluation of the assets, the stock exchange capitalization, etc.?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): 1. The corporation has made no decision concerning the method of acquisition of lands and personal property of the companies.

2. No decision has been made.

3. The preparation of an inventory of assets is continuing actively, but is not completed. The provisions of sections 9 and 10 of the Cape Breton Development Corporation Act will govern future action in this regard.

4. No decision has been made.

EQUALIZATION PAYMENTS TO PROVINCES

Question No. 878—**Mr. Bell (Saint John-Albert):**

1. What is the estimate of the equalization payments to the provinces for the current year ending March, 1968?

2. Have any estimates been made for the year ending March 31, 1969 and, if so, what are the figures in each case by provinces?

Hon. Mitchell Sharp (Minister of Finance): 1. The equalization payments to the provinces under the Federal-Provincial Fiscal Arrangements Act, 1967, for the fiscal year ending March 31, 1968, are estimated as follows: (in thousands of dollars) Newfoundland, $67,781; Prince Edward Island, $14,071; Nova Scotia, $77,133; New Brunswick, $66,317; Que-

bec, $249,560; Ontario, $——; Manitoba, $43,456; Saskatchewan, $26,438; Alberta, $——; British Columbia, $——.

2. The estimate of equalization payments to the provinces for the fiscal year ending March 31, 1969, will be contained in the estimates of government expenditures for the 1968-69 fiscal year when those estimates are submitted to parliament for approval.

PERSONNEL OF COMMISSION ON STATUS OF WOMEN

Question No. 881—**Mr. Caouette:**

1. Who are the members of the commission dealing with the status of women, and (a) when were they appointed (b) for how many days did they meet?

2. What are the names of the members of the staff of this commission and what are their salaries?

3. How much has been spent by the commission since its inception?

4. When does the commission expect to submit its report?

5. What contracts were awarded by the commission, what was their purpose, and when will they be completed?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the royal commission on the status of women in Canada as follows:

1. Mrs. John Bird, Miss Elsie Gregory MacGill, Mrs. Ottomar Lange, Miss Jeanne Lapointe, Mrs. Robert Ogilvie, Mr. Jacques Henripin. (a) February 16, 1967; (b) 15 days.

2. Miss Monique Bégin, $22,000 per annum; Dr. H. David Kirk, $22,000 per annum; Miss Monique Coupal, $17,500 per annum; Miss R. Cass-Beggs, $13,500 per annum; Mrs. Trudy Kassner, $35 per diem; Mrs. Martha Hynna, $6,600 per annum; Mrs. Isabelle C. Desjardins, $6,500 per annum; Mrs. Nancy Ross, $6,400 per annum; Miss Maureen J. Spencer, $5,640 per annum.

3. $218,946.16.

4. A report will be submitted with all reasonable despatch, as soon as possible after completion of the commission's research program, public hearings, etc., as is customary with commissions of inquiry.

5. Contracts:

Awarded to	Purpose	Completion date
Me Bérengère Gaudet Notary, Montreal, Quebec.	Study entitled "Family Affairs"	October 1, 1967
Canadian Centre for Community Studies, 151 Slater Street, Ottawa, Ontario.	Research project for the purpose of evaluating the relevance and suitability of existing research instruments and methods for the subsequent conduct by the commission of a sociological survey on roles and functions of women in Canada at various ages of their lives	August 31, 1967
Professor Ronald D. Lambert, B.A., M.A., Ph.D., University of Waterloo, Waterloo, Ontario.	Study entitled, "The Formation of Sex-role Conceptions in Young People"	January 31, 1969
Mrs. Patricia Cockburn, B. Com, Consultant in Economics, Ottawa, Ontario.	Study entitled, "Women University Graduates in Continuing Education and Employment 1966"	September 1, 1967
Canadian Association of University Teachers, 77 Metcalfe Street, Ottawa, Ontario.	Special report entitled, "Discrimination in Promotion for Women University Teachers"	February 15, 1968
Miss Marianne Bossen, Professor of Economics, United College, Winnipeg, Man.	Study entitled, "The Status of Female Employees in Department Stores"	February 29, 1968

[Mr. Sharp.]

SAINTE-ANNE-DE-SOREL, QUE.; BREAKWATER

Question No. 884—**Mr. Godin:**

1. What is the estimated quantity of stone, in tons, required to build the breakwater now being constructed at Sainte-Anne-de-Sorel?

2. What was the amount of the contract awarded?

3. To what company was it awarded and where is its head office?

4. What is the name of the chairman of the club which will administer this marina?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. 37,000 tons.

2. The contract was awarded on a unit price basis, as follows: excavation, $0.50 per cubic yard; earthfill, $0.31 per cubic yard; stone, $1.50 per ton; plain concrete, $13.50 per cubic yard; reinforced concrete, $28.50 per cubic yard; galvanized steel pipe-arch, $20.00 per lineal foot.

3. Les Entreprises J. R. Denoncourt Enrg., Nicolet, Que.

4. The marina will be administered by L'Auberge de la Rive Ltée, the president of which is the Hon. Lucien Cardin.

[*English*]

APPLICATIONS FOR MEDICAL RESEARCH EQUIPMENT

Question No. 889—**Mr. Brand:**

1. Under what circumstances and for what points in time are applications for major equipment for medical research considered for approval by (a) health resources fund (b) Medical Research Council?

2. Is there any limit on the number of applications for major equipment for medical research for the same laboratory or the same investigator eligible for approval under the health resources fund?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. (a) Contributions from the health resources fund are paid to provinces in an amount up to 50 per cent of the reasonable costs of all basic equipment necessary for the operation of a newly acquired, constructed or renovated health training facility. Applications are received from provinces at any time and are generally approved within a few days, provided the projects are included in provincial five year programs approved by the health resources advisory committee in accordance with the act; (b) Applications are received by the Medical Research Council at any time from individual investigators for the support of all research equipment not eligible for support by the health resources fund.

2. The only limits to support by the health resources fund of the costs of basic research equipment required by a new health training facility are: (a) Equipment is ineligible if it is delivered before the date on which the contract is signed for the construction, renovation or acquisition of the facility; (b) Equipment is ineligible if it is not installed and ready for use within 18 months of completion of the facility.

"HATCH'S MILL"—PAYMENT BY SPONSORS

Question No. 891—**Mr. MacEwan:**

What are the names of the sponsors, referred to on page 5663 of *Hansard*, December 20, 1967, and what do the two sponsors pay for each half-hour of the C.B.C. production "Hatch's Mill"?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows: The two alternating sponsors of "Hatch's Mill" referred to on page 5663 of *Hansard* were General Foods and Chrysler. In addition, a third sponsor, Procter and Gamble, was involved on a weekly basis. It has not been customary to require the corporation to disclose payments from sponsors as this would affect the position of the C.B.C. in the competitive business in which it is engaged.

MAIL COLLECTION IN HIGH-RISE BUILDINGS

Question No. 893—**Mr. McCleave:**

1. Does the Post Office Department provide for collection of mail inside all high-rise apartment buildings?

2. What is the policy with regard to mail collections in or from such buildings?

3. Has the Department turned down a request for in-site collection of mail from tenants of buildings of 15 storeys or more in height?

Hon. Jean-Pierre Côté (Postmaster General): 1. No.

2. The department places street mail receptacles as conveniently as possible outside of large apartment buildings where they will be accessible to the apartment dwellers as well as to other patrons in the same vicinity.

3. Yes. Because of the difficulties of collection the department does not normally place receptacles inside apartment buildings. However, apartment buildings of this size would usually be served by receptacles placed in the immediate area.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

QUEBEC—JURISDICTION OF ATLANTIC DEVELOPMENT BOARD

Question No. 417—**Mr. Caouette:**

1. Does the government intend to give the Atlantic development board jurisdiction over the eastern Quebec area?

2. Has the government received representations from the province of Quebec with regard to Quebec's Atlantic region?

3. What subsidies have been granted to the provinces under this program?

4. Has the government requested, or does it intend to request an opinion from the Supreme Court as to the constitutionality of expenditures of a regional nature?

Return tabled.

BRIDGES—FEDERAL FINANCIAL CONTRIBUTIONS

Question No. 533—**Mr. McCleave:**

1. Has the federal government or any department or agency thereof made financial contributions towards the building of bridges within Canada or on the Canadian border in the past 10 years?

2. If so, in what amounts and where?

3. On what authority are such contributions made, and what, if any, is the formula to share the costs with other levels of government or non-federal bodies?

Return tabled.

HOUSING—RESEARCH TO REDUCE COSTS

Question No. 699—**Mr. McCutcheon:**

1. Has the government undertaken research programs to reduce housing costs through the use of (a) new designs (b) new materials (c) new production techniques?

2. If so (a) what are the programs (b) what budget has been allotted?

Return tabled.

PUBLIC BUILDINGS—OFFICE SPACE IN CAMPEAU TOWERS

Question No. 746—**Mr. Harkness:**

1. What government departments have secured office space in the Campeau Towers?

2. What is the amount of space secured by each?

3. What is the cost of this space per square foot?

4. What is the cost of new furniture, carpeting, drapes, etc., for these offices?

5. What has been done with the furniture, carpets, drapes, etc., used in the offices which have been vacated as a result of these moves?

Return tabled.

[Mr. Côté (Longueuil).]

POTATOES—FEDERAL ASSISTANCE TO GROWERS

Question No. 789—**Mr. MacDonald (Prince):**

1. From 1950 to 1967, what federal assistance has been provided to potato growers either in subsidy payments, preferential tariffs, or transportation assistance, in what amount and in what years?

2. What has been the amount received by each province during that period and how many potato growers by province have been assisted?

3. In 1966-67, how many applications for assistance were received?

4. From 1950 to 1967, how many potatoes were marketed by each province and what amounts of revenue were received by potato growers, and during that time how many potato growers have there been per province per year?

Return tabled.

EXTERNAL AID—ASSISTANCE TO VIET NAM

Question No. 790—**Mr. MacDonald (Prince):**

1. How much money was spent on aid to Viet Nam in 1963, 1964, 1965 and 1966?

2. What form of aid was provided during those years?

3. How many persons served in Viet Nam as part of the external aid program, in what capacity and for what length of time?

4. During that period how much aid was requested, what amounts and by whom?

5. Was any aid requested that was not made available and, if so, what kind?

6. Was any aid refused?

7. How much is it estimated will be spent on aid to Viet Nam in 1967, and (a) what form of aid (b) how many persons are or will be involved (c) in what capacity and who are they?

Return tabled.

APPLICATIONS UNDER EXPLORATION ASSISTANCE PROGRAM

Question No. 813—**Mr. Nielsen:**

1. For the fiscal year ended March 31, 1967, how many applications for assistance were received under the northern mineral exploration assistance program of the government?

2. From whom, for what purpose and for what amount was each such application received?

3. How many of such applications were approved, in what amount in each case and for which specific applicants?

4. Since March 31, 1967, how many such applications were received, from whom, for what purpose and for what amount in each case?

5. Since March 31, 1967, how many of such applications were approved, for what amount in each case and for which specific applicants?

6. Has there been any cut-back in the amount available for the program for the current fiscal year or for the fiscal year ending March 31, 1969, and, if so, what is the amount of the cut-back in each case?

7. Is it the intention of the government to amend the regulations under which applications for assistance are made so as to broaden the qualifications of those eligible to apply for assistance under the program and/or have such amendments been made?

8. If so, what is the nature of such intended amendments and/or amendments in fact?

Return tabled.

SUBSIDIES TO SHIPYARDS ON STEEL HULL CONSTRUCTION

Question No. 846—**Mr. Tucker:**

1. What was the total amount of subsidy paid to individual shipyards on steel hull construction for the years ending March 31, 1962, 1963, 1964, 1965, 1966 and 1967?

2. What was the amount paid to similar shipyards from April 1, 1967 to date, and what is the estimate of the amount to be paid between now and March 31, 1968?

Return tabled.

FINANCE

FOREIGN EXCHANGE—DIRECTIVE TO U.S. SUBSIDIARIES TO LEAVE FUNDS IN CANADA

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Finance. With respect to the statement he made on motions, will the minister advise the house whether the week end directive of the United States treasury department to Canadian subsidiaries of United States companies to keep their funds in Canada was made at the specific request of the Canadian government and, if so, when was that request made?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I discussed with the Secretary of the treasury of the United States, and my officials discussed with the officials of that department, the advisability of issuing a statement in view of the uncertainties that apparently existed in the Canadian market about the intent of the United States regulations. These discussions took place in the last few days while I was in Winnipeg. I cannot say exactly the hours at which I had these discussions with the secretary but they did occur within the last two or three days.

Mr. Lambert: Mr. Speaker, will the minister advise whether he has made any other requests of the United States government for assistance of any other sort, as he outlined in his statement, so that the Canadian authorities will get some form of assistance in maintaining the stability of the Canadian dollar in the international monetary market?

Mr. Sharp: Mr. Speaker, I should be glad to attempt to answer the question but I am not quite sure I understood it. Perhaps the hon. gentleman would be good enough to put it another way.

Mr. Lambert: The minister has referred to certain types of recourse the Canadian government would have with regard to maintaining the stability of the Canadian dollar. Has the Canadian government or the minister made specific requests to the United States government in respect of any of these forms of assistance, or is this simply something that one sets up like on a balance sheet of potential assets?

Mr. Sharp: I think my statement was quite clear. In addition to the foreign exchange and gold reserves that we have held we have access to large supplementary sources of finances through the International Monetary Fund. These involve a matter of the terms of agreements of the fund.

In addition to that, we have a reciprocal arrangement between the Bank of Canada and the federal reserve system whereby we can draw $750 million. These matters have been arranged for many months; they are not of recent arrangement. I also mentioned of course that under arrangements we have with the United States,—and this is a rather unique position,—we have unrestricted access to the United States long term market.

Hon. J. W. Monteith (Perth): Mr. Speaker, the minister mentioned in his statement a moment ago that some United States dollars had been purchased by Canada. Can he give us any specific figure in this respect?

Mr. Sharp: No, Mr. Speaker, I do not think this would be advisable. In due course, when the figures come out at the end of the month, the exact position of the exchange fund can be revealed.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, will the minister tell us whether in the course of his discussions with the secretary of the treasury in Washington he dealt with the proposed legislation which will put an embargo on imports into the United States and subsidize exports

from the United States, and which, if it goes into effect, will be tantamount to a devaluation of the United States dollar?

Mr. Sharp: I had some discussions with United States officials when they came to Ottawa for discussion of the balance of payments program. There have also been other discussions between officials of the Canadian government and the United States government. In reply to questions by the press I also indicated that if the United States were to put into effect a system similar to that of European countries, namely a surcharge on imports and a rebate on exports, we would take parallel action. I think this kind of action on the part of the United States is regrettable, and I must add that the same thing can be said about that kind of action by other countries. The United States is not taking the initiative in this matter; it is following a pattern established in Europe.

Hon. George Hees (Northumberland): Mr. Speaker, I should like to ask the minister whether he can give the house the government's estimate of the volume of earnings of United States subsidiaries operating in Canada which has been repatriated to the United States since January 1 as a result of that government's program to correct its balance of payments problem?

Mr. Sharp: No, Mr. Speaker. I do not think there is anyone in the world at the present time who would know that figure.

Mr. Hees: I have a further supplementary question, Mr. Speaker. I should like to ask the Minister whether on January 1 or immediately thereafter the Canadian government advised the United States that Canada has a yearly current account deficit of about $1 billion with respect to the United States and that therefore there is no justification for including this country in any United States program to correct its balance of payments program.

Mr. Sharp: Yes, Mr. Speaker. The Canadian government had many long discussions, and had them over the years, with the United States on this subject. The United States recognizes that Canada does not contribute to the foreign exchange difficulties of the United States. That is why Canada has such a special place and is exempted from most of the restrictions applied by the United States to other countries.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Hees: Was this done immediately after the United States government announced its program?

Mr. Speaker: Order, please.

Hon. D. S. Harkness (Calgary North): I have a supplementary question, Mr. Speaker. I wonder if the minister could tell us whether the drain on Canadian reserves has been almost entirely due to the transfer of funds to the United States or whether a considerable proportion of this drain is a result of the transfer of funds to other countries?

Mr. Sharp: It is very difficult to answer this question with certainty. The information we have is that the funds were flowing from Canada to the United States and not abroad. We have no evidence that there was any particular drain, or any drain at all, arising from transfers outside the continent.

REPORT RESPECTING FOREIGN INVESTMENT IN CANADA

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, I should like to direct a question to the President of the Privy Council, and in doing so may I express the pleasure of all hon. members at his obviously complete recovery from surgical ministrations. Could the President of the Privy Council tell the house when the report of the task force studying foreign investment in Canada will be available and whether it will be laid on the table of the house at this session?

Hon. Walter L. Gordon (President of the Privy Council): Mr. Speaker, I thank my hon. friend for his kindly remarks. I did not know my recovery was so obvious, but we will just have to wait and see. The report of the task force has been completed and I hope it will be presented to and discussed by the cabinet this week, after which I may have more to say.

[*Translation*]

HOUSING

CENTRAL MORTGAGE AND HOUSING CORPORATION—STEPS TO PREVENT INCREASED INTEREST RATE

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a supplementary question to the Minister of Finance?

Can he tell us if, following the decision taken by the Bank of Canada to increase its discount rate from 6 to 7 per cent, the government is contemplating steps to prevent the Central Mortgage and Housing Corporation or the chartered banks from increasing their interest rate?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker. The long term reaction of the market to the increase in the bank rate has been very small so far.

ABOLITION OF INTEREST CEILING ON LOANS

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I wish to direct a question to the President of the Treasury Board.

An hon. Member: Bring him back.

Mr. Monteith: As the minister indicated in a speech to the annual convention of the National House Builders Association at noon today that he believed the interest ceiling on government guaranteed house building loans should be abolished, when will this move be implemented?

Mr. Speaker: Order, please. I remind the hon. member that questions relating to statements made outside the house may only be asked of the Acting Prime Minister in the sense that the hon. member asking the question seeks to ascertain whether the statement which was made outside the house represents government policy.

Mr. Monteith: Mr. Speaker, I wish to ask the Acting Prime Minister whether the statement I have referred to, which was made by the President of the Treasury Board, represents government policy.

Hon. Paul Martin (Acting Prime Minister): This matter will be considered, Mr. Speaker.

HEALTH AND WELFARE

MEDICARE—POSSIBILITY OF DELAY IN IMPLEMENTATION OF PROGRAM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the acting Prime Minister. In view of the conflicting statements that have been made by ministers regarding medicare, and in view of the Prime Minister's repeated assurances that the medicare program is now law and would be carried out, I should like to ask the acting Prime Minister whether he can assure the country that any provinces desirous of proceeding with medicare will be able to do so on or after July 1.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, parliament has passed an act with respect to medicare. It is now the law of the land. It is permissive legislation. Its implementation depends on action by the provinces. Some provincial governments have asked the federal government to hear their views. Notwithstanding the fact that the law of the land is clear, no government could ever refuse to hear the provinces. The law is clear, however.

Mr. Douglas: I have a supplementary questino, Mr. Speaker. In view of the fact that the Prime Minister said a few days ago that this matter was being reconsidered by the cabinet, may I ask whether that reconsideration has been given and whether the government is now in a position to give a definite assurance that there will be no delay in allowing the provinces to proceed with medicare under the present legislation. I should also like to ask whether the government is ready to hand down a decision on how soon it will be able to give the provinces a definite assurance that they may proceed on July 1 or later.

Mr. Martin (Essex East): It must be clear to my hon. friend that no government has the right, nor has any political party the right, to ignore what is the law of the land.

Mr. Douglas: I have a supplementary question, Mr. Speaker. I am sure that the minister under the strain of his recent travels is somewhat weary and probably did not catch the import of my question.

Mr. Knowles: He is not the white haired boy any more, either.

An hon. Member: Does he or doesn't he?

Another hon. Member: Only his hairdresser knows.

Mr. Douglas: Mr. Speaker, I will take no notice of these comments about the transformation in the Secretary of State for External Affairs and will confine myself to the question. In view of the Prime Ministers' statement that the cabinet was giving reconsideration to the matter, I should like to ask now whether the government has given reconsideration to it and whether it has reached a decision and, if not, how soon will it reach a decision?

Inquiries of the Ministry

Mr. Martin (Essex East): I have given an answer. I hope my hon. friend will conclude that that answer meets this question or any other similar question, and I do not think there is anything further that I need add. I know my hon. friend's purpose in asking this question. It is not to elicit information: He is seeking to embarrass the government, but without much hope.

Some hon. Members: Oh, oh.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I too was away from the nation's capital, but I have the impression that the Prime Minister had stated he was going to make a statement on the subject this week. Was I correct in that impression?

Mr. Martin (Essex East): The Prime Minister did make a statement.

Mr. Stanfield: I understood the Prime Minister was going to make a statement on this subject this week in the house. Is this a correct impression or is it not?

Mr. Martin (Essex East): I said, Mr. Speaker, that the Prime Minister made a statement at his press conference on Friday. I know of nothing further that can be added to what he said. The law of the land is clear. The house has passed the medicare legislation.

Mr. Stanfield: Mr. Speaker, some of us had the impression that the Prime Minister had stated he was going to make a statement on this subject in the house this week. Is this or is this not a correct impression?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question which I should like to direct to the acting Prime Minister. He said that the law of the land is clear. Will he say if the government will leave that law alone?

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. How many provinces have indicated their intention to go ahead with the medicare program on July 1?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): There is no formal procedure by which provinces officially notify the government at this stage of their intention to enter the medicare plan.

Mr. Nasserden: I have a supplementary question, Mr. Speaker. Could the Minister of National Health and Welfare indicate whether there has been any change. I believe he reported to the house some time ago that certain provinces—

Mr. Speaker: Order, please. Could the hon. member put his question.

Mr. Nasserden: My question is this: Have any provinces, which previously indicated that they would go ahead with medicare, now indicated that they are not going ahead with it?

Mr. MacEachen: There has been no formal procedure at any stage by which provinces indicate their intention of coming in. My hon. friend realizes that from time to time heads of provincial governments have stated their intention of entering the medicare plan and later have stated an opposite intention.

Hon. Michael Starr (Ontario): I have a supplementary question for the Minister of National Health and Welfare. I should like to ask him whether medicare will come into effect on July 1, 1968.

Mr. MacEachen: This question has been answered several times by the Acting Prime Minister.

Mr. Starr: I should like to ask the Minister of National Health and Welfare whether he has any supplementary comment to add to the answer given by the Secretary of State for External Affairs.

Mr. MacEachen: No, Mr. Speaker, the answer was lucid.

[*Later:*]

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Acting Prime Minister related to the question on medicare that was raised earlier. Since the Acting Prime Minister has indicated that the government intends to go ahead with medicare on July 1, does this indicate a change in government policy regarding adherence to the four basic criteria that were laid down in the medicare bill?

Mr. Speaker: Order. I suggest that this is a question of debate and not the type of question that can be asked at this time.

Mr. Brand: Mr. Speaker, may I point out that I am merely asking for information. I am asking whether there is any indication that there has been a change in government policy

in this regard. It is not a matter of debate at all unless the government wishes to make it so.

[*Later:*]

Mr. Nasserden: I have a supplementary question for the Acting Prime Minister relating to medicare. Have dominion-provincial relations deteriorated to the extent that the federal government now has no clear indication from the provinces of the extent to which medicare will be implemented in July next?

Mr. Speaker: I suggest to the hon. member that this question, as asked, is highly argumentative.

[*Translation*]

AGRICULTURE

ARDA—ACCESS ROAD BETWEEN LA SARRE AND JAMES BAY

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put my question to the hon. Minister of Forestry and Rural Development.

Can he tell us whether he has received from the Quebec minister of agriculture, a request for a financial contribution to the development of an access road from La Sarre to James bay in northwestern Quebec?

Mr. Speaker: I think that the question, in its present form, does not comply with the rules of the house and that it should be placed on the order paper.

[*Later*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Forestry and Rural Development who is responsible to the house for ARDA.

Would the minister be prepared to consider the possibility of granting some assistance to build a road connecting the northwestern area of Quebec with James bay, a road which would permit the development of extraordinary resources in that region.

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, the hon. member knows that the provinces must submit those requests to the federal government.

Inquiries of the Ministry

Mr. Speaker: Order. The hon. minister has already replied to the question of the hon. member. But there again it seems to me that the question is rather general; I fail to see how it may be put verbally at this point.

Mr. Caouette: Mr. Speaker, I rise on a point of order.

My question was not put today and is not general in nature. It refers specifically to a northwestern region of Quebec which has been neglected by both Ottawa and Quebec. I would like to know from the minister what steps are to be taken so as to obtain satisfactory results.

Mr. Speaker: Order. The hon. member knows that he can get a reply by putting his question on the order paper.

[*English*]

FERTILIZER—PURCHASES IN CONNECTION WITH DELIVERY SCHEME

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Trade and Commerce. In view of the importance of fertilizer in farmers' operations, would he discuss with the Canadian Wheat Board the advisability of including the purchase of fertilizers as well as seed grain under the special spring over-quota delivery scheme?

Hon. Robert Winters (Minister of Trade and Commerce): I will be very happy to do that, Mr. Speaker.

TURKEYS—POSSIBILITY OF LIMITING IMPORTATION

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I have a question for the Minister of Agriculture concerning the continued importation of United States turkeys into Canada. Since the imposition of value for duty on United States birds has had no effect on the adverse situation of Canadian growers, will the minister now consider introducing limitations on the volume of imports?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, no such action has been taken at this time but I shall be pleased to consider the hon. member's suggestion.

Inquiries of the Ministry

NATIONAL DISASTERS

SICILIAN EARTHQUAKES—ASSISTANCE BY CANADA

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. Would he advise the house whether Canada has made any contribution to assist the survivors of the Sicilian earthquakes and, if so, what is the nature and extent of that assistance?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, my friend the hon. member for Spadina gave me notice of his intention to ask the same question. In reply to the question now put I would simply say that we are keeping in touch with the Canadian Red Cross and the League of Red Cross Societies as to a possible Canadian contribution for the relief of the earthquake victims in that section of Italy. However, at the moment it appears that Italian resources are adequate to meet all the requirements. The matter is being looked into further.

EXTERNAL AFFAIRS

VIET NAM—EXTENSION OF ACTIVITIES OF CONTROL COMMISSION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I, too, have a question for the Secretary of State for External Affairs which is related to his own field of responsibility, where I am sure he will be much happier to remain.

Some hon. Members: Oh, oh.

Mr. Fulton: The question is, can the Secretary of State for External Affairs tell us the present position with regard to the work of the International Control Commission in Viet Nam and, specifically, can he say whether the suggestion that it be assigned increased responsibility for the policing of the borders of Cambodia and Laos so as to prevent infiltration from those countries has been accepted or is likely to be accepted?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker, the suggestion has not been accepted and at the moment the prospects do not seem good for its acceptance, although the Canadian government has indicated its willingness to comply with the request of Prince Sihanouk.

Mr. Fulton: A supplementary question, Mr. Speaker. Has the Canadian government had any direct consultation with the governments of Poland and/or India in an attempt to have our views prevail with respect to the work of the commission?

Mr. Martin (Essex East): We have been in contact with these governments, Mr. Speaker.

VIET NAM—EFFORTS BY CANADIAN GOVERNMENT TO EFFECT CESSATION OF BOMBING

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Acting Prime Minister in his capacity as Secretary of State for External Affairs. It is related to the one just asked. Can the Secretary of State for External Affairs inform the house what steps the Canadian government has taken or is planning to take to persuade the government of the United States to treat the recent Hanoi statements in a positive way and to cease immediately the bombing of North Viet Nam in the hope that it may at last become possible to end that disastrous war by negotiation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there was a reported statement of the foreign minister of North Viet Nam on January 6 that if the bombing stopped North Viet Nam would be prepared to enter into discussions. There are some questions about this declaration that the Canadian government would like to have answered. I instructed our representative on the commission to proceed to Hanoi where he now is. I am now awaiting a report.

Mr. Lewis: A supplementary question, Mr. Speaker. In view of the fact that the present administration of the United States has refused to cease the bombing, and also in view of the fact that the war threatens to spread into Laos and Cambodia, has the Canadian government considered joining with other governments to bring this matter, either through the United Nations or otherwise, to the attention of the American government so that the bombing may stop and an opportunity may be taken for an end to that war?

Mr. Martin (Essex East): There are limitations on the jurisdiction of the United Nations, as my hon. friend knows, but the Canadian government has not opposed discussion of this matter in the general assembly and would welcome an opportunity for the discussion of this whole question within the terms of the Geneva conference.

Mr. Lewis: Why don't we take the initiative?

COMPANY OF YOUNG CANADIANS

IMPROVEMENT OF PUBLIC RELATIONS

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I have a question for the Acting Prime Minister. Could he tell the house what action is being taken by the government to improve public relations between the people of Canada and the Company of Young Canadians?

[*Later:*]

REQUEST FOR CESSATION OF FINANCIAL SUPPORT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Acting Prime Minister which is related to a previous question asked by the hon. member for Melville and not answered. In view of reports that three provincial premiers in western Canada have indicated that they may be interested in requesting that the Company of Young Canadians be withdrawn from their provinces, and in view of reports that the Quebec branch of this organization has broken away from the parent body and is still spending federal funds, will the government take the necessary steps to discontinue this unjustified and unnecessary spending of public funds?

Some hon. Members: Hear, hear.

Hon. Paul Martin (Acting Prime Minister): I will note that question, Mr. Speaker.

TRADE

TOBACCO—IMPORTS FROM SOUTH AFRICA AND RHODESIA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of National Revenue. If I may, before putting the question I should like to congratulate him on his new appointment and wish him every success.

Some hon. Members: Hear, hear.

Mr. Nesbitt: The question is one of some urgency but perhaps the minister could take it as notice. Is he in a position to tell the house now what appropriate steps are being taken by his department to deal with the importation of tobacco from the Union of South Africa and from Rhodesia, which is presenting an immediate threat to the Canadian tobacco growing industry?

Inquiries of the Ministry

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, first I should like to thank the hon. member for his good wishes, and I hope to be equal to the task which was entrusted to me by the right hon. Prime Minister.

With regard to tobacco imports, I shall get the necessary information and I shall give an answer to the hon. member in a few days.

[*English*]

CANADA PENSION PLAN

TOBACCO—INCREASED EXEMPTIONS TO ASSIST GROWERS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I would like to ask the Minister of National Revenue whether he has any plans to assist the tobacco growers of Canada by obtaining from the provinces permission to increase the exemption under the Canada Pension Plan in regard to casual labourers from the present maximum of 24 days or $250 to the maximum requested of 40 days or $600.

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Once again Mr. Speaker, I will take note of the hon. member's question but I think that part of that problem comes under the jurisdiction of the Minister of National Health and Welfare (Mr. MacEachen).

[*English*]

INDUSTRY

SYDNEY, N.S.—INQUIRY AS TO GOVERNMENT ASSISTANCE TO STEEL INDUSTRY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Acting Prime Minister. Has the government reached a decision in respect of assistance to the Sydney steel industry and is it prepared to make an announcement today as promised?

Hon. Paul Martin (Acting Prime Minister): I am not prepared to do so today, Mr. Speaker, but it will not be very long before we can say something definite.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. If I may be permitted to do so, I direct it to the Minister of National Health and Welfare, to whom the Acting Prime Minister turned for information. Has this decision been finalized and, if so, when does he expect to make it known to the house?

Inquiries of the Ministry

Mr. Speaker: Order, please. I suggest that it is not sufficient for the Acting Prime Minister to turn to the Minister of Natural Health and Welfare to give the latter the authority required to answer that question.

Hon. Robert Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. Can the Acting Prime Minister give us any idea as to precisely what is meant by "not very long" in regard to announcing this decision?

Mr. Martin (Essex East): I would hope this week, Mr. Speaker.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker, to the Minister of National Health and Welfare. Since the cabinet dealt with the question on Thursday last I would ask the minister whether it reached a final decision and, if so, what is that decision?

Mr. Speaker: Order, please. I suggest to the hon. member again, that this question should really be answered by the Acting Prime Minister.

Mr. Starr: Was he at the cabinet meeting?

[*Later:*]

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Acting Prime Minister. In view of the fact that many weeks have now gone by since the blow that struck the Sydney steel industry on October 13, to be exact, and in view of the fact that the cabinet representative from Nova Scotia has intimated time and time again both to the press and at public gatherings that an announcement that something would be done was going to be made, would the minister advise the house whether this most serious question was dealt with at the last cabinet meeting, and could he give the house a clear reply?

Mr. Speaker: Order, please. The very important question now asked by the hon. member is, to my understanding, pretty well the same question as that asked a moment ago by the hon. member for Cape Breton South.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. Perhaps I can clarify my question. Is it the intention of the government to phase out the steel industry, as indicated by the minister of rural development in a speech he made in western Canada a few weeks ago?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, may I say that my hon. friend can be assured that my hon. friend the Minister of National Health and Welfare has been very vigilant in this matter, having in mind the interests of the people of Nova Scotia and of the area of that province particularly concerned.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Will the Acting Prime Minister now make the statement that the government definitely promised would be made today?

Mr. Muir (Cape Breton North and Victoria): If you are so worried about the steel workers, answer.

BRITISH COLUMBIA—DEVELOPMENT OF SECONDARY MANUFACTURING CAPABILITY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Industry. Inasmuch as British Columbia, according to the latest report has the second highest level of unemployment in Canada, what plans does the minister have for the promotion or development of secondary manufacturing industries in that province?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker—

Mr. Speaker: Order, please. I do not propose to intervene in or interfere with the minister's proposed answer, but I have the impression that the hon. member is asking for a statement which might more properly be made on motions.

Mr. Howard: It was not my intention, Mr. Speaker, that the minister should make a statement on motions because that would be at some indefinite time in the future. Can he tell us now, because now is the crucial time? I point out that the minister was indicating his desire to say something about this matter.

Mr. Drury: Mr. Speaker, I would agree that to recite the steps being taken would take too long in the question period. I will be glad to advise the hon. member directly, though.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE STANDING COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Labour. In view of the latest reported interest of the United States department of labour, the F.B.I. and the R.C.M.P. in the operations of the Seafarers' International Union in both the United States and Canada, would the minister be prepared to have the maritime trustees appear before the standing committee on labour and employment so that the members of the house can be informed of their stewardship and of the facts relating to the latest developments?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, there are no maritime trustees at the moment, the legislation having expired on December 31 last. I might say that I am expecting a written report from the maritime trustees on their activities up to December 31 last. When the report is received it will, of course, be tabled. Even though their trusteeship has expired it might be appropriate for them to appear before the committee, but until I have received the report I cannot say whether I should ask them to do so.

PICARD REPORT—DISAGREEMENT BETWEEN LONGSHOREMEN AND SHIPPING FEDERATION

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Labour. Would the minister report on the status of the disagreement between the longshoremen in Montreal and the shipping federation relating to the Picard report, and is any action being taken to resolve this dispute before the spring shipping season opens?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the series of collective agreements between certain unions of the International Longshoremen's Association, and the shipping federation, as modified by the Picard report, expired on December 31 last, and there are now no collective agreements in existence. I might say that negotiations between the unions and the shipping federation have opened with a view to a new series of agreements and, as one might expect, the recommendations of the Picard report are being considered in the course of these negotiations. Very recently—last week in fact—I assigned a senior official in the Department of Labour, Mr. Charles Poirier, to assist in the negotiations. He is the senior official of my department in the province of Quebec, and should be able to assist the parties in their discussions and negotiations.

POSSIBILITY OF PROCEEDING WITH LEGISLATION IN LIGHT OF OPPOSITION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Labour. In view of the widespread and violent opposition across the country to Bill C-186, is it the intention of the minister and the government to proceed with this legislation?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, as hon. members know, this bill has been referred to the committee on labour and employment of this house. It has not had second reading. I hope that as soon as the committee is organized it will begin its hearings at as early a date as possible.

VETERANS AFFAIRS

MEANS TEST FOR APPLICANTS UNDER LAND ACT

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, in the absence of the Minister of Veterans Affairs may I direct this question to the Acting Prime Minister. According to a departmental directive, starting April 1 a means test will be applied to veterans who wish to become established under the Veterans Land Act. In view of the serious inequities and hardships to veterans that may result, will the Prime Minister give immediate consideration to revoking this directive?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, my hon. friend's question included not only a question but also a statement of fact that I will refer to my colleague the Minister of Veterans Affairs who will be in the house tomorrow, I believe.

NATIONAL DEFENCE

BURRARD DRY DOCK COMPANY—CONTRACT FOR DESTROYER RECONVERSION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I ask a most urgent question of

the Minister of Finance, who is ultimately responsible for government expenditure. In view of the fact that the shipbuilding industry on the west coast is now suffering from a 50 per cent unemployment rate, will the minister give immediate and serious consideration to reinstating the contract that was awarded to Burrard Dry Dock Company Limited in connection with destroyer conversion?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, if all questions involving financial matters were addressed to the Minister of Finance I think he would answer nearly every question put in the house. I suggest that this question should be directed to the minister responsible.

Mr. Winch: Mr. Speaker, prior to the recess we were told during our discussion of the budget by the Minister of Finance and by the then minister of national revenue that consideration would be given to industries that were in serious difficulty. Therefore I thought the minister was the logical person to direct my question to.

Mr. Speaker: Order, please.

Mr. Winch: The minister did not tell me to whom to address it so may I address it to the Minister of National Defence. In view of the unemployment level prevailing in the shipyards will the Minister of National Defence take under serious consideration the reinstating of the destroyer conversion contract that was allocated to Burrard Dry Dock in North Vancouver?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the conversion of the "Restigouche" class was deferred for an indefinite period as a result of the budget restraints imposed upon the Department of National Defence along with other departments. I am very sorry, therefore, but I cannot at this time agree to the suggestion of the hon. member.

Mr. Winch: A supplementary question, Mr. Speaker. I was not referring to general policy. May I ask the minister a question about the contract which was allocated with respect to the conversion of the destroyer *Chaudière*. Will it be reinstated?

Mr. Cadieux (Terrebonne): It will not be, not at this time.

Mr. Robert McCleave (Halifax): A supplementary question for the Minister of Industry. Can the minister advise us whether the processing of the tenders for the four DDH's—destroyer escorts—has been completed? If so, how soon may we expect the award of these tenders?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think I indicated it was expected that a contract could be entered into early in the spring, in March or April. We are working to that deadline.

SHIPPING

BRITISH COLUMBIA—CONSTRUCTION OF RESEARCH AND COASTGUARD VESSELS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a supplementary question, Mr. Speaker. I hardly know which minister to direct my question to, which minister is "it", so to speak. Will the appropriate minister give immediate attention to not delaying the construction of research and coastguard vessels in British Columbia so that we may keep in Canada many hundreds of skilled shipyard workers who at present are being invited to go to the United States to work under guaranteed employment contracts?

Mr. Speaker: The hon. member has made her representations and I assume that the minister who is "it" has noted them.

[*Translation*]

WINTER NAVIGATION ON ST. LAWRENCE RIVER

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wished to put a question to the Minister of Transport but in his absence I shall put it to the Acting Prime Minister.

As ice-jams which have formed and are still forming on the St. Lawrence between Montreal and Quebec have caused floods, and as navigable waters like the St. Lawrence come under federal jurisdiction, could the Acting Prime Minister tell us whether the government intends to compensate the victims of these floods?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I will refer that question to the Minister of Transport.

Mr. Grégoire: Mr. Speaker, I would like to ask a supplementary question.

Since those ice-jams and floods are due in the first place to the weather and second, mainly to the almost criminal negligence of the Minister of Transport who fails to solve those problems—

Mr. Speaker: Order. The hon. member should not take advantage of a question to make charges; he must limit himself to asking a question or requesting information.

Mr. Grégoire: In that case, Mr. Speaker, here is my supplementary question: Can the Acting Prime Minister tell us if the government has given or will give the people responsible for the use of those icebreakers instructions to intervene effectively instead of remaining idle, as has been the case this year, when ice-jams begin to build up?

Mr. Speaker: Order. Orders of the day.

Mr. Grégoire: Mr. Speaker, I should like to put another question to the Acting Prime Minister. Could he tell us whether he also intends to draw that matter to the attention of the Minister of Transport to make him alter the policy of his department concerning the activities of the icebreakers on the St. Lawrence during the winter?

Mr. Speaker: The hon. member is making a representation which will be noted by the minister.

Mr. Grégoire: It is not a representation, Mr. Speaker, it is a question.

[*English*]

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question, Mr. Speaker. In view of the extreme ice conditions in the St. Lawrence river this year will the government now realize that there is no future in icebreaking, forget about icebreaking in the St. Lawrence in the winter and use the ports of Halifax and Saint John?

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question.

Since there are great possibilities for winter navigation on the St. Lawrence, could the Acting Prime Minister tell us whether he intends to take that problem into consideration instead of preventing the economic development of one region in favour of another?

Mr. Speaker: Order.

[*English*]

GRAIN

WHEAT—POSSIBILITY OF DELAY IN NEW INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question for the Minister of Trade and Commerce which is of deep concern to western grain growers. Can the minister report to the house on the present status of the international world wheat agreement? Can he assure us that the tardiness of a number of countries in not signing the agreement will not delay its coming into effect on July 1 next?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the situation remains unaltered. It is still difficult to sell wheat in world markets. We are in constant touch with the producing countries of the world. I have been in touch with them about this matter. I feel that wheat prices will be such as to encourage the implementation of the international wheat agreement. As the hon. member will recall, the date for the ratification of the agreement is in mid-1968, and I am still hopeful that that will be the case.

WATER RESOURCES

POLLUTION BY OIL ON PACIFIC COAST

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Acting Minister of Transport concerning water pollution on the Pacific coast. Can the minister tell the house whether pollution by oil has resulted from the sinking of the motor vessel *Schiedyk* in Nootka Sound just off Vancouver Island? Has the vessel been salvaged or destroyed?

Mr. Speaker: I doubt that the question is in order, but if a reply is ready perhaps the house will hear it.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, realizing that the minister was indisposed I asked for a report on this matter over the week end. Summarizing the extensive report I wish to say that all necessary steps and precautions are being taken to prevent the pollution of coastal waters. A log boom has been thrown around the area and absorbent straw is available. Degreasing solvents are also available. Of the 600 tons of oil that were reported to be in the tanker approximately 300 tons have escaped, at a rate of about three gallons per minute. That oil is not causing serious pollution at this time. There has been no loss of marine life and no loss of life on land among wildlife or water fowl.

Mr. Speaker: Order, please. I was wondering whether the hon. member was going ahead with the full report.

Inquiries of the Ministry

EXTERNAL AID

INDIA—CANADIAN CONTRIBUTION FOR POPULATION CONTROL

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Secretary of State for External Affairs, and I gave him notice of it. During the visit to Ottawa last week of the minister of health and family planning of India did he make a request, formally or informally, for a Canadian contribution to India's population control program?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the minister from India visited the external aid officials. I have not had a report from them but when I get it I shall be glad to discuss it with my hon. friend.

FISHERIES

APPLICATION OF LAW RESPECTING STRAIGHT BASE LINES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to address a question to the Acting Prime Minister. Knowing how he likes to hew to the law of the land and maintain it to the letter, may I ask him when he will adhere to the law of the land with respect to the declaration of straight base lines which parliament passed some years ago?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, as my hon. friend knows, we have already begun the process of marking straight base lines and there will be further progress in this regard. This is a matter that must be carried out in a way that will observe the alleged rights of other countries. We are observing these so as not to defeat the purposes which my hon. friend and I both have in our minds.

Mr. Howard: I thought the government recognized those rights some time ago—

Mr. Speaker: Order, please.

UNEMPLOYMENT INSURANCE

POSSIBILITY OF PASSING AMENDMENTS AT CURRENT SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. My question relates to the amendments to the Unemployment Insurance Act forecast in the resolution which was introduced today. Is it the intention of the government that these amendments should be considered and the bill passed during the course of the present session?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, in reply to that question I can say that that is the government's present intention since this is an item of high priority.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Thursday, December 21, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: When the committee rose on Thursday, December 21, clause 2 of the bill was under consideration together with an amendment thereto proposed by the hon. member for Lapointe.

On clause 2—*Broadcasting policy for Canada.*

Mr. Sherman: Mr. Chairman, shortly before the house recessed for Christmas on December 21 I was making some remarks about this proposed legislation. Since then the leadership contest has, of course, been resolved—not the leadership contest within the government but the contest for the leadership of the Canadian Broadcasting Corporation—with the appointment last week of Dr. Davidson and Mr. Picard as the chief executive and operating officers of the corporation. I am sure all of us who took part in the events leading up to the introduction of this proposed legislation into this chamber, as well as all who served on the broadcasting committee and are interested in broadcasting even in a peripheral way, wish the new officers every success in what will be a difficult and responsible task, especially in the context of the constitutional situation we are experiencing at this time.

I realize I have only about two minutes of my speaking time remaining at this stage in the examination of the bill. In my remarks on December 21 I drew attention to a number of provisions in the bill with which I did not find myself completely in agreement, weaknesses which I hoped could be corrected in the course of our clause by clause study. In the seconds remaining to me I should like to

say there are other areas in the bill which leave me in a state of anxiety.

My criticisms and comments of December 21 did not express my point of view completely. For example, I am not happy about the provision which authorizes a five-year capital budget for the corporation, though I believe a period longer than one year would be valuable. I realize that the new officers would have to operate under severe restrictions if they were obliged to return year after year for approval of their capital budget, and I believe they deserve more than one year of leeway in this regard. Nevertheless I am not happy about the five year provision and it seems to me an acceptable compromise could be worked out that would be satisfactory both to the officials of the corporation and to those of us here who must try to exercise control over the affairs of the C.B.C. My feeling is that we should agree on a three year rather than a five year period.

Again, I am disturbed about the clause calling for fines up to $100,000 should broadcasters violate certain provisions of the bill. In my opinion this is unnecessarily harsh and, by implication, discriminatory inasmuch as it implies that broadcasters in the private sector make sufficient money to enable them to withstand penalties of this kind. This, I submit, is both untrue and unfair.

I realize, Mr. Chairman, that I have reached the limit of the time allotted to me. I look forward to the clause by clause examination of this measure and hope that constructive amendments will be accepted by the government. In conclusion, I wish Dr. Davidson and Mr. Picard every success in the discharge of their new responsibilities.

Mr. McCleave: Mr. Chairman, last year my Christmas present to the Secretary of State who is piloting this legislation through the house was a promise not to speak in order that the bill could pass quickly. Unfortunately it did not, so my Christmas present this year will come early. I shall make a speech but I promise to make it a reasonably short one.

• (4:10 p.m.)

First, I should like to join with my hon. friend from Winnipeg South, a former broadcaster, as I am, in expressing good wishes to Dr. Davidson and Mr. Picard on their appointments to head the C.B.C. I would like to offer only one or two caveats about the danger of appointments of this kind where neither of the parties has had direct experience in the broadcasting field. It seems to me that the problems of the C.B.C. arise primarily in Toronto and Montreal, the originating points for the two language networks in this country. Yet these gentlemen who are being brought in are being posted to Ottawa. Therefore they have the formidable task of not only learning about the broadcasting industry but also of dealing with problems in the C.B.C. arising 100 miles away in the one case and in the other several hundred miles away from their seat of operations. I know both gentlemen will prove in time to be excellent people in these positions. But I am concerned about whether shock treatment is not needed now to help the C.B.C. and whether the public can afford on the job training for people who have great potential but have had no direct experience in this industry.

Sir, it should be a great season for television and radio. Canadian minds will be diverted to other matters than the settling-in problems of Dr. Davidson and Mr. Picard. We should have new programs this year. One will be "The Perils of Paul," an educational, lighthearted series on the constitution and, more particularly, one man's jousting with the doctrine of cabinet solidarity. Another program I can see coming up is "The Perils of the Other Paul," subtitled the story of a man who goes through life proving that what matters is not what a fellow has in his head but what is on his head a case of dye and do. Then there could be "Mitch's Marauders," the story of a gang which takes money from rich and poor alike, leaving everybody poor. I would not like to leave out a Canadian version of "Green Acres," the story of a man trying to prove that his kind of corn can grow in the cities and, finally, "Mission Impossible," which will turn out to be the case for most of the Liberal party leadership aspirants.

With regard to the broadcasting bill I want to make three points and I shall do so briefly because later they will be the subject of amendments. I would like to indicate to the minister what some of us in the official opposition would like to see by way of change in this legislation. The first point deals with clause 2(h) which states:

> (b) where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, the objectives of the national broadcasting service must prevail;

My quarrel with that is that it could be a guide to the Canadian radio and television commission and to the cabinet when the issuance of licences is dealt with. If the C.B.C.

puts in a claim for a particular area the licence might very well be awarded to the C.B.C. even though, as we know in the case of Saskatoon, the C.B.C. is not immediately able to erect a station in the area. The danger of this form of statement of broadcasting principle is that when the public purse is slim, and it is pretty slim now, the C.B.C. could tie up many areas in Canada. The other station in Moncton, New Brunswick, is an obvious example in the maritimes, and there are five or six altogether across Canada. This subclause could be considered a direction to the commission that these licences be held for the C.B.C., and yet the public would not have the protection of the C.B.C. having to erect the stations immediately and give service to the people in those areas. In short, there are areas in Canada which could be denied the option of choice.

I do not see why we cannot change this provision so that the issue would be resolved in favour of the public. For example, I can see that in Saskatoon and other places both stations might be owned by private companies but one would be on the C.T.V. network and the other on the C.B.C. network. I do not think it is necessarily public ownership of the second station that we are looking for in all places. Surely what we want is to give the public the right to choose between two networks. I hope the minister will be good enough to consider an amendment when that part of clause 2 is considered.

My second point deals with clause 29. The maximum fine that can be imposed on malefactors is set forth in this clause as $100,000. I suggest that this places a stigma on the industry and really tags it with deliquency. In my opinion a smaller amount would do the job just as well. After all, surely nobody seriously thinks that any magistrate would impose a fine of $100,000. I cannot see that any station would break a regulation to the extent that it would profit by as much as $100,000 by so doing. Therefore I suggest we take a second look at this clause and bring the proposed maximum fine down to a more reasonable amount.

My final point deals with clause 47 which covers the drawing up of a five year capital program and a five year operating budget. The evidence of the minister's very capable deputy minister, Mr. Steele, was to the effect that one could forecast operating budgets reasonably well for three years and that thereafter one could not foresee the difficulties that could arise in the fourth and fifth years. I simply suggest that we make the legislation

[Mr. McCleave.]

fit the facts and that when this clause is considered we amend it to set the term at three years instead of five.

I know that some people would like to have the budgets introduced on a year by year basis and debate them year by year. But undoubtedly a look can be taken at broadcasting every year because we will have the estimates of the Canadian radio and television commission before us and therefore will not be sloughing off C.B.C. affairs for three years or five years. On balance I think it is a good idea to try for long-range planning but a five-year period is impractical. A three-year period has been found to work and in my opinion we should strive for that. These are the points that I or somebody else will be raising and that I will be supporting as the debate proceeds.

[*Translation*]

Mr. Caouette: Mr. Chairman, just a few words on clause 2 dealing with general provisions of Bill No. C-163 which provides in paragraph (d) that—

> —the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian resources—

• (4:20 p.m.)

Mr. Chairman, I understand that Bill No. C-163 has not yet carried but on the French network of the C.B.C. television we too often see Russian, Polish, Ukranian films with subtitles or translated. When we read the subtitles printed at the bottom of the picture—when we care—we realize that the translation is a language that almost no Canadian can understand. I believe it is abusing the Canadian public to present such films which may have some value, I admit. We are given, for instance, Italian, or Russian or Polish films of high quality which Canadians cannot understand because quite often the subtitle below the picture is the same colour as the picture, white on white; so you can imagine if it is easy to read. And they are shown to us nearly every week. Not later than last week, I was watching one of those movies, following the national and international news, at the end of the evening. Frankly, I must say that the management of the C.B.C. or those who are responsible for such programs do not choose too adequately the movies presented to Canadian audiences as far as quality is concerned.

Mr. Chairman, I believe that the responsible people of the C.B.C. should, as Bill No. C-163 recommends, choose top quality movies, movies that Canadians are able to understand. Let them show English movies to English Canadians and French movies to French Canadians.

Subsection (e) of the bill mentions that:

—all Canadians are entitled to broadcasting service in English and French as public funds become available;

This is the reply given by the minister every time we ask for the extension of the C.B.C. French network to British Columbia. When we call for C.B.C. television in areas such as Chibougamau-Chapais, in northern Quebec, or English television in northern Ontario, the minister always replies that as public funds become available, the network will be extended to the areas not served at present by the C.B.C.

Mr. Chairman, since 1962, we have been asking the C.B.C. and the Secretary of State (Miss LaMarsh) to carry out the objective of the government, that is, to provide the C.B.C. programs in remote areas, to offer, for instance, French programs to French Canadians in British Columbia and English programs to Quebec residents who do not understand French. We have no objection to that.

We have been asking for those services for the Canadian people since 1962 but the necessary funds have not yet been made available.

However, Mr. Chairman, when we listen, for example, to the C.B.C. evening news at 11 o'clock, either on the English or on the French channel, we notice that the C.B.C. sends thousands of emissaries or employees all over the world. The fact, Viet Nam in the national news has a more prominent place than Canada itself.

We have emissaries in Japan, China, Africa and India. We have people in Moscow, in London and in Europe, in short in every country in the world. We also have some in Cuba.

However, Mr. Chairman, we do not have the means to provide television coverage for the Canadians who live in Canada. How can such an inconsistent argument be conceived? We spend unsparingly in every country of the world but we cannot provide television coverage for our Canadian people. Then, we are told: When funds are available, we shall provide television coverage for the Canadian people who are without it. I have never heard in my life such an argument.

We spend millions. The C.B.C. costs a fortune to the Canadian people. It is not the Africans nor the Vietnamese who pay our taxes but the Canadian people. Instead of giving services here in Canada, we spend moneys abroad. We send people abroad to stroll about under tropical suns. In the meantime, our people, in northern British Columbia, in northern Ontario, in northern Manitoba and in northern Saskatchewan are without television. Let us shiver! Let us pay taxes! Let us send C.B.C. employees to warm up their hides in fairer climes! Now, that is the logic of the government.

Mr. Chairman, I know there are C.B.C. people who will not appreciate what I am now saying. I see some of them every evening, people who are in Viet Nam. At this time of year, in January, February, they are in bathing suits. It is warm. Millions are spent to have those people travel. This week in Viet Nam, the next in Japan, and the following, in some other country. He may even be transferred to Africa. And the Canadian people are asked to wait for the services of the C.B.C. in their own homes.

Mr. Chairman, it is time to stop public funds from being wasted in other countries. Television programs show us photographs of North or South Vietnamese being killed or of Americans imprisoned after falling into a trap. This may be important, but in my opinion there are more important things in Canada which should be shown to the Canadian public. However, that is how things are in Canada.

Canadians are more interested in what is happening in British Columbia than in what is happening in India. One should know what is happening in India. But when you ask a Canadian: Do you know British Columbia? He answers: No. When you ask someone in British Columbia: Do you know the province of Quebec? He answers: It is the province which wants to separate from the rest of the country. With the exception of cities such as Toronto, where many people visit the province of Quebec, or Montreal and Quebec, where people often go to Toronto, what is known of Quebec? Nothing. What do we know of New Brunswick, of Prince Edward Island? Almost nothing.

Further on, it is said that the C.B.C. should strive to maintain national unity. The purpose of the national broadcasting system must prevail. National unity will be brought to the

attention of the people. In fact, the bill provides that. I have it here:

—contribute to the development of national unity and provide for a continuing expression of Canadian identity.

(4:30 p.m.)

What is happening in Japan may to a certain point be of interest but not only that; what is happening in China may also be of interest but not only that. I have mentioned it and I am saying it for the hundredth time. On the national news of the C.B.C., out of approximately 15 minutes, we are given ten minutes of foreign news, when it is not twelve, with only three minutes of national news. And there are other tricks too. We have news at six o'clock or 6.30 and other news at 11. At 6.30, there are regional news—which are called national—that do not reach all corners of the province of Quebec nor all French-speaking areas as far as the French network is concerned. The eleven o'clock news bulletin is different from the 6.30 p.m. newscast, which is often of national interest. The latter is disregarded and another bulletin is given, consisting mostly of foreign news.

Mr. Chairman, this is beyond me, since the corporation is supposed to serve the Canadian people. Why should our farmers, workers, miners be interested in foreign countries? What they want to know is what is taking place in their own district. Let us call back our officials travelling throughout the world in order to serve the Canadian people and inform them about national events. I do not object to those people keeping their jobs. I am not suggesting that they should be dismissed, but let us stop paying their plane fares and prevent them from travelling from one country to another and let us put them to work here in Canada to inform our population. It is up to the C.B.C. to inform the Canadian people about national events. Such is the task that the corporation should perform in our country.

Mr. Chairman, paragraph (f) stipulates and I quote:

—there should be provided, under the management of a corporation established by parliament for the purpose, a national broadcasting service that is predominantly Canadian in content and character;

That meets my views. If the bill is passed, put into force and respected, then perhaps we will have more Canadians in the C.B.C., instead of having outsiders, or some of our own people who are rather outsiders.

[Mr. Caouette.]

Clause 2(g)(ii) stipulates as follows:

—be extended to all parts of Canada, as public funds become available,

It is always the same old story—

—as public funds become available,

Mr. Chairman, it is physically possible to give C.B.C. radio and television service to the country. Is it more difficult to give television service to Vancouver than to show televised programs on Viet Nam in Canada? If it is physically possible to show us films taken by Canadians in Africa, do not tell me it is more difficult to extend to Vancouver English and French programs of the C.B.C. It is certainly not more costly but, Mr. Chairman, the hon. Secretary of State for External Affairs (Mr. Martin) should practise in Canada what his department or what the C.B.C. practise in foreign countries. We are accusing nobody.

We now have a new management in the C.B.C.

I congratulate the new chairman and his assistant or deputy chairman and I feel that, in view of their competence in that field, we can expect them to take attitudes, to reach decisions that will satisfy the Canadian citizens and take their aspirations into consideration. It is only on that condition that the Canadian Broadcasting Corporation will further the understanding that is so important for all Canadians whatever their origin.

Mr. Chairman, paragraph (i) of clause 2 reads as follows:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting.

We agree. There are various ways of educating the people, the young, the adults, men, women. Education includes a lot of things.

These last few years, for example, the only people invited to appear on C.B.C. educational programs such as "Conférence de Presse", "Point de Mire", "Tous pour Un" or "Deux plus Un", are those who advocate separatism or a socialist state, the nationalization of all private enterprise or almost, and the nationalization of all means of production and distribution. These people are always appearing on C.B.C. programs.

Mr. Chairman, in my opinion these programs are not truly educational. I do not object to the fact that those people are invited, but other opinions should be equally represented.

Mr. Grégoire: Would the hon. member allow me a question?

Mr. Caouette: Certainly, Mr. Chairman.

Mr. Grégoire: Does the hon. member have some statistics or specific facts available indicating how many they are—either Liberals, Conservatives, Social Crediters, independentists or socialists—what are the specific facts or statistics in that connection.

Could the hon. member for Villeneuve (Mr. Caouette) supply them to us?

Mr. Caouette: Mr. Chairman, in answer to the hon. member for Lapointe (Mr. Grégoire), I wish to say that I do not have a specific figure, but I know that all those programs on public opinion which I see on television present most of the time separatists or socialists as guests. Each time a socialist arrives from Europe he is immediately interviewed on the C.B.C. It always happens like that and such has been the situation for three or four years.

Mr. Grégoire: Would the hon. member allow me another question?

Mr. Caouette: Yes.

Mr. Grégoire: Even though the hon. member for Villeneuve does not have the exact figures—granting he does not have them—could he give us some approximate statistics? What is the basis for such an assertion? Could we have—

Mr. Caouette: Mr. Chairman, I have already said this but I shall repeat it again: I have been watching television programs and even now—

An hon. Member: Almost all of them?

Mr. Caouette: —yes, almost all of them, on television.

Mr. Grégoire: I do not have time. Even in the evening?

Mr. Caouette: Even in the evening, certainly. On public opinion programs, I notice that the Liberals, who are in office, are perhaps invited less frequently by the C.B.C. than Conservatives, the members of the N.D.P. or of the Social Credit party. It is the separatists we are seeing there—maybe not the hon. member for Lapointe yet, because he is not taken seriously by the separatists of the province of Quebec—

Some hon. Members: Hear, hear.

Mr. Caouette: —and he knows it.

Mr. Grégoire: Figures should be given.

Mr. Caouette: I understand, but we can obtain some directly from the C.B.C. We only have to put questions to the Secretary of State who will tell us the names of those invited by the C.B.C. to take part in public opinion programs.

Mr. Grégoire: Will you put that question?

Mr. Caouette: Yes, we shall. The minister is not aware of it, I am sure, but we can put questions on the order paper and obtain replies. I shall certainly do so to know exactly what persons have been invited by the C.B.C. and what political views they expressed. For instance, the leader of the sovereignty-partnership movement in the province of Quebec, Mr. René Lévesque, has appeared three days in a row on the C.B.C. network. I heard him last night on the program "Deux plus un". He said he did not know where he was going but that this would not stop him.

• (4:40 p.m.)

The day before yesterday, it was Mr. René Lévesque in Victoriaville; the other day he was shown in Chicoutimi. I think it was Victoriaville first, and Chicoutimi next. The following evening, there was a half hour television program.

Have you seen a Liberal, a Conservative, a member of the N.D.P. or a Créditiste speak on television on the same subject or in similar circumstances? No. We have seen the hon. member for Lapointe (Mr. Grégoire) on television, when he was a Crédististe, because he was taken seriously then. Nobody takes him seriously today.

Mr. Grégoire: Would the hon. member for Villeneuve allow me another question?

Mr. Caouette: Certainly.

I admit, Mr. Chairman—

Mr. Grégoire: The hon. member for Villeneuve says exactly what I admit: That I am not seen as often now as when I was a Crédististe.

Then, that means that independentists are victims of discrimination.

Mr. Caouette: Mr. Chairman, there is no discrimination.

There was a party recently in Montreal during the holiday season. All evening, the hon. member for Lapointe ran after the cameras to be photographed. I saw him in action. He will say that it is discrimination—

Mr. Grégoire: Was the hon. member for Villeneuve invited?

Mr. Caouette: Certainly I was. However I stayed home. I did not run after the television cameras, as the hon. member for Lapointe usually does.

Then, Mr. Chairman, that does not mean that the hon. member for Lapointe must never be invited by the C.B.C. No. He must be invited just like the others. He is the leader of a political group; very well. The C.B.C. can invite him. However, the C.B.C. airwaves must not be used to serve one cause more than another. I am against that, not againt the C.B.C. but against some individuals in the corporation who decide what invitations will be sent out.

Therefore, I think that if Bill No. C-163 is applied reasonably, if its spirit is respected, it will help to make the C.B.C. management understand that this corporation must serve all the people and not only a group of people, in short that this corporation is dependent on the public funds of the whole country—not only of one region, of one group of people, but of all the people—and that it must aim at serving the Canadian people as a whole.

[*English*]

Mr. Thompson: Mr. Chairman, first of all I wish to offer my congratulations to Dr. Davidson and Mr. Picard on their appointments to administer the affairs of the C.B.C. I am sure there is no one in this house who does not wish them the very best of success in their new assignment. We all know their tasks will not be easy. There is a tremendous challenge before them not only to administer the affairs of the C.B.C. in an effective way, particularly in view of the prospect of budgetary allotments being approved for a longer period than they have been in the past, but also to lay out the policy for program management in the C.B.C. So at the outset of my brief remarks I wish these two gentlemen well and I trust that as they assume the responsibility for broadcasting by the publicly owned corporation they will be able to meet effectively the challenge and responsibility which face them.

What concerns me most of all in this bill is that the changes it will implement so far as the C.B.C. is concerned offer little prospect for improvement in the area of the managerial control of programming. I think this legislation very definitely improves the technical side of the C.B.C. and of broadcasting in general, both in television and radio. But it disturbs me that I can see very little in it that gives any assurance at this time that there will be an improvement in programming.

Some of those responsible for the production aspect of programming believe that the right to freedom of speech gives them authority to express themselves as they see fit over the public broadcasting services of the country. In fact there are many producers who believe that the country owes them large budgets in order to permit them to express their own ideas. I believe this has been one of the great weaknesses of management in the past years. It is imperative under the democratic process that when public money is spent on public broadcasting everyone involved in the process of broadcasting must be responsible to a higher authority. It is only in fulfilling our responsibility to the people who supply the wherewithal to cover the cost of the C.B.C. that we can ever expect to bring about effective policies in relation to programming as well as management.

I should like to bring to the attention of the committee the fact that in my belief Germany has worked out a more satisfactory basis for a programming policy than any other public broadcasting system in the free world. They have done so by establishing a body of people numbering 70 who give advice on programming policy and who reflect public opinion by themselves being representatives of various organizations. These organizations include the federal and provincial parliaments, organizations such as the home and school organization and the German counterparts of the Canadian teachers federation, the Legion, workers unions, agricultural organizations, civic clubs, and the like. In other words, the programming policy on the public broadcasting system reflects the views of a cross-section of the public.

This bill provides for a full time executive body of five members and a part time body of ten members. It is my opinion that while these men may be able to supervise the technical aspects of broadcasting in a very effective way they will have little time left to give proper attention to the programming policy. It also seems to me that the number of members is not large enough to give true representation of a cross-section of the population of Canada so as to arrive at a proper consensus. There should have been within the bill some means of providing a more satisfactory sounding board for public opinion in this regard. In fact this is one of the most difficult areas that I believe Dr. Davidson will face simply because he will find it extremely difficult to find enough time to devote to this area of management. Furthermore, he will not

have the necessary support from a cross-section of public opinion, support which he will need to effect proper supervision of the corporation.

When I spoke on this bill previously my remarks were made from the standpoint of a parent and I raised the important problem of family life in relation to the bill. I think there is no more important aspect of this bill than programming and its effect on family life. Our late Governor General Vanier was moved to establish the Vanier Institute of the Family in this country. In my view television could be a most effective means of assisting in achieving or preventing the achievement of this goal.

I do not wish at this time to deal with programming at any length. A great deal of time has already been devoted to this subject in this debate. However, I could not help but think that last night on the program "The Way It Is" there was a deliberate attempt to mock one of the most important aspects of family life and the whole moral fibre of this country. The program concerned religion but in fact it was nothing more than a straight, deliberate mockery of Christianity and religious issues. Very often it seemed that the reaction of the audience was what I can only describe as hyena laughter. The program was intended to make a mockery of religion and create controversy.

• (4:50 p.m.)

When we go back to the early history of the C.B.C. and in particular consider some of the recommendations of the Aird commission in 1929, which were actually a very important factor in the emerging of the C.B.C. at a later date, we find it was agreed then by those who took part in the debate in this house that the Aird commission had stated something very important so far as public broadcasting was concerned in saying that where religious broadcasting was allowed there should be regulations prohibiting statements of a controversial nature.

It seems to me that those responsible for the type of show that was seen across this nation last night—I refer to "The Way It Is"—and especially that part of the program making a mockery of Christianity, are acting in defiance of what has been accepted as a most important principle. It was announced last night on this program that next week a portion of the program will be devoted to drugs. In fact, it was announced that part of the program would be on the drug culture of Canada. A statement was made to the effect that whether we like it or not we live in a drug culture. I ask this question: Is there any assurance to the parents of this country that this program will not be yet another promotion for l.s.d. and marijuana, as has been the case in previous programs?

Where is there that chain of responsibility that will effectively guide those responsible for management and program production and make sure that this type of program does not do further damage to the young people of this country? Will the program bring out such reports as I read just the other day in the *Globe and Mail* where it was reported that in New York city alone 250 young people have been committed to mental institutions because they are suffering from insanity caused by the use of l.s.d.? Will it bring out some of the other dangers in the general use of drugs, in the smoking of pot or the use of other drugs so easily available to our young people? Will the program encourage our young people to participate in this kind of harmful activity?

We contend that we must have some assurances as we consider this bill because I repeat that I can see nothing in the bill that will place the new management of the C.B.C. in any better position. There is nothing in the bill that we can see which will control or direct programming policy so far as our public broadcasting system is concerned. For this reason I intend, as I said before—and I think there are many in this house who will agree with me and I hope the minister will also agree—to move an amendment that will strengthen the bill by giving those responsible for the management of the C.B.C. more specific direction and guide lines.

Tragically, the C.B.C. has had a strong tendency to produce plays, interviews and in-depth stories which can only be interpreted by parents as intended to undermine family life. This is why I appeal to the committee and the minister to see whether it is possible to amend the wording of the bill in such a way that the operations of the corporation and the responsibility and authority of those charged with its management will be strengthened. The amendments to which I have referred will be put forward to this end.

I would again remind the committee that unless there is a channel of responsibility for everyone who sits in any kind of position of authority we can expect what has been happening all too often in the pattern of events in the Canadian Broadcasting Corporation. I refer to those who are able to commit a constant assault on character, undermine faith in

God or in religion in general, undermine respect for law and authority and destroy sound home life and the knowledge of right and wrong. It seems to me this has come about because of the domination of a minority who misuse the C.B.C. to spread propaganda and perversion of whatever kind it may be.

More and more of the money of the taxpayers of this country is being diverted to deal with the increasing social wreckage. It seems to me that our national broadcasting corporation ought to have as one of its basic aims the strengthening of this aspect of Canadian life. I am reminded of the fact that only two years ago 80,000 Canadian mothers and citizens presented members of this house with a challenge. What are we going to do about it? Are we going to listen to the recommendations that they made? The home and the family must be given some consideration in our deliberations in this house on the bill before us.

Therefore, Mr. Chairman, I tell the committee that we intend to introduce amendments which we hope will receive favourable consideration. In our view our amendments will strengthen the bill. We do not wish to destroy it. We do not wish to block it or prevent it from being passed by the house. It is necessary that the bill be passed as quickly as possible. However, we are very sure that in this and other areas the bill must be strengthened. In this respect I agree with the hon. member for Winnipeg South who has spoken about other aspects of the bill which need strengthening. Therefore, in spite of all the time that has already been spent in the house and the committee on this matter we should not think we have done all we can to make this bill what it ought to be in regard to responsibility, proper control and lines of authority so far as the management of our public broadcasting service is concerned.

[*Translation*]

Mr. Grégoire: Mr. Chairman, if you recall, the last time we discussed the Bill No. C-163 we were on an amendment which I moved on Wednesday, December 20, 1967. I then moved to replace the word "should" in clause 2 (b) in which it is provided that:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians—

I moved to replace the word "should" by the word "shall", because in fact, in the former legislation, there was also a proviso that the radio and television stations should be owned by Canadian citizens, in view of the fact that airwaves are limited and, consequently, so are the licences. And I asked that the wording be changed to the word "shall" so that radio and television stations would be effectively owned by Canadian citizens and residents.

I was also complaining about the fact that the only two private television stations in the city of Quebec were owned in majority by foreign interests, that is Famous Players Canadian Corporation Limited, an American company, and I was asking to change this wording in the new legislation so that such things would not happen again.

At that time, Mr. Chairman, I gave a list of the shareholders, directors and officers of the two Quebec television stations, namely channel 4 CFCM-TV and channel 5 CKMI-TV, which both belong to the same company, foreign interests. I also mentioned who the shareholders were and how the law was being circumvented.

Since then, Mr. Chairman, I have received several letters from citizens living in Ontario, out west and in the maritimes—I could produce those letters—who tell me: you have managed to get the names of the real owners of the Quebec TV station; we find that in an underhanded way it belongs to American interest; could you send us a list of the owners and shareholders of the privately-owned television stations in Toronto and in Hamilton, I believe. I even have two letters coming one from the west and the other from the maritimes.

Therefore, Mr. Chairman, I am wondering if the Secretary of State (Miss LaMarsh), before the end of the consideration of this bill, could ask her officials to prepare as quickly as possible, in order that she may table it, the list of shareholders of radio and television stations. Somebody may ask why radio and television? Well, Mr. Chairman, the reason can be found specifically in clause 2 of Bill No. C-163, which reads as follows, and I quote:

It is hereby declared that

(a) broadcasting undertakings in Canada make use of radio frequencies that are public property and such undertakings constitute a single system,—

Licences to operate a radio or a television station cannot be granted to all those who request them, because in order to operate such stations, they must have a wave length and wave lengths are not numerous; as a matter of fact, they are even scarce.

This is why freedom does not necessarily exist in that field; only those who obtain a permit from the federal government and the Department of Transport following the approval of the Board of Broadcast Governors can operate television and radio stations. The members of that organization do not grant many permits, because the airwaves are scarce. And it is precisely on account of the exclusiveness, the scarcity in that field that a permit is necessary and that consequently, the public must exercise greater control on the operation of those radio and television stations.

Since the airwaves are part of the public property, since they are controlled and restricted, it seems to me it is essential to know who uses them and how they do it.

Subclause (b), the one which I would like to have amended, states:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to preserve and strengthen the cultural, political, social and economic fabric of Canada;

But if our airwaves, our operating permits for radio and telvision stations are left in the hands of foreigners, then, Mr. Chairman, the law no longer applies. Here, in the case of the two Quebec stations, we have seen that the majority holders of shares in those stations are Famous Players Canadian Corporation Limited. With such a name, one would think that Famous Players Canadian Corporation Limited is a Canadian corporation.

But when one looks at the ownership of Famous Players Canadian Corporation Limited, one finds that 51.834 per cent of the shares are held by American citizens, that is 900,390 shares out of a total of 1,737,072. Therefore, in this indirect way American citizens can control television programs.

• (5:00 p.m.)

Mr. Chairman, I believe that, according to the requests and to the letters I have received not only from Quebec but from other provinces, the Secretary of State should table in the house the list of shareholders, of the owners, and the number of shares each holds in these radio and television stations.

I see for instance that in the two television stations of Quebec, CHRC Limited holds 1999 shares out of a total of 10,000. CHRC Limited is a radio station. Who owns CHRC Limited? These are all intermediary companies that become owners of the television stations and it is also noted that station CKCV a competitor of CHRC Limited, also owns 1,998 of the 10,000 common shares of Television-Québec-Canada Ltée station.

So I should like to know if all these intermediary radio and television companies are amalgamated with each other. I should like to know who really owns each of these radio and television stations and this is all the more important since airwaves are public property and the allocation of wave lengths is very limited and these companies must obtain a licence, and furthermore all these data are already available to the Board of Broadcast Governors.

Then I shall ask the hon. minister whether she is prepared to table as soon as possible to-day or to-morrow, the list that her officials will be able to let us have for each television station. As far I am concerned, I would be interested in a list of all the radio and T.V. station owners and shareholders in Quebec, as well as the number of shares they own.

Would the hon. minister be prepared to table a list of the shareholders of radio and television stations in Quebec? And if other members are interested in getting a similar list regarding other provinces, would the hon. minister also be prepared to table such a list?

[*English*]

Miss LaMarsh: Mr. Chairman, I do not think there is any particular reason for my department to go to all the difficulty of getting this information just for purposes of idle curiosity. If the hon. gentleman has some reason for asking for certain information in connection with a particular station then I will, of course, undertake to do my best to get that information. However, it may not be available instantaneously. I hope this debate is not going to drag on for many more days, but if it does I might have time to get the information for him before it concludes.

If the hon. member is asking for information about a particular station I will be glad to undertake to try to get it if there is any point in doing so. All kinds of questions have been put on the order paper and other information has been requested, but we cannot have the time of civil servants occupied in unproductive ways on questions which arise out of curiosity, the answers to which are not really intended to be made use of in one way or another. If the hon. member is serious about this and makes his request, then I will certainly give it my attention.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think I have a very serious reason to ask that.

In my last intervention on that subject, in December, many citizens—I do not say thousands, but several citizens from Quebec and other provinces—mentioned the following point, that in the majority of Canadian television stations, American film companies own great numbers of shares, so that they can impose films they want to show and which our television stations, even though they are controlled in a majority by Canadian shareholders, are forced, by these American companies, to show; precisely because they own so many shares.

Another reason I would like to mention would stem from what the hon. member for Lotbinière (Mr. Choquette) said last December 21, as reported at page 5744 of *Hansard*. I quote:

> —all the programs on channel 4, otherwise he would have noticed that the programs broadcast are typically programs of interest to Quebecers.

And the hon. member for Lotbinière added:

> Consequently, I do not believe that from a social and cultural point of view, the threat is as great as the hon. member would lead us to believe.

The cultural aspect comes up. If, in the other stations, such as in the Quebec stations, Famous Players Canadian Corporation Limited holds a majority of shares, it is obvious then that Famous Players would much rather have the television stations in Quebec show American films dubbed in French instead of original French movies which are inevitably of a greater cultural value if they come to us in the original version.

It is obvious, Mr. Chairman, that if we are continuously buried under translations of American films simply translated into French, where everything is arranged for technical rather than for artistic or cultural reasons. Then, in such cases, cultural and social values are not protected on channel 4, in Quebec, simply because a film company holds many shares in the Quebec television station and, for strictly financial purposes, it chooses to show its own films.

I was told—and this is the answer I want to get from the hon. Secretary of State—that according to the list of the shareholders of privately owned television stations not only in Quebec but everywhere in Canada, companies such as Famous Players Canadian Corporation Limited have tremendous interests in almost every such television stations, so that the culture which we think we are developing in Canada is influenced by American companies, by film producers instead of the Canadian and Quebec firm.

If those figures could be obtained in order to prove that if Canada is being increasingly Americanized by a medium as important as television, it is precisely because American interests and film producers have their say in cultural matters in Quebec and in Canada.

I feel therefore, Mr. Chairman, that the Secretary of State will agree with me that such an investigation is essential. It is important that we be enlightened about this matter, because it is not only of matter of safeguarding economic values, but actually of preserving cultural and social values.

I should also like to point out to the hon. Secretary of State that such a report need not take that long to prepare. There are not that many T.V. stations in Canada; there are barely 10 in Quebec. Moreover, that information is already in the files of the Board of Broadcast Governors. It is just a matter of getting them out. We could then check the facts and, as early as tomorrow, resume our study. We could then see whether Famous Players really control culture in Canada, whether they can impose upon us in Quebec mere translations of American films which do not have, by far, the value of original films in the language of origin.

I think that the minister will then understand that my argument has a serious basis. If the minister agrees to supply these data only for the Quebec stations I will be satisfied. I believe that there are possibly 10 private stations in Quebec. It would suffice to bring out photostats of the shareholders lists on file with the bureau of broadcast governors and we could have them on hand when this bill is taken into consideration tonight at eight o'clock or tomorrow at 2.30.

Citizens from other provinces have written to me to have the same information concerning their own television stations. They should ask their own members to ask for this if they think it is appropriate.

So, in view of the serious reason I have given, would the Secretary of State, be willing to supply us, let us say by tomorrow at 2.30, with the lists of shareholders and the number of shares owned by each in private television stations of Quebec? Can the minister give us this?

• (5:10 p.m.)

[*English*]

Miss LaMarsh: Mr. Chairman, I would be willing to find out whether such information is available. I do not know how long it will take to get it but I shall try to do so. In the

meantime I cannot accept as valid some of the points which my hon. friend has raised.

He said that dubbing in French in films that have been made in the United States constitutes a usurpation of the cultural air waves. Clearly, he would prefer to see films that were originally made in French. I take it he would like to see films that have been made in Belgium, France or other French speaking countries instead of films which have been made in the United States. He was not referring to Quebec films because few films have been made in Quebec which can be shown over the French television network. My hon. friend knows that even when Radio Canada makes films, such as the three which were made and shown in December and January, there is considerable outcry about their cost. It is not very likely, therefore, that enough full length feature films will be produced in Quebec to meet the demand of French network television stations for French speaking movies.

Indeed, French radio and television have been faced with problems and have received benefits. One of the problems has been that it has been difficult to obtain original material in the French language from outside Quebec. Accordingly, there has been considerable initiative to produce more films in Quebec in the French language. There has not been so much initiative in English speaking Canada to produce its material in this country because so much material is available at cheaper rates from the United Kingdom and the United States.

With respect to the suggestion that motion picture companies which own large blocks of shares in broadcasting networks may affect the programming of network stations by requiring them to carry company films instead of films made elsewhere, may I say that the private French stations are not affiliated in a network. I think my hon. friend knows that most English stations are in a network. I believe there is only one independent English station in Canada. Films are purchased by the network and used throughout the network, but the individual stations within the network may be individually owned and there is no relationship between them.

With respect to the C.B.C., of course, films are purchased by the C.B.C. and offered to its affiliates. I am not certain whether the case which my hon. friend has suggested is true for Quebec. It may be. Before I allow these allegations to stand I should like to know at this juncture whether the information he seeks is readily available. I do not know whether it is. In any event, I do not think that the point is sufficiently important to delay the discussion of the bill. If my hon. friend does not think it is all that important perhaps, if we come to the appropriate clause before six o'clock, he might agree that we stand that clause and that I bring some report to the house at eight o'clock.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I am quite satisfied with the answer of the hon. Secretary of State. If she tells us that she will do her best, I think we must believe her. Besides, if there are special points like these, we can come back to them on the motion for third reading or at some other stage.

I would only like to make a distinction between what the hon. Secretary of State has said and perhaps the actual situation of the French T.V. station. It is obvious that the C.B.C. is doing its best. Mr. Chairman, I must congratulate the French network of the C.B.C. for doing its very best to produce as many original programs in the French language as possible and to present French language motion pictures. I do not in the least blame C.B.C. employees. On the contrary, I think they should be congratulated for they succeed very well in presenting good programs. Since there is less material available in French than in English, the French network has a more difficult task.

But, for the private stations, the problem is different. I should like to mention at this point that my remarks concern the private television stations in Quebec rather than the C.B.C. which, I admit, is doing all it can. I am thinking mainly about private stations such as the one in Quebec city, for example. When a station belongs to Famous Players, an American company which produces American films, it is obvious that the company which owns this station prefers to show American films translated into French and then sell them to the Quebec stations rather than show films which would have a greater cultural value. It is obviously normal for an American company to try to show its pictures before others. But all this derives from the fact that an American company has been granted operating permits for the two television stations in Quebec city. I object against that Mr. Chairman. I understand quite well that the Famous Players company, which is a film producer, wishes to show its own pictures but then those pictures have been dubbed

and the station is not interested in showing original pictures, since their own pictures are American pictures dubbed in French.

• (5:20 p.m.)

Since the Secretary of State recognizes the fact that our television and radio stations should belong to Quebecers and to Canadians, I should not like to see any loopholes left in the act such as the word "should." If we recognize the merits of the argument advanced by saying "should," we have the responsibility to avoid all loopholes by saying: the stations shall or must be owned by Canadian residents and citizens.

That is why in my amendment, I said that the stations shall and not should be owned by Canadian citizens.

I should like to make a few remarks with regard to a comment made by the hon. Minister of Manpower and Immigration (Mr. Marchand) on December 21, 1967, which I did not have the opportunity to rectify. As can be seen on page 5744 of *Hansard* for December 21, 1967, the minister said and I quote:

> However, I know that some Quebecers should be interested in making profits, in having that station under their control, but I do not think that it is the responsibility of the government to decide which members of the company are going to make profits.

Mr. Chairman, I agree with the Minister of Manpower and Immigration. It is not the responsibility of the government to decide who is going to make profits, but the question is: Who will make profits with a television station such as the one in Quebec which is very profitable, foreigners or Canadians? I do not want to know who will make profits as between Quebecers and Canadians, but I nevertheless think that it matters very much that such a television station be owned by Quebec or Canadian interests and that those profits go to Canadians or Quebeckers, not to foreigners who will impose their culture upon us.

On the other hand, during the same debate, and while I had not yet had the opportunity to make a correction, the hon. member for Lotbinière (Mr. Choquette) stated precisely what I quoted earlier and I repeat:

> —he would have noticed that on channel 4, the programs broadcast are typical programs of interest to Quebecers.

The hon. member for Lotbinière should provide us with statistics in that respect.

Mr. Choquette: Does the hon. member want to provide statistics? How many American films and how many French films are shown on channel 4? Does the hon. member have statistics?

[Mr. Grégoire.]

Mr. Grégoire: Mr. Chairman, I am very happy that the member for Lotbinière should ask this question.

Obviously, the owners of television station channel 4 in Quebec are not required to give out the information I seek. But if the member for Lotbinière will join me, we could petition the Board of Broadcast Governors which could obtain a reply from the owners of channel 4, because channel 4 operates under a licence from the Board of Broadcast Governors, not from the member.

Mr. Choquette: I am asking whether you have any statistical data?

Mr. Grégoire: I repeat that I can hardly obtain statistics, because I am not the one who grants the licence. It is different when the C.B.C. is involved. The C.B.C. is a crown corporation and we can obtain replies from them; it is different with a private station. The request must be made through the bureau of broadcast governors.

I look at the Quebec television station on occasion and no one can call me that it is a typical Quebec station when according to what I have been able to see at least, we are more often given French translations of American films than original French films. We should get statistical data and that is why I am again putting a question to the Secretary of State to satisfy both the member for Lotbinière and myself.

Could the Secretary of State ask the Board of Broadcast Governors to inquire into this matter in order to determine what programs are mere French translations of American programs and what programs are essentially French?

It would be most interesting to know from a cultural point of view. Now, the member for Lotbinière cannot make assertions such as he made on December 21. Nor can I any longer make any and that is why I carefully avoided them. But since the station belongs to American interests, I think that we are then perfectly justified in asking the Board of Broadcast Governors to investigate this matter.

Mr. Choquette: May I add a word?

Mr. Grégoire: Yes. Certainly.

However, all I wish to add to what I have said to the hon. member for Lotbinière—and I will certainly allow him to speak about that —is that he cannot make assertions about the

proportions nor can I, because we do not have the statistics.

Now, if the Secretary of State of Canada is agreeable, she can require the Board of Broadcast Governors to conduct an investigation on that matter in order to have definite statistics. Then we will be able to discuss them.

As the hon. member for Lotbinière is anxious to raise the problem, I yield the floor immediately, but I may return to that subject, as it is one of my amendments.

Mr. Choquette: Mr. Chairman, I will be very brief.

First of all, I want to point out to the previous speaker that unlike him, I am not making charges against channel 4. He claims that channel 4 is broadcasting American-inspired programs. He is the one who makes the charge and then he tells us that his allegation is not founded on any statistics. Therefore he is illogical, not me.

Personally—

Mr. Grégoire: Mr. Chairman, I think the hon. member would allow me to make a correction. If the hon. member for Lotbinière takes the trouble to read the official report tomorrow, he will notice that never at any time this afternoon or during the debate last month did I make any charges against channel 4.

I simply raised this matter: since that station is owned by Americans, is French culture in Quebec really protected? I was very careful to say that I did not have any accurate statistics and to ask that they be produced though.

But I did not accuse anyone. Moreover, I pointed out a statement of the hon. member for Lotbinière who said:

"I note that especially on channel 4, the programs are typical of Quebec."

There are some, but are they a majority or a minority?

Now, the hon. member for Lotbinière should read *Hansard* tomorrow and he will realize what I have just said.

Mr. Choquette: Now, Mr. Chairman, I do not wish to carry on that discussion because I know that the minister would like to expedite the proceedings.

However, the hon. member mentioned the broadcasting of American pictures. But although he made that suggestion, he is unable to give specific figures or statistics to support his assertions.

However, I am going to make a little suggestion to him. Should he care to go to the reading room, to take a look at *L'Action* or *Le Soleil* of Quebec and see what programs are on channel 4, he will see that apart from dubbed films, films of French origin, essentially French productions are often shown. I myself can bear witness that films are shown which are essentially French productions; I have no statistics but I know it very well.

As far as the establishment of programs is concerned, it is very easy. The only thing the hon. member has to do is to take a look at *Le Soleil* or *L'Action*, to look at the movie section. Indeed, on the first page, there is an index showing on what page he will find the list of television programs. The hon. member knows how to read and he will realize that the programs on channel 4 are essentially, basically Quebec ones. He knows that; it is useless to make believe that it could be otherwise.

Secondly, when the hon. member says that channel 4 is controlled by American interests, I unfortunately have to say, Mr. Chairman, that this does not correspond to the facts, because channels 4 and 5, which are two television stations, are largely controlled by Canadian interests.

• (5:30 p.m.)

Here is the breakdown: 50 per cent are Quebec interest and the member knows it. Mr. Gaston Pratte, a French Canadian is president.

Mr. Grégoire: He only has only one share out of 10,000.

Mr. Choquette: Granted, but he is the chairman of the board of directors.

The general manager of channel 4 in Quebec is Mr. Jean Pouliot, and it ill becomes the member for Lapointe (Mr. Grégoire) to insinuate that Jean Pouliot might find it in his own interest to promote a culture other than the French culture; he is the son of Doctor Adrien Pouliot, former vice-president of the C.B.C., one of the pioneers of the French radio network out West. I will not be told, Mr. Chairman, that the Pouliots are opposed to the expansion of the French culture.

Mr. Grégoire: That is demagoguery!

Mr. Choquette: I say it is demagoguery on the part of the member to make such insinuations.

Here is the breakdown of the shares of channels 4 and 5: 50 per cent are held by Quebecers. The member himself said so on page 5740 of the *Hansard* for December 21: 50 per cent of the shares are Quebec-owned.

The other 50 per cent are held by Famous Players. Now, only half of the interests in Famous Players are American; therefore, 75 per cent of the interests in channels 4 and 5 are Canadian, and 25 per cent American.

I also want to point out to the hon. members that, in 1954, we Quebecers were happy to see TV stations inaugurated in the Quebec City. I should like to remind the member that at that time, few were interested in investing in television, that few believed in the eventual prosperity of a television station.

The hon. member knows very well that without the help of Famous Players, we would not at that time have had our television stations in Quebec city. Heaven knows how much television, and particularly the C.B.C., which after all is a federal agency, have helped to spread French culture. There are separatists who want to pull down everything, overthrow all federal institutions. However, French culture is flourishing in Quebec precisely because a federal agency, the C.B.C., has allowed it to flourish and develop more than ever.

Mr. Chairman, channels 4 and 5 are thus 75 per cent owned by Canadian interests, 50 per cent Quebec owned, 25 per cent Canadian owned in the general sense of the word, and 25 per cent American owned. The situation is explained by the fact that at the time when these television stations were opened, very few people were willing to invest in them because they believed it was too risky.

Mr. Chairman, the hon. member is well received when he applies to channel 4 to buy time; at least, the last I have heard is that, he is supposed to appear on that channel. Therefore, let nobody tell me that channel 4 is impervious to new ideas.

I admit that editorials can be acceptably oriented. They have a right to express their views. I admit that the hon. member has been ill-treated in some editorials on channel 4, because he was asked to resign when he declared himself a separatist. It was said on channel 4 that the hon. member had no right to become a separatist after securing a federal mandate from his electors. He could never forgive channel 4 for asking him in an editorial to resign, go back before his electors and tell them: I am no longer a federalist but a separatist, what do you think of me? The hon. member will know at the next election what his electors think of him, and I should not want to be in his shoes, Mr. Chairman.

Therefore, I conclude these few remarks because I wanted to tease the hon. member a little. He will forgive me, because he knows how to tease also. But speaking objectively, the hon. member knows very well that channel 4 programs are basically and essentially Quebec ones. He knows very well that channels 4 and 5 are stations controlled by a great majority of Canadian interests. Therefore, his assertions must be refuted and that is why I thought it was my duty to correct his statements.

Mr. Grégoire: Mr. Chairman, there are of course several points to be challenged in the statement just made by the hon. member for Lotbinière. He says that I bear channel 4 in Quebec a grudge, and that is the very word he used, for having asked me to resign when I became a separatist.

If the hon. member for Lotbinière will consult *Hansard,* he will see that I asked identical questions in 1963. Therefore, the statements of the hon. member for Lotbinière are far from being true. Obviously, he is not aware of the efforts we have been making for some time to try to canadianize the means of developing our culture here in Quebec and to make them more truly representative of the province.

Mr. Chairman, the hon. member for Lotbinière shows that he does not understand much about business, when he says that it is 75 per cent Canadian and that Famous Players Canadian Corporation Limited is 50 per cent Canadian, 50 per cent American.

According to the figures given, Americans own 900,390 shares of Famous Players Canadian Corporation Limited out of a total of 1,737,072 shares, that is 51.834 per cent.

The hon. member for Lotbinière should know that between 50 per cent and 51.8 per cent, that means control or no control. In owning 51.8 per cent of the shares, Americans have the complete control, and those who own 48.2 per cent do not have much to say. That is the difference between 50 per cent and 51.8 per cent. If it were 50-50 in round figures, in sonorous and flowery language, that would mean equal partners, as the hon. member for Lotbinière said, but as soon as

one has 51 or 52 per cent, that means that he has the control. That is as clear as day. Whoever holds 50 per cent of the shares plus one has the last say. If the hon. member for Lotbinière wants to tell me that it is the one who holds 49.9 per cent of the shares, I will tell him then that he is wrong.

Mr. Choquette: I wish to ask a question, Mr. Chairman. It is estimated that 50 per cent of the shares of Famous Players are held by Quebecers but 50 per cent of the stations are Canadian. That makes 75 per cent. Now I ask the hon. member...

Mr. Grégoire: No, I refuse to accept what the hon. member is saying.

Mr. Choquette: ... who is the administrator of the television station? Is it an agent from Paramount or a French Canadian from Quebec?

Mr. Grégoire: Mr. Chairman, I refuse to accept what the hon. member has just said. It is all very well to utter high sounding sentences but let us keep our feet on the ground. It is not fifty-fifty in the case of Famous Players; it is 51.8 per cent American and 48.2 per cent Canadian. Therefore the Americans have the last say.

That is crystal-clear.

The Assistant Deputy Chairman: Order, please. It seems that we are now discussing remarks made by an hon. member to another hon. member. If we want to make any progress, we should come back to clause 2.

Mr. Grégoire: Mr. Chairman, we are considering clause 2 and my amendment which states that radio and television stations should be owned by Canadian citizens.

51.8 per cent of Famous Players is owned by Americans; therefore, they hold the majority of votes. If Paramount Pictures holds 51.8 per cent of the votes, Paramount Pictures have the upper hand in the company. Mr. Chairman, if there were in this house 133 liberal members against 132 members in the opposition, one could say that it is 50-50, but nothing would be approved, since there would be one member more on one side; that makes all the difference in the world.

The Assistant Deputy Chairman: Order. The bill now under consideration is not a legislation stating how Famous Players is made up and to whom their shares belong, but it is a bill which specifies that funds for television stations must be mostly invested by Canadians. I would ask the hon. members to come back to that clause.

Mr. Grégoire: Mr. Chairman, it so happens in the present case that Famous Players is the majority owner of both television stations in Quebec City and since the hon. member for Lotbinière denies that foreigners are effectively the owners, I am trying to convince him—if it is finally possible to make him see the light—that in fact foreigners are owners of the television station in Quebec city.

Mr. Choquette: It is completely false.

• (5:40 p.m.)

Mr. Grégoire: It is Famous Players who control the majority of the shares of the Quebec station. The member for Lotbinière means 50-50, but it is not so. It is 51.8 against 48.2 It is the same for a government; it has the majority when there are 133 members and not 132. It is only one unit short, but it makes all the difference in the world.

Mr. Choquette: I shall teach the member to count. It is 75 per cent and 25 per cent.

Mr. Grégoire: It makes all the difference in the world or else the member cannot count. Because Famous Players are entitled to 50 per cent of the votes—and even more, as we shall see later—it is the American interests being in the majority who make the decisions in the name of Famous Players at voting time.

Mr. Choquette: There has never been any American intervention.

Mr. Grégoire: It is clear that the majority American interests are the ones who decide through their vote on behalf of the Famous Players Canadian Corporation Limited.

Mr. Choquette: On a point of order, Mr. Chairman, this debate is dragging on unnecessarily. There has never been any American intervention on channel 4 or 5, and the hon. member has no right to insinuate such a thing. This debate should end here and now. The hon. member has made his point, so did I, and any further talk is useless. If he refuses to understand, there is nothing to be done. There never has been any American intervention on channel 4 or 5. Let it be known once and for all that the interests are in majority Canadian and the administrator is Mr. Jean Pouliot, a French Canadian from Quebec city.

The Assistant Deputy Chairman: Order. The Chair has tried as far as possible to hear both

members. We are not discussing the situation of the television stations in the province of Quebec or Quebec city, but discussing the amendment moved by the hon. member for Lapointe whereby subclause (b) of clause 2 would be amended by the substitution of the word "shall" for the word "should". I would suggest to the hon. member that he stay with the amendment he moved himself.

Mr. Grégoire: Of course, Mr. Chairman. But the rest of the amendment should be read also, because when you say that I want the word "should" replaced by "shall", the matter may not be very clear. The amended subclause would read as follows:

—that Canadian broadcasting system shall be effectively owned and controlled by Canadians so as to preserve and strengthen the cultural, political, social and economic fabric of Canada;

It is not, then, the management of the station—

The Assistant Deputy Chairman: Order. The amendment I have read is the amendment that has been written by the member himself. I have read it exactly as written by the member.

Mr. Grégoire: Yes, Mr. Chairman, I read the clause when I introduced the amendment and I shall read it again:

—the Canadian broadcasting system must be effectively owned and controlled by Canadians—

There is no mention of administration and the administrator, Mr. Jean Pouliot of Quebec city. The member from Lotbinière said a moment ago that I had something against Mr. Jean Pouliot, and I wondered where he got that impression. I have absolutely nothing against Mr. Pouliot. Far from it. I think he is a good fellow, a good Quebecker, and I have absolutely nothing against his father, who has done much in the setting up of French stations in Western Canada. I admit it, Mr. Chairman, and that was demagogy on the part of the hon. member for Lotbinière to have me say that I had something against the father of the director who had shares or a few shares—hardly 5 per cent—in the television station. The hon. member for Lotbinière may laugh. The hon. member for Lotbinière would like the debate to end, precisely because he has no more arguments. Because he realizes that his arguments were false and erroneous, he would like that the debate to end.

Mr. Chairman, I say that television and radio stations should belong to Quebeckers.

[The Assistant Deputy Chairman.]

The Quebec station does not belong in majority to Quebeckers, and that is so true that the present cabinet recognized it when, in order to legalize the situation of Paramount Pictures, interests in western Quebec, it had to pass exceptive legislation and an order in council in 1965. I challenge the Secretary of State to say anything to the contrary. The Secretary of State can contradict the hon. member for Lotbinière because she was a member of the cabinet of the present government when it became necessary to pass exceptive legislation through a special order in council to legalize the operations of the two private stations in Quebec city. Why was this necessary? Simply and only because they contravened the previous broadcasting act which stipulated that the majority stockholders in a private television station must be Canadian citizens. The Secretary of State knows that. In order to progress more rapidly, the Secretary of State has only to put the record straight and tell the hon. member for Lotbinière that he is wrong; nothing more. I hope that the hon. member for Lotbinière will admit at least that he is wrong since the cabinet, the Prime Minister, the then Secretary of State and the then Minister of Transport had to introduce and pass a special order in council in 1965 to legalize that situation.

I put the question on the order paper, and tonight at eight o'clock I will answer the hon. member for Lotbinière. He will see then that an order in council was issued, not only for the private Quebec station, but for five private radio and television stations throughout Canada. Exceptive legislation was passed concerning five private stations, and the two private Quebec stations were among those five. A special order in council was issued because these stations did not conform to the law stipulating that these radio and television stations had to be Canadian-owned.

The hon. member for Lotbinière should apologize and correct the mistake he made earlier. I realize that he cannot know everything. But that does not mean I accuse the directors of the two private Quebec stations. That is false.

Mr. Choquette: Would the hon. member allow me a question?

Mr. Grégoire: If the hon. member is only asking questions, as he said earlier, to tease me, well I think that the house has no time to waste. If it is a serious question, that is fine,

but if it has to do with the father of somebody or the father of a producer on channel 4, I could not care less. Such things do not matter; only the principle is important.

Mr. Choquette: Could I ask the hon. member a question? Does he know that I have been advised that channel 4 is controlled by Canadian interests and that its programs are truly representative of Quebec? Does the hon. member know that? If not, I will tell him so.

Mr. Grégoire: Mr. Chairman, if the hon. member for Lotbinière has some information which is not available to us, I would be pleased to obtain it. If, at the present time, channel 4 is owned by Canadian interests, I should be very happy. However, I have in hand the figures which were supplied to us by the hon. Secretary of State.

Secondly, the cabinet passed an order in council to legalize the situation of channel 4.

The hon. member for Lotbinière says that the ownership is 50 per cent American and 50 per cent Canadian when the figures say this: 51.8 per cent American and 48.2 per cent Canadian. We say fifty-fifty in round figures: 133 Liberals, 132 Conservatives, 50-50 no prime minister. It is simple as that.

On the other hand, if the hon. member for Lotbinière tells me that he knows that, that he has other statistics, I am prepared to resume my seat and to have him give us those figures. Would the hon. member for Lotbinière have figures other than those we were given by the hon. Secretary of State? The hon. member for Lotbinière has often put questions to me; I, in turn, ask him if he has figures other than those which were supplied to me by the hon. Secretary of State.

Mr. Choquette: Mr. Chairman, it is certainly unfair to discuss in this way. The hon. member admits himself that he cannot prove that there is American influence on channel 4. He quotes figures, and I have mine. I know clearly that 75 per cent of channel 4 belongs to Canadian interests. I know clearly that all the programs on channel 4 are Quebec programs. I would suggest to the hon. member that he take a walk on the Champs-Élysées in Paris; he would see that there are many theatres where American films translated into French are shown. This is not detrimental to French culture. Let the hon. member be serious once and for all and let him stop bringing charges indiscriminately. He has been repeating the same thing for about three hours.

The Assistant Deputy Chairman: Order. I am sorry to interrupt the debate but the hon. member is out of order since the amendment before the committee at the present time says: "that the television stations shall be controlled by Canadians" but not necessarily the number of shares of each company.

Mr. Choquette: Could we now vote on the amendment?

Mr. Grégoire: As far as I am concerned, Mr. Chairman, it is not a question of shares, but of control, as it is said in the bill. I am satisfied with the legislation as it stands; as a matter of fact, clause 2 (b) which I seek to have amended, says here, in part:

> the Canadian broadcasting system should be effectively owned and controlled by Canadians—

There is no mention there of the number of shares, but it is stated that it should be effectively owned and controlled by Canadians, in a proportion of 52, 53 or 51 per cent. The moment Canadians have 51 per cent, they own, they control effectively.

I am glad, Mr. Chairman, that you reminded us that the hon. member was out of order, because he would have drawn me in an altogether different field. You understand, I am sure, that when the hon. member for Lotbinière talks about Mr. Adrien Pouliot who is responsible for the opening of French C.B.C. stations in the West, twenty-five years ago, I agree with him, but he leads me astray.

Therefore, I revert to my topic, hoping that the hon. member for Lotbinière will not lead me further off the track.

I say it is fine, because it was provided for by the words "should be owned". But what happened is that the cabinet passed orders in council and exceptive measures to legalize the situation of television stations not owned and controlled effectively by Canadians. The Quebec station is one of those and is being operated under an order in council. The Secretary of State cannot deny it, because she is the one who gave that reply herself in answer to a question I put last fall. If the situation has changed, let the Secretary of State say so right now and I shall take her word for it, but that was the situation less than three months ago when that television station was being operated under an order in council. So I submit that instead of saying "should", which allows exceptive legislation and orders in council enabling Americans—in this case Famous Players—to control the Quebec station, we should say "shall"; it would then become

the law. What does "should" mean? It made possible all the exceptions we have had in the past and that is what we are trying to avoid. We do not want any exceptions. We want it to be as when the Minister of Finance (Mr. Sharp) took his responsibilities. At one time, he said that all chartered operating in Canada had to be owned by Canadian residents and citizens in a proportion of 75 per cent of the common shares and voting shares. He had the legislation enacted and did not write in it "should" but "shall" and there are no exceptions. He can grant them a delay to sell some of their shares. In the case of Famous Players, it does not mean that the directors would require to sell the whole television station; they could sell 2 or 3 per cent of the shares and it would solve the problem. It is as simple as that and that is what we are asking for. Perhaps the Secretary of State would be ready to accept that?

• (5:50 p.m.)

[*English*]

Miss LaMarsh: Mr. Chairman, I have listened with considerable interest to the discussion between the two hon. members, particularly since the hon. member for Lapointe seems to be talking about ownership by Quebecois and not by Canadians. This is, of course, a considerably different issue and one with which the legislation does not deal at all.

Mr. Grégoire: Would the hon. minister allow me to speak?

[*Translation*]

In my amendment, I did not suggest that the words "effectively controlled and owned by Canadians" should be changed. I did not alter those words. I merely asked that the word "should" replaced the word "must" and I did not ask at all that the word "Canadians" be deleted. As long as we are part of the Confederation, Mr. Chairman, and I have always said so, I will accept the standards of the country and I will consider myself a Canadian citizen. We are still members of the Confederation, that is true, but when we no longer belong to it, the word Quebecker will apply. I did not ask that the word be changed, I only asked the substitution of "must" for "should". I hope that the Secretary of State will accept it.

[*English*]

Miss LaMarsh: I am glad my hon. friend did not because he would have found himself in the minority, had he proposed that, not only in this chamber but probably in the country. There was another piece of information for which my hon. friend asked which relates to the sheet of paper he has before him. I provided him with that some weeks ago and it relates to channels four and five in the city of Quebec. I do not have the opportunity to watch or listen to those channels but I have been told by my friend, the hon. member for Quebec East, that he has had the opportunity in the last 15 days to watch them almost nightly. Almost all of the programs to which he has listened have emanated from a European country, not from either Canada or the United States. These are obviously not programs which were manufactured or owned by the Famous Players Corporation of the United States.

The other information asked for by the hon. member is in respect of other Quebec radio and television stations. I must confess at once to a very serious lapse. I did not remember where I had obtained the information which I provided my hon. friend and which has formed the basis of the stimulating conversation of the last hour and the basis of the stimulating but perhaps not so acceptable charges against the operators of Quebec radio and television stations.

The hon. member wanted me to spend the period from six to eight o'clock industriously calling upon members of the B.B.G. to scurry down to the office and dig up information for me to produce at eight o'clock in order that the debate would not be held up. He suggested alternatively that the debate be held up until some time tomorrow so I could produce this information. Perhaps he will forgive me if I do not do that this evening between six and eight but instead advise him, and I appreciate that advice from a woman is never well received, particularly when publicly given, to go to the returns branch and ask for the return to the motion for the production of papers No. 122, which was tabled in the House of Commons on May 4, 1966 by the then minister of transport, Mr. Pickersgill. I am sure the hon. member will find that the sheet he has before him is one of the sheets of that particular tabled document and all the other sheets, which have been a matter of public knowledge now for almost two years by virtue of being in the public annals of the house, will be laid bare before his eyes and when we return at eight o'clock he will have enough further material for another hour's speech. May I call it six o'clock?

The Assistant Deputy Chairman: It being six o'clock it is my duty to leave the chair in order that the house may consider private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for New Westminster (Mr. Mather), Unemployment Insurance—inquiry as to inclusion of hospital employees; the hon. member for Carleton (Mr. Bell), Public Service—pensions of retired civil servants—request for reconsideration of increase refusal; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—pensions of retired civil servants.

Mr. Knowles: Mr. Speaker, I understand it is the wish of the government, or at least of the President of the Treasury Board, that the second and third questions which Your Honour has read out be held over until tomorrow night. I am sure the hon. member for Carleton would join with me in acceding to that request if I have stated it accurately.

Mr. Deputy Speaker: Is it agreed that questions two and three on today's list be deferred until tomorrow?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I understand also that there is a disposition on the part of hon. members to dispense with private members' hour today. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the house now agree to resuming the business interrupted at six o'clock?

Some hon. Members: Agreed.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. House again in committee on Bill No. C-163, an act to implement a broadcasting policy for Canada.

On clause 2—*Broadcasting Policy for Canada.*

Miss LaMarsh: Mr. Chairman, as we rose at six o'clock a number of questions were put by the hon. member for Lapointe and, I suppose, a challenge was hurled at me to support the position taken by the hon. member for Lapointe with respect to the television stations CFCM-TV and CKMI-TV in Quebec city. It is not my function to support private broadcasting stations. Indeed, as all hon. members know, my function is to report to parliament on broadcasting in general. Normally I am not expected to take up the cudgels for any station, whether it be private or public. However, because of a number of things which were said by the hon. member for Lapointe in December, and again now, I did check on some information which I had received as a result of his earlier speech. I have to inform the house of these facts which, to the best of my knowledge and information, are correct and which are vouched for by Mr. Pouliot, the manager of that station who is a good Canadian. I am told that these two stations which are owned and operated by a Canadian company, namely Télévision-Québec-Canada Ltée, are not owned in any way by United States subjects. I am informed that not one share of that company is owned by a United States subject. In fact, my information is that 50 per cent of the shares of Télévision de Québec are owned by Quebec companies or individuals, and these Quebeckers are still, and proudly so, Canadians, whether they be corporate or private. The other 50 per cent of the corporation is owned by Famous Players Canadian Corporation Limited which I am told is a Canadian company incorporated under the laws of Canada. Of its shares, 51 per cent are owned by United States subjects or companies, but that is of course not 51 per cent with respect to Télévision de Québec.

Furthermore, my information is that when in 1954 a licence was granted for CFCM-TV it was under the express condition that control of the company would not fall into the hands of Famous Players Canadian Corporation Limited. I am informed that the structure of Télévision de Québec is such that Famous Players cannot have more than 50 per cent of the shares, and effective control is and must remain in the hands of Quebeckers. The president of Télévision de Québec is a Canadian and a Quebecker, and so is the managing director. I am further informed that the managing director has the final say in matters of management, including approval of editorial matters.

I do not propose to interpose myself between the hon. member for Lapointe and Télévision de Québec in what appears to be a strenuous difference of opinion over editorial content of that television station's program. I am informed that the public affairs programming has been many times under scrutiny by the B.B.G. and has been commended as being particularly Canadian.

I am further informed by Télévision de Québec that their editorial policy favours freedom as against communism, private enterprise as against socialism and Canadian unity as against separatism. It may be because Télévision de Québec is in the heart of a province which my hon. friend seeks to take out of the confederation of Canada, that he has lodged his complaint. But if my information is correct—and I would not place it before the house if I did not have every reason to believe it was correct—then I think that the hon. member should not attempt to mislead members of the house by indicating that this corporation and these stations are in any way under United States control.

Mr. Herridge: Well said.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I am very pleased with the explanations given to us by the hon. Secretary of State, except that when she refers to the policy followed by the private Quebec television stations in their programming, their editorials, or this or that orientation I must tell the hon. Secretary of State, that I did not introduce this matter in the conversation. The one who slipped the subject of the policies, or ideologies or editorials of the Quebec television stations, into our debate is the hon. member for Lotbinière (Mr. Choquette) who threw into that debate an allusion to an editorial that the Quebec television station has reportedly written against me and which I have never heard of and never seen and which has quite failed to impress me.

Therefore, the hon. Secretary of State should not raise this argument: I did not raise the problem of the political ideology of the Quebec television station. It was raised by the hon. member for Lotbinière.

• (8:10 p.m.)

I should also correct the impression some people may have got, of whom, Mr. Adrien Pouliot, father of the general manager. I never introduced that into the debate. Because I speak of channel 4 in Quebec city, all of a sudden, the hon. member for Lotbinière rises and intervenes saying: You don't speak against channel 4 in Quebec city, because its manager is Mr. Jean Pouliot, son of Mr. Adrien Pouliot who, years ago, contributed to the setting up of C.B.C. French stations out west.

I am not the one who introduced that in the debate. I have nothing against Mr. Adrien Pouliot; far from it, for I know him very well, perhaps even better than the hon. member for Lotbinière. I have often met him. I have eaten with him and I admire him very much; he has contributed tremendously to French radio out west. But why bring this up? Why take the Quebec station to task? The general manager is the son of Mr. Adrien Pouliot who 15 years ago was a member of the Board of Governors of the C.B.C. I do not know who is the grandfather of the second cameraman of channel 4 in Quebec but it does not matter.

The Secretary of State mentions the editorials of the Quebec station. I have never mentioned them. I am not the one who brought this up in discussion, it was the member for Lotbinière. I am not at all concerned with the editorials of the Quebec station. They are entitled to their opinions, it is freedom of thought, freedom of speech, freedom of the press. That I believe in, and I would not blame them for this.

Now when the Secretary of State tells me that the whole editorial policy is under the president of the Quebec station, she is saying that the president runs everything. But the president, Mr. Gaston Pratte, owns one out of 10,000 shares. Possibly, it is the vice-president Mr. J. J. Fitzgibbons, but he has also one share out of 10,000. Now, as far as the treasurer is concerned, Mr. Boldstad—I do not know where he comes from—but he owns only one share out of 10,000. It may be the secretary, Mr. Henri Lepage—whom I know

too as a very good guy. I have nothing against him as secretary of the company—but he too, owns only one share out of 10,000.

[*English*]

Miss LaMarsh: Mr. Chairman, would my hon. friend permit a question? I apologize for asking it in English. Does my hon. friend recall the debate on December 20 last to which he made a very valuable contribution, beginning at page 5679 of *Hansard*, and does he remember saying this, as reported at the bottom of page 5680:

In Quebec, the only two private television stations are owned by American subjects. The result is that those two television stations present regularly news commentaries, three times a day on the French station and three times a day on the English station, and they are identical commentaries, translated back into English, since those two stations are owned by the same American company. When comments are made on a decision taken by the federal government or by the Quebec government or by a municipality, it is always the American point of view which is put forward during the news commentaries of those two Quebec stations, either the English or the French station. It is always the American point of view on, or reaction to, the events occurring in Canada and Quebeckers, as a result, are overwhelmed by American reactions.

Mr. Choquette: That's a shame.

[*Translation*]

Mr. Grégoire: Mr. Chairman, this is precisely what I said because I submit that, according to the statistics provided by the Secretary of State, according to the order in council passed in 1965, the two private television stations in Quebec belong to American interests.

The Secretary of State claims that is not the case. So I would ask her why did the cabinet, the 25 ministers and the Prime Minister, and everybody, pass an order in council in 1965 making it legal through exceptive legislation to operate two private television stations in Quebec contrary to legislation providing that a majority of shares in a Canadian television station had to be in the hands of Canadian citizens. If the majority of shares were owned by Canadians, why did the cabinet bother to pass an order in council to make the situation legal and in accordance with the act?

That is the answer the Secretary of State gave me in October or November 1967, in reply to a question I had placed on the order paper. If things have changed in the last two or three months, let the Secretary of State tell me and I shall sit down. But we have not been notified of any changes, the order in council has not been rescinded and so far the two Quebec private stations are still in operation under that order in council. Has the minister been bothered for nothing or what? Perhaps the Secretary of State could tell me what the situation is concerning that order in council?

[*English*]

Miss LaMarsh: Mr. Chairman, I would be happy to answer my hon. friend. He said that he did not deal with editorials and was not concerned with them. I ask him if he also remembers this passage, which is to be found on page 5680, the right-hand column, the same date, December 20. The hon. member said:

There is a young squirt who reads these editorials, possibly with some assurance, but everyone knows that he is not writing them;—

Mr. Grégoire: What page is that?

Miss LaMarsh: Page 5680.

Mr. Grégoire: Which column?

Miss LaMarsh: The right-hand column.

There is a young squirt who reads these editorials—

The hon. member is there referring to editorials which are prepared according to United States ideas and reactions of stations belonging to United States citizens.

—possibly with some assurance, but everyone knows that he is not writing them; nevertheless, they are regularly given over the Quebec television, either on the French station or on the English station.

Then my hon. friend goes on to indicate that he believes the former legislation, which must be the 1958 legislation, stated that television and radio stations in Canada "should belong to Canadians." Today my hon. friend has been talking about 50 per cent ownership. I would refer my hon. friend to the provisions of the 1958 act and particularly to section 14 (1) which required, and at the moment still does, licencees to have 75 per cent Canadian shareholders. The 1958 act provides under section 14 (2) for an exemption if there is less than 75 per cent.

Accordingly, these stations were granted the exemption under section 14 (2). But that does not mean—and my hon. friend has been using the word "majority", or at least that is the word the translators have been using —that more than 50 per cent is owned even by a United States corporation, much less that the ownership is comprised completely of

United States citizens. I think my hon. friend has perhaps been misled by a too careless reading of the legislation or perhaps by an understanding of it without actually checking the language. It seems clear that in the 1958 act the requirement was that at least 75 per cent be Canadian unless there be an exemption. This not being the case here, there being only 50 per cent Canadian and 50 per cent United States, it appears that management decisions are made for Canadians by Canadians, and in this case there was an exemption.

I am sure my hon. friend would want the record to be set straight because I have noticed in the years I have been in the house that he is a man of very generous propensities and would want to be very fair to a corporation that has no other way than this of making its voice heard on the floor of the house.

Mr. Lambert: You are very generous.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I agree with everything the Secretary of State has just said. What I have been trying to explain from the beginning, however, is that the present act can be very easily evaded. I put a question on the order paper last September asking how television stations were exempted by order in council from complying with section 14(1) just mentioned by the minister. She answered then that five television stations were exempted, including two in Quebec. Under the former act, television stations had to be owned by a clear majority of Canadian citizens. Why? Because wave lengths are public property and their number is restricted. It is not like a newspaper. When someone wants to found a newspaper, all he needs is sufficient funds to do so. But things are different when it comes to a T.V. station. He may not operate a station unless some wave length is available and there are none left.

Let us now revert to clause 14 (1) of the former act which stipulated that 75 per cent of the shares were to be Canadian-owned while subclause (2) of the same clause mentioned that the owner of a T.V. station might be exempted from that requirement by order in council. The new act changes all that, as subclause (b) of clause 2 reads as follows:

b) the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to preserve . . .

It says "should be effectively controlled". Now, effective control means that 51 or 52 per cent of the shares are in the hands of Canadian citizens. That means therefore, less than in the former legislation which set the figure at 75 per cent, unless otherwise provided by order-in-council. The new legislation says "effectively controlled" but does not even mention the figure of 75 per cent any longer. The previous legislation imposed a percentage but the cabinet could turn around and favour American companies at any time. The new legislation requires only effective control that is 51 or 52 per cent but it does not even quite require that since it says "should be owned". My amendment seeks to modify the act so that it would read:

—That the Canadian broadcasting system shall be effectively owned and controlled by Canadians.

This amendment would prevent the cabinet from eluding the act as it used to do formerly and as the new legislation would still allow it to do. The new act gives even more leeway to American companies which would like to take over our television and radio stations. The 75 per cent limit is lifted. Further, the compulsory feature is removed by using the word "should" which should be replaced by "shall". The Secretary of State objects although the previous legislation said 75 per cent. The new legislation lowers the standards to an effective control which means only 51 per cent and even then, the minister does not want to be too strict since the term "should" is used. There is the Quebec television station which not only did not meet the provisions of subsection (1) of clause 141 of the previous legislation but was operating under an order in council. However, the Secretary of State says that the Quebec television station is owned by a Canadian company incorporated in Canada. It is true that the chairman is a French Canadian, a Quebecker, but he owns only one out of 10,000 shares. 50 per cent of the shares belong to Famous Players Canadian Corporation Ltd. It has been pointed out that the company is Canadian, but nevertheless, American interests hold 51.8 per cent of the shares of Famous Players Canadian Corporation Ltd. It is true that the said company is incorporated in Canada, and that the word Canada appears in its trade name, but it is controlled by American interests and the Secretary of State is aware of the fact. That company holds 50 per cent of shares of two private television stations of Quebec city and this is why I object because I would like us to have the effective control as required in the legislation and I quote:

The Canadian broadcasting system should be effectively owned and controlled by Canadians—

If the Americans own 50 per cent of the shares, Canadians have no effective control, that is clear. I suggest we substitute to the words "should be controlled" the words "shall be controlled."

• (8:20 p.m.)

Mr. Chairman, as I said a moment ago, airwaves are publicly owned. Wave lengths are not only limited, they are scarce. Anyone wanting to start a new television station in Quebec could not do so because there are no free wave lengths. If there are only two wave lengths available, let us not turn 50 per cent of them to the Americans but rather let us keep them for Canadians and I close by quoting the last two lines of this paragraph (b):

—and effectively controlled by Canadians so as to preserve and strengthen the cultural, political, social and economic fabric of Canada—

Do we want to enrich and strengthen it or not? It is said that effective control by Canadians is necessary to strengthen and enrich it yet effective control is given to the Americans. It is nonsensical, contradictory, and Canada and the present government have complained of this nonsense and these contradictions in the legislation and the facts.

Between the act and the facts, there are always good intentions but good intentions which are not reflected in reality. Now, when the Secretary of State, with all her charm and competence, tells us: Well, in order to preserve, enrich and strengthen the cultural, political, social and economic fabric of Canada, and I now quote clause 2:

It is hereby declared that

b) the Canadian broadcasting system should be effectively owned and controlled by Canadians...

"Should" implies no compulsion; indeed not. Therefore, the wording is at variance with the facts and the facts are inconsistent with the wording. The words reflect the good intentions, the facts are always contrary to the words.

When we tell her: Do you really insist on that, do you stick to your opinion, to your objectives? Then, make the necessary decisions. That is all. But, they are afraid to make them.

It is just a matter of saying "shall" instead of "should", which is a mere statement of good intentions. Good intentions: hell is full of or paved with good intentions. In Quebec City there are two private TV stations and they are not effectively controlled by Canadians since 50 per cent of the interests are American. That is why the word "shall" should be substituted to "should".

Why not? It must be like that? Indeed, when the Minister of Finance (Mr. Sharp) introduced his bill, he did not say: The chartered banks should belong to Canadian interests in a proportion of 75 per cent. He said: This is how it shall be. It must be like this. It shall be like this. And his law was passed. The Minister of Finance had made up his mind. He did not say: It should. He said: It shall, it will be so. When the Americans decided to buy the Mercantile Bank, they did so. Later the minister came along with his act. He said: No. Chartered banks must belong in a proportion of 75 per cent to Canadian citizens. This should be the case and it is.

The Secretary of State, in the field of culture, uses the word "should". But, Mr. Chairman, why does the Secretary of State hesitate?

Mr. Béchard: The fact of the matter is that such is the case.

Mr. Grégoire: Mr. Chairman, the parliamentary assistant to the Secretary of State says: Such is the case. Well, if so, let him put in the proper word. Why hesitate? But no, they do not want to add this word because they know full well that it is not so. And so, the word "should" is left in.

Continue to use "should"; keep your "should". It should be this, it should be that. But nobody does anything about it. Nobody moves. Let them continue like that, Mr. Chairman, and everything will be in a fine pickle, I can assure you.

Mr. Choquette: Mr. Chairman, give me thirty seconds.

I live in the city of Quebec, and I cannot allow such things to be said because they are completely false and prejudicial to an enterprise controlled by a French Canadian and managed by a French Canadian. In fact, I would be remiss in allowing assertions as misleading and as contrary to the facts as those.

I ask the hon. member for Lapointe (Mr. Grégoire) to show a certain sense of responsibility. No citizen, Mr. Chairman, would dare to deny that channel 4 is not essentially a Quebec and a French-Canadian station. The remarks repeated twenty times at least by the hon. member are unacceptable. He made his first speech on December 20 and repeated it the next day. Now, this afternoon, he repeated the same thing at least five times. Mr. Chairman, a provision of the standing orders

prohibits constant repetition, and it should be applied so that the hon. member be prevented from continuing his series of insults towards an enterprise managed by a French Canadian who is a credit to us.

The Secretary of State quoted some very interesting excerpts where the hon. member was making charges against channel 4. As reported at page 5741 of *Hansard* for December 21, 1967, he said:

> We, in Quebec, would like to see an end to Americans ingrafting their ideas into our heads.

Mr. Chairman, an allegedly responsible member should be ashamed to make such serious charges, so detrimental to that institution, channel 4, which gives satisfaction to all the people of Quebec city. I will not stand for anything more in the same vein from the hon. member. I say again that channels 4 and 5 are controlled by Canadian interests. I say again that channel 4 in its editorial, its films and its programs in general, is truly a Quebec station and I say again that the general manager of channel 4, Mr. Jean Pouliot, is a serious and competent man, such more concerned than the hon. member about promoting French culture. He is much more responsible than the hon. member for Lapointe.

If the hon. member is honest, he will withdraw the charges he has laid. If he is serious, let him convene the committee on broadcasting, films and assistance to the arts and Mr. Jean Pouliot will testify. Let him convene the committee on privileges and elections, we will see who is right. In my opinion, the hon. member for Lapointe is decidedly in the wrong and I think, Mr. Chairman, that it is time to vote on the motion introduced by the hon. member.

Mr. Grégoire: Mr. Chairman, I shall continue afterwards.

[*English*]

Mr Wahn: Mr. Chairman, I am concerned about the wording of subclause (g) and also subclause (h) of clause 2 of the bill now before us, and if it is in order I should like to direct my remarks to these subclauses rather than to the amendment which I believe has been moved by the hon. member for Lapointe.

I am concerned about subclause (g) because...

• (8:30 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, I rise on a point of order.

[Mr. Choquette.]

I realise that the hon. member would like to go on to paragraph (h) or (j), but there is an amendment before the committee concerning paragraph (b) of the act. Are we discussing the amendment to paragraph (b) which I have introduced? If so, I would ask that we deal with this amendment first, and then go on to paragraph (j) or (i) as the hon. member wishes. I think that according to the rules, Mr. Chairman, we should deal with my amendment.

[*English*]

Mr. Prittie: On a point of order, Mr. Chairman. Could the Chair give us some guidance. The amendment proposed by the hon. member for Lapointe deals with clause 2 (b) We have not yet passed 2 (a), and there will be other amendments which will affect the various subclauses of clause 2. I wish to know if we are to pass each subclause in order; or are we dealing with the whole of clause 2 at the one time?

The Chairman: Order, please. The only question the Chair has before it at the moment is clause 2 of this bill. If the committee wishes to discuss clause 2 under its different subheadings, that is a decision which the committee must make. But there is only one question before the Chair at the moment, and that is with respect to clause 2.

Miss LaMarsh: Mr. Chairman, clause 2 is the heart of the whole bill. There have been differences of opinion about clause 2 in the standing committee and in this committee of the whole. It seems to me that it might meet the wishes of all members of the committee, and enable the committee to deal with the matter expeditiously, if we were to deal with each subclause seriatim. We have spent considerable time discussing general topics. We spent some time on that just over a month ago, as well as today. Some of the subclauses are wide enough in scope to permit hon. members to make general speeches, should any hon. member wish to make a general speech at some later point. I suggest, nevertheless, that it would sharpen the debate if Your Honour would see fit to put the question, in order that hon. members may decide whether they wish to deal with the subclauses one after another. Then, we may have some resolution of the matter.

Mr. Lambert: Mr. Chairman, with the greatest respect, I do not think the committee has any choice in how to proceed. If Your Honour consults the authorities Your Honour

will find that it is impossible to deal with a clause which is composed of a number of subclauses in any way, shall we say, that is higgledy-piggledy. The subclauses must be passed seriatim. For instance, the committee might pass subclause (d), having stood subclauses (a) and (b), only to have someone come along and move an amendment to subclauses (a) or (b), which amendment would make nonsense of (d). Yet the committee would have accepted (d), and it would be necessary to backtrack. Now that we have had the general debate, we must deal with the subclauses seriatim.

The Chairman: If it is the wish of the committee to proceed with clause 2, and I presume we are talking only about clause 2, that is quite agreeable to the Chair. Does the committee agree?

Some hon. Members: Agreed.

Mr. Cowan: Mr. Chairman, part 1, clause 2 carries the subtitle "Broadcasting Policy for Canada". As the Secretary of State has remarked, this clause is the heart of the whole bill. I believe, until the members of this house have had an opportunity to express themselves on behalf of the whole bill that we should deal with and discuss these clauses seriatim. We should do that until the house has heard the opinion of its various members on the heart of the whole bill. That is, there should be general discussion on clause 2, which is labelled "Broadcasting Policy for Canada".

Miss LaMarsh: I agree with that entirely. I am sure that no member of the committee wishes to stifle the debate which has already been pretty far ranging. If no one else has a contribution to the general discussion, perhaps we might hear from the hon. member for York-Humber. I always listen with interest and with a great deal of patience to his speeches. I have always considered his speeches brilliant. I do not always agree with him, but I find him well worth listening to. I have not heard of any other hon. member wishing to make a general contribution. I should be happy if we could conclude the general remarks. Perhaps we could deal with the amendment proposed by the hon. member for Lapointe when we reach clause 2 (b).

Mr. Fairweather: Are we not to have a speech by the hon. member for York-Humber?

The Chairman: Does the committee agree to deal with the subclauses of clause 2 seriatim or does the committee wish to proceed further with the general debate?

Mr. Fairweather: Give us a speech.

Mr. Cowan: I am prepared to yield the floor to the hon. member for St. Paul's, who was speaking a moment or two ago.

Miss LaMarsh: He was speaking on the amendment.

The Chairman: Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I must make a correction. Contrary to what has been suggested by the hon. member for Lotbinière, this is not an appropriate occasion to indulge, to allow oneself to indulge in personalities. I wish to repeat that I do not criticize the manager of the Quebec television station, Mr. Jean Pouliot: The fact that he is a good Quebecer is irrelevant. I admit that he is a very good manager and that his father did a lot for the promotion of French radio in western Canada. I wonder why the hon. member for Lotbinière is trying so hard to make of that issue a matter of personalities. I must repeat that, I am not raising objections because Mr. Jean Pouliot is manager of the Quebec station, far from it, since I think highly of the general manager of the Quebec television station. I am not accusing the Quebec station either. It is simply that the hon. member for Lotbinière did not understand at all the objection I have raised. Mr. Chairman, my objection is of a general character. The situation prevailing in the case of the two Quebec stations also applies to the three other Canadian stations. The situation of the other three stations—all located in Ontario, I believe—is not more logical and normal than that of the two in Quebec. I say once again, in spite of the unproved assertions of the hon. member for Lotbinière, that according to the figures provided by the Secretary of State which have not been denied or contradicted, the two Quebec stations are not effectively controlled by Canadians, but by Americans. That is why I protest.

[*English*]

Miss LaMarsh: On a point of order, Mr. Chairman. I do not normally interfere with hon. member's speeches but I thought that the committee of the whole had just decided that we should deal with general matters, and

leave specifics to when we discuss the subclauses. It seems to me that my hon. friend is dealing again with his amendment to 2 (b) and, therefore, he should not be heard at this time. The committee is prepared to hear others on general matters.

An hon. Member: Question.

The Chairman: Order, please. May I point out to the committee that the question before the Chair is the amendment that has been moved by the hon. member for Lapointe.

Mr. Lambert: With respect, it is out of order. While the Chair may have accepted it, Mr. Chairman, with the greatest respect I say that it is out of order to put that amendment at this time. Surely we should deal with the general debate and then with subclauses (a) and (b).

The Chairman: Order, please. I agree with the hon. member for Lapointe in the stand he takes. The difficulty of the Chair is this. The standing orders say that there may be a general debate on clause 2 when clause 1 is a short clause, or where the name of the bill itself is clause 1. On the other hand, it is possible for hon. members, under clause 2, to discuss the items in it, if they wish to do that. It is not for the Chair to decide that the committee must follow the discussion according to the order in which the clauses are written out. That is for the committee to decide.

Miss LaMarsh: The committee has decided.

The Chairman: If the committee decides that it wishes to do the work on clause 2 in that way, I shall be happy to co-operate; but I should like the committee to instruct me.

• (8:40 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, I agree to delay my remarks on my amendment to allow for the general debate on clause 2 and to enable my friend, the hon. member for York Humber (Mr. Cowan), to make his comments on clause 2.

[*English*]

Mr. Knowles: Since there does appear to be a disposition in the house to enter upon a general discussion first—as though we have not had enough already—and then consider the subclauses seriatim, may I suggest to Your Honour that you call clause 2 (a)? Then, if anyone still wishes to discuss the measure in general terms, let him do so. If Your Honour would call clause 2 (a) we could pass it, and then you could call clause 2 (b); the hon. member for Lapointe could make his amendment and we could go on to the various subclauses of clause 2.

The Chairman: The hon. member for York-Humber.

Mr. Cowan: Mr. Chairman, I did not plan to speak this evening, but this situation having arisen I should like to make some comments which go to the heart of this broadcasting bill No. C-163. I think they should be part of a general discussion on clause 2 and not be directed to individual clauses or subclauses.

I spoke on this bill on December 21 just prior to the adjournment for the Christmas recess. I believe I made myself clear with regard to my opposition to a determination expressed by the cabinet in this bill that community antenna television stations should come under the control of the new radio and television council which it is proposed to establish to replace the Board of Broadcast Governors. My time expired before I was able to complete some remarks I had prepared with regard to the action of the Board of Broadcast Governors in the year ending March 31, 1967, in refusing the applications of seven firms or individuals for CATV licences in Canada.

My observations at that time are to be found reported in *Hansard* for December 21. I was commenting in some detail on a letter dated December 13 which I had received from the Secretary of State. As I said on December 21, I had been pressing the Minister of Transport as well as the Secretary of State for a detailed explanation as to why seven applications for CATV licences had been turned down in Canada in the year ending March 31, 1967. It may interest members of the committee to know that under date of December 13 I received a very informative letter from the Secretary of State, a member of the cabinet for whom I have nothing but the highest regard and who in my opinion is a true Liberal. I have read extensively from her letter and intend to read from it again this evening. But I think members of this committee will be interested to learn that I also received a letter from the Minister of Transport dated December 20 and postmarked December 22, the day after the house rose. It may have been held up for signature or it may have been delayed in the Christmas mail. The interesting thing is this: the Secretary of State in her letter gives reasons for

the action of the board in turning down seven CATV applications, but the Minister of Transport within whose jurisdiction the applications fell, and who is really responsible for handling them, advances no such information.

There is not a single reason given in the letter from the Minister of Transport dated December 20, whereas the letter from the Secretary of State dated December 13 is full, explicit and informative as to the reasons for turning down these applications. As I explained on December 21, some of the reasons given for the refusal to grant CATV licence applications are such as those given in the cases of David R. Graham of Ottawa and Murray L. Sweigman of Toronto who applied for the establishment of a new CATV system at Pembroke, Ontario. The Secretary of State writes that these were rejected on grounds that if granted they would adversely affect the economic position of the existing television station in the community.

Speaking on December 21 I asked the house: since when has it become the policy of this parliament to guarantee financial success to a T.V. licencee? We are told by the Department of Consumer Affairs that the free play of the marketplace will maintain prices at a just level for all the people of Canada, that the free play of the marketplace will accomplish this miracle in a world of rising prices.

I have referred on more than one occasion to the monopolies granted by the cabinet in various fields of endeavour, such as taxicab monopolies at airports. Now we have this glaring example of protection extended to television stations in Canada, even to the extent of making it clear on stationery of the Secretary of State that applications for CATV licences have been refused because to grant them would adversely affect the economic position of T.V. stations in the community concerned. This is the reply given in a number of cases where CATV applications have been refused. But take the letter from the Minister of Transport which also refers to the seven applications which were refused—I will read what it said about the whole seven if anyone asks me to do so, but two or three examples will be enough to illustrate the way in which the seven refusals are reported in this letter. Here is one paragraph;

> An application dated February 14, 1966, submitted by Mr. David R. Graham, Ottawa, Ontario for authority to establish a new CATV system at Pembroke, Ontario. Pembroke is located within the Grade "B" contour of Station CHOV-TV, Pembroke, Ontario.

This is some explanation. Pembroke is located in the Grade "B" contour of Station CHOV-TV, Pembroke, Ontario. Period. Now consider the informative reply from the Secretary of State in which she wrote:

> Two applications—one by David R. Graham of Ottawa and the other by Murray L. Sweigman of Toronto—for the establishment of a new CATV system at Pembroke, Ontario, were rejected on grounds they would adversely affect the economic position of the existing T.V. station in that community.

But no explanation from the Minister of Transport, despite the fact that the Secretary of State honestly and correctly reported the reasons advanced by the Board of Broadcast Governors for refusing applications from those two gentlemen to establish business in Pembroke.

I pointed out on December 21 that CATV licence has in fact been issued since March 31, 1967 to another applicant for a licence in Pembroke. I am told today by my hon. friend from Renfrew North that some households are already receiving CATV service in Pembroke and that in a few weeks time installations will have been completed to serve all applicants there.

It is interesting to note that the Board of Broadcast Governors turned down two applications for a service in Pembroke in the year ending March 31, 1967 on the ground that if granted they would adversely affect the economic position of the existing T.V. station in that community, when we now learn that CATV installation is actually being made in Pembroke. Does this mean it will not adversely affect the economic position of the existing station in that community?

• (8:50 p.m.)

Now, the fact of the matter is that the CATV installation in Pembroke allows the residents of that city to bring in three stations from Ottawa, in addition to the one local station from Pembroke. I am told that the residents of Pembroke are extremely happy with their greater selection of stations through the use of CATV than was possible when they were hogtied by the Board of Broadcast Governors to view the one television station in Pembroke.

I also referred on December 21 to the reply from the Secretary of State regarding three applications from Mr. John Albulet of Ottawa for CATV systems at Prescott, Gananoque and Napanee, which were turned down on the ground that they would inhibit the provision of alternate television service in that general

region. It is interesting, as I commented on December 21, that the white paper on broadcasting and the report from the committee on broadcasting, films and the arts, is suggesting as a policy of this parliament that where there is a private television station in existence the second station to go into a community should be a C.B.C. station, or if there is a city with one C.B.C. station the second station should be a privately owned station. Now, in Kingston there is a privately owned station, and it is giving fine service for that area.

So, when Mr. John Albulet of Ottawa applied for CATV systems at Prescott, Ganonoque and Napanee, which would allow the residents of those areas to bring in a C.B.C. station such as Ottawa, and United States stations, we are advised by the Secretary of State, who I presume receives her information from the Board of Broadcast Governors, that the applications were turned down on the grounds that they would inhibit alternate service in that general region. As I pointed out on December 21, if there is going to be a second television station at Kingston then the parliament of Canada, if it adopts the white paper in toto and the report of the broadcasting committee, will be giving the open sesame to the cabinet to establish a C.B.C. station in Kingston. But we don't need to project the financial aspects of the C.B.C. because they pay no attention to the revenues which can be received from the areas in which they operate. They simply telephone to the cabinet for more money and it goes out to them in a wheel barrow.

We are told that the applications of Mr. John Albulet have been turned down because if granted they would inhibit the provision of alternate television service in that general region, but we know the alternate television service is going to the C.B.C. Let me read the reply from the Minister of Transport on these applications:

> An application dated February 23, 1966, submitted by Mr. John Albulet, Ottawa, Ontario, for authority to establish a new CATV system at Prescott, Ontario. Prescott is located within the Grade "B" contours of stations CJOH-TV, Ottawa, Ontario and CKWS-TV, Kingston, Ontario—

period.

This is the explanation as to why there is no CATV station allowed in the Prescott area, because it would be within the Grade "B" contours of CJOH-TV Ottawa and CKWS-TV, Kingston.

[Mr. Cowan.]

This is the reply with regard to the second application:

> An application dated March 30, 1966 submitted by Mr. John Albulet, Ottawa, Ontario, for authority to establish a new CATV system at Ganonoque, Ontario. Ganonoque is located within the Grade "B" contour of station CKWS-TV, Kingston, Ontario—

period.

The third application of Mr. John Albulet gets the same treatment:

> An application dated November 12, 1966, submitted by Mr. John Albulet, Ottawa, Ontario, for authority to establish a new CATV system at Napanee, Ontario. Napanee is located within the Grade "B" contour of station CKWS-TV, Kingston, Ontario—

period.

Now, despite the fact some viewers within the Grade "B" contour areas for established C.B.C. stations and for station CKWS want a wider selection of programs, the Board of Broadcast Governors recommends that the CATV applications should not be granted, and the viewers are thus denied the right of selection of programs. I can only repeat what I said on December 21, that this is giving a monopoly position to television station operators.

I cannot see any reason why the Canadian cabinet should endeavour to ensure that there is a financial profit on every television licence granted. If the cabinet is going to assure every television station operator that he will operate at a profit then Lord Thomson of Fleet, Canadian born and a magnificent example of Canadian enterprise, is right when he says a television licence is the same as a licence to print money. Why cannot free play in the market affect operators of television stations the same as it affects all other people in what some members of the cabinet call a free enterprise system, a free economy country, but which we know, from the monopolies that the cabinet grants in various areas, is not a 100 per cent free enterprise system?

I also spoke on December 21 with regard to a CATV application for a licence at Clermont, near Quebec city. This was a television licence application turned down informally by the Board of Broadcast Governors when the application was referred to them by the Department of Transport. I pointed out that Clermont is about 85 miles east of Quebec city and about 45 miles north of Rivière-du-Loup.

I made extensive inquiries in regard to that application, and I know my informants were

well able to give me the facts of the matter. The man who applied for the CATV station in Clermont was endeavouring to make available to the people of that area, on the north shore of the St. Lawrence river, the television programs from Rivière-du-Loup, but as I explained on December 21 it seems to be an unwritten law and rule for a television station owner that the moment he hears of a CATV application being made in his area he must oppose it.

The conviction of the television station owners is that if there is a CATV operator in an area, then the size of the audience listening to the local television station will be greatly diluted because if people are viewing other stations on their CATV installation they certainly will not be looking at the local station programs. In Clermont it turns out that the application was turned down because of opposition of the owner of the television station in Rivière-du-Loup. Here is the answer from the Secretary of State under date of December 13, regarding the application for a CATV licence at Clermont:

> The board turned down an application by Mr. Claude Lemieux, of Baie St-Paul, Quebec, for a system at Clermont, on grounds it would adversely affect the existing T.V. station there.

This is made clear in the letter from the Minister of Transport dated December 20, in paragraph 6 which reads:

> An application dated August 22, 1966, submitted by Mr. Claude Lemieux, Baie-Saint-Paul, Quebec, for authority to extend the service area of an existing CATV system at Clermont, Quebec. Clermont is located within the Grade "B" contour of station CKRT-TV, Rivière-du-Loup, Quebec—

Now, if anybody can see any rhyme or reason in the replies given to me by the Minister of Transport, who is responsible for the handling of CATV applications, I would be pleased if they would explain them to me in detail. I have read this letter in detail since receiving it on December 22, and to say that an application is turned down because it is within the Grade "B" contour area of a neighbouring television station is no answer because I can assure you, Mr. Chairman, that many other CATV applications which were approved were within the Grade "B" contour area of some television station somewhere, and yet authority was granted to those applicants.

I maintain that CATV applications should be granted by the Department of Transport once the applicants have fulfilled the technical requirements as set out by the Department of Transport. It is ridiculous to have the Board of Broadcast Governors rule informally on applications for CATV licences when it is passing also upon the applications of television operators. The Board of Broadcast Governors is primarily interested in television station operators. The legislation is drawn in that way and members of the Board of Broadcast Governors—and I have to say it—are automatically biased against CATV applications when you consider that they have been given instructions which I will read to you in a moment, to consider the economic viability of the local television stations when they are considering any CATV applications.

• (9:00 p.m.)

I maintain that the efforts of the cabinet to place CATV applications under the control of the Board of Broadcast Governors or its successors is a denial of Liberal doctrine. As I said on December 21, it is ridiculous to read in clause 2(c) under the heading "Broadcasting Policy for Canada":

> —all persons licensed to carry on broadcasting undertakings have a responsibility for the public effects of the programs they broadcast but the right to freedom of expression, subject only to generally applicable statutes and regulations, is unquestioned;

What in the name of heaven is the right to freedom of expression if the general public is not given the right to listen to what is being expressed. I have never before heard of anyone trying to divide the right of freedom of speech in two until I saw this Bill No. C-163.

Up until 1963, CATV applications were under the Department of Transport and were considered solely by the Department of Transport. CATV operators make no use of radio frequencies. These programs are not in the public domain; they are in the air waves. CATV operators simply pull out of the air what is already there. It is absolutely false to state that they have a radio operation. When the cabinet, through various crown corporations or committees, makes a ruling that a CATV application for Napanee, Gananoque and Prescott should be turned down because it is in the class B contour of such and such a television station the cabinet is using a mass of words to cover up the blunt statement that they are interfering with the public's right to information.

If the public wishes to look at a T.V. program coming from some station other than the one in Kingston or one of the stations in Ottawa which they can pick up by a single antenna, the public has the right to pick up

that program, or if the public wishes to pick up a program from the United States the public has that right. Why does the cabinet through the medium of the B.B.G. at the present time, or if this bill is passed without amendment through the medium of the new board, intend to control what the public shall be able to see on their T.V. sets? I have been in the publishing business for 40 years. Some members of this house will still remember my objection to the cabinet making Canadian citizens out of the *Reader's Digest* and *Time* magazine by a mere flick of the pen. I do not consider them to be Canadian publications.

Did the cabinet show any concern about the opposition that would be given to the newspapers and magazines of Canada by these United States publications, *Time* and *Reader's Digest?* No; the cabinet told us we should be allowed to read *Time* and *Reader's Digest* and be exposed to the views these magazines would give us on the questions of the day. But when I say we should be allowed to look at any T.V. program I get an answer to the effect we have to watch Canadian content and have Canadians look at Canadian programs. They must not look beyond the border because of the deleterious effect it would have. But nobody says anything to people like myself who live near the United States border and are able to look at United States programs all day long because their sets are able to bring in these programs. Yet we have to protect those people who live 100 miles or more above the United States border. We do not worry about the great mass of the Canadian public who live alongside the United States border, but only those people who live 100 miles or more inland who cannot receive United States programs directly.

I make the statement without any qualification that when the cabinet endeavours to prevent Canadians looking at United States programs on CATV installations, which are legal in this country, they are interfering with the public's right to know. How can you consider yourself a Liberal cabinet if you adopt that attitude of putting blinders on the public of the nation? I am opposed 100 per cent to this part of Bill No. C-163 that will bring the CATV under the control of the BBG.

Someone will ask where the sections are that place the CATV under the B.B.G. This is a very good question, because if you look at the bill as it was first introduced and then look at the bill as it was revised following some recommendations of the broadcasting committee you will learn some interesting facts. In clause 2 which we are discussing we see the words, "broadcasting undertakings in Canada make use of radio frequencies that are public property". I have already pointed out that the CATV does not make use of radio frequencies that are public property. They are receiving sets picking up programs that are in the air.

We cannot find anywhere in this clause in the bill an interpretation of what a broadcasting receiving undertaking is. You will find in clause 3, the interpretation clause, a reference in subclause (d)—and I am taking the liberty to comment on clause 3(d) although we are supposed to be discussing clause 2 because clause 2 has been described by the Secretary of State as the heart of the matter—to:

—"broadcasting undertaking" includes a broadcasting transmitting undertaking, a broadcasting receiving undertaking and a network operation, located in whole or in part within Canada or on a ship or aircraft registered in Canada;

We find the phrase, "broadcasting receiving undertaking". My privately owned television set is a broadcasting receiving undertaking. You ask, where is a broadcasting receiving undertaking defined anywhere in this bill. The interesting thing to me is that there is no interpretation in this bill as to what a broadcasting receiving undertaking is. I hope you will notice that I am emphasizing the word "bill".

If you look at Bill No. C-163 as presented in October you will find on the page opposite page 23 where the explanatory notes are under Part IV that in (h) it says:

—"radio apparatus" means a reasonably complete and sufficient combination of distinct *radio* appliances intended for or capable of being used for *radioelectric communication, whether by transmission or reception or both;*

Then in (j) we find the words:

—"radio station", and the same expression when abbreviated as "station", means a station, other than a private receiving station, equipped with transmitting or receiving radio apparatus or both and intended for, or capable of being used for, any form of radioelectric communication, whether by transmission or reception or both, and includes a commercial broadcasting receiving station;

It is interesting that in the explanatory notes, which are not part of the bill, reference is made to a receiving radio apparatus which is intended for radioelectric communication whether by transmission or reception. Now, a CATV station can only receive; it does not originate. If it is perfectly legal for an individual on his own private antenna to receive a program, why should it be necessary to have a licence granted by the B.B.G.

if a group of people decide to have a more effective antenna erected in order to bring in more programs than can be received on a single antenna on a home or by using rabbit ears?

I maintain that it is absolutely ridiculous for a cabinet that considers itself Liberal to take this step to limit the freedom of the individual to look at the programs he wishes to look at in the same way that it would be ridiculous for the cabinet to make a law telling us what material we can read. No one is going to interfere with the freedom of the press to that extent.

• (9:10 p.m.)

Why do they interfere with freedom of speech to the extent that they use great big mouth filling words about freedom of expression and make no reference to the freedom to hear what is being said? I had never heard of one of our basic freedoms being split in two before this bill was placed before members of parliament.

On December 21, I had reached the fifth application by CATV which had been rejected and referred to in the interesting letter from the Secretary of State. She said in that letter that the application by Northern Telephone Limited to drop the Sault Ste. Marie station from its existing system at Wawa in favour of a channel emanating from Cadillac, Michigan was rejected because the Board of Broadcast Governors felt that the system should carry the available Canadian channel. That is an overpowering answer if I ever heard one. This application to drop the Sault Ste. Marie station in favour of a channel from Cadillac, Michigan was rejected because it was felt the system should carry the existing Canadian channel. This really sounds terrific and shows us the kind of pure Canadian government we have. The fact that this paragraph does not contain all the facts is only incidental, I suppose, to this matter under discussion.

In order to give all the facts of this matter I would have to take up too much of the time of the committee in reading the correspondence from the operators of the present CATV installation at Wawa. In order to save time I will paraphrase the information which I have here in printed form. Following an application for a CATV licence at Wawa some years ago a license was granted. There is no connection whatsoever between the T.V. station at Sault Ste. Marie and Wawa by land lines. The application was made to the Board of Broadcast Governors, as it should be, for microwave facilities between Sault Ste. Marie, Ontario, and Wawa in order that the people in Wawa would be able to receive the station programs from Sault Ste. Marie, which is a privately owned station with C.B.C. affiliate status. This cost the operator of the community television station at Wawa a great deal of money, but he brought in the Sault Ste. Marie station. He wanted to bring in that station. He did bring it in and he has done so ever since the franchise was first granted.

In the course of time a number of people in Wawa began to agitate for different programs than those coming over the one station from Sault Ste. Marie and the C.B.C. was able to bring—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has now expired.

Mr. Stafford: Mr. Chairman, I rise to speak again on the broadcasting bill since a number of items have come to my attention following my remarks in this house on December 21. I rise again also because there are one or two matters of grave importance pertaining to the relationship between C.B.C. programming and the nature of this new bill which I did not have time to deal with before.

May I begin with a word of congratulation to the C.B.C. management for what appears to be a change in policy. Other speakers have mentioned the treatment of the negro question in the U.S.A. over C.B.C. and its apparent one-sidedness. On December 21 I drew attention to the fact that the news and public affairs section of our broadcasting system continually played upon the riots and the vicious side of the race problem across the border but seldom, if ever, mentioned the many positive and creative changes which are taking place to improve race relations. I said:

> You have heard Rap Brown, Stokely Carmichael and other extremist negro leaders interviewed over C.B.C. Why have we not heard the moderate majority leaders?

I am pleased to report that following these various statements in the house C.B.C. T.V. news on January 8, during the main newscast at 11 p.m., not only televised a story on the election of the first negro mayor of the city of Cleveland, Ohio, but also presented part of a talk given by the great moderate negro leader Roy Wilkins. It has also been apparent that some of the other side of the Viet Nam war, the United States side, is finally being shown over C.B.C. news, although

there are still huge gaps in the ordinary news that Canadians should be getting over their own radio and T.V. news networks.

Let me quote from an editorial in the Montreal *Gazette* of January 10, 1968 as follows:

> The Viet Cong greatly increased their program of terror against the civilian population of South Viet Nam during 1967, with figures of murders and kidnappings rising steadily as the year progressed . . . A total of 3,820 civilians were murdered by the Viet Cong during the year, compared to 1,618 killed during the previous year. During 1967, 5,368 civilians were kidnapped compared with 3,507 during 1966.

We have heard over the C.B.C. for three or four years of countless so-called atrocities committed by the United States through bombing; insinuations of the use of poison gas have been played up; pictures of poor helpless children maimed by the United States forces have been shown. But when it comes to 3,280 non-combatant men, women and children in the villages murdered deliberately in cold blood by the Viet Cong in a tragic and completely uncivilized campaign of terror, against all the rules of modern warfare as accepted by civilized countries today, we have nothing but silence from the C.B.C. news and public affairs programs.

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. gentleman but what he is saying now has no reference to clause 2 of the bill and the amendment thereto now under consideration. I would ask him to confine his remarks to the clause now under study.

An hon. Member: This is the clause for general discussion.

Mr. Stafford: Mr. Chairman, I submit that I am speaking about broadcasting policy for Canada. Clause 2 of the bill mentions policy, services and includes information covering a whole range of programming as well as the development of national unity and a continuing Canadian unity. I submit that my remarks are on point.

Miss LaMarsh: Mr. Chairman, I rise on a point of order. I think when another Chairman was in the chair the committee agreed that we would deal in the first instance with all general speeches and would then deal with the specific points in the subclauses to clause 2. I think perhaps Your Honour was not in the chamber at that time. Unless the committee has some agreement as to a modus operandi we are not going to be able to deal with this matter. I hope members of the committee will agree that we deal with general matters and then with the subclauses when all members in the chamber are exhausted. I believe this is what my hon. friend is now doing.

The Assistant Deputy Chairman: Order please. I understand the committee has agreed that we take this clause first, but I do not think the enumeration of the number of casualties of the Viet Nam war has anything to do with this clause. However, the committee makes its own rules.

• (9:20 p.m.)

Mr. Stafford: Let me continue. There are no special programs here such as we have about every other horror front. We Canadians are being short changed by our broadcasting medium. We are not getting a true picture of this tragic war which everyone of any stature on our delegation to the I.C.C. who has spent time in Viet Nam will tell you was started, planned and directed from the beginning by North Viet Nam, as it still is. Our new bill must ensure that this kind of news censorship is not continued in the future.

When I spoke in this house before Christmas I drew to the hon. members' attention a flagrant abuse of news about the United States and a glaring anti-American bias of the public affairs and news production staff of the C.B.C. Even though there has been some improvement, there continue to be glaring examples of anti-Americanism, instead of straightforward and informative newscasting where required.

I wish to cite the following examples, since not only must the bill ensure that the C.B.C. serves Canada effectively in this field but it is vital that the newly appointed heads of the C.B.C. be informed of some of the abuses of that organization and have a more clear idea of what is ahead of them. As elected representatives of the Canadian people charged with the final responsibility for Canadian broadcasting, we have in front of us a task from which none of us may shrink.

How dangerous some reporting can be is best illustrated by an extensive year-end report given over the C.B.C. on January 2 when the C.B.C.'s Washington correspondent, Knowlton Nash, the apparent successor of the fabled anti-American James M. Minifie, told Canadians in no uncertain terms what to expect in the United States in 1968.

Nash was chairing a group of C.B.C. correspondents from all over the world. Each of them gave an opinion with regard to the area

of the world he knew best and spoke of what to expect in the coming year. Most were reasonably objective, but not so Mr. Nash with regard to the all important area of the United States, our neighbour and ally. What was shocking were the categorical statements he made on what to expect in the United States this year. He either made a direct statement or carefully selected a quote which supported his obvious anti-United States bias. The following are some of the statements made by Nash. Throughout the hour long session he repeated over and over again the following words on any excuse: "American escalation in Viet Nam", seeming to place all the world's ills here and also seeming to play the old advertising trick of scaring the public through repetition. This is not reporting, it is propaganda.

He said:

> 10,000 more U.S. soldiers will be killed ... the American escalation will increase in 1968 ... and they will cross into Cambodia.

He went on to make the following statements:

> More and more race riots.
>
> There will be a huge advance in the gross national product and large steps made in the race to the moon.
>
> A growing suspicion of all governments.
>
> A fast growing spread of the new morality.
>
> President Johnson so unpopular that he can be beaten by anyone of the five key Republican candidates.

I should like hon. members to match Nash's categorical reporting on President Johnson's chances of re-election against the statements appearing in the *Globe and Mail* the very next morning. First, there was the New York *Times* service report from Washington which stated:

> Governor Nelson A. Rockefeller of New York is the only major Republican presidential possibility who would defeat President Johnson if the 1968 election were held today, a national political survey indicates.

Why did Knowlton Nash neglect this important survey when he made his statement about all five candidates easily defeating President Johnson?

Then again, the editorial in the same paper on the same day, January 3, went even further in commenting about President Johnson:

> He begins the election year with the cheering news from the Gallup poll that 46 per cent of American adults approve of the way he is handling his job ... 8 per cent more than in September and October after the summer time riots.

After noting the difficulties under which the President is labouring, the editorial continues:

> Yet he may still win the nomination and the November elections. This, partly, is because a president has the priceless advantage of daily initiative in executive action as well as the semi-sacrosanct aura of holding in trust the nation's highest office.

How much more realistic is this assessment than Mr. Nash's bombastic attacks on the President in what can only be judged to be a deliberate policy on his part.

While speaking of President Johnson, I wonder if hon. members noted the discrepancy between what President Johnson stressed in his annual state of the union message which C.B.C. kindly carried and the C.B.C. news reporting the next morning in the important 8 a.m. newscast. The newscaster read only one long quote from the President's address in which he mentioned the seriousness of the problems facing the United States on the domestic front and the danger the nation confronted if they were not solved. He was followed by a Washington newscaster who stated that most observers felt that President Johnson's address was not only dull but it failed to provide any real program to meet the domestic crisis. He stated that most Republicans opposed his speech, and most Democrats said it was lacklustre.

In grave contrast was what the Canadian newspapers wrote the next morning. The Montreal *Gazette* of January 18 wrote in heavy black headlines across the top of page one: "LBJ asks for increases in taxes, jobs, housing". The sub heading read: "Cures outlined for domestic troubles". The paper then went on to list the vast new expenditures asked for by the president for many programs including a new government industry partnership program for training and employing the hard core unemployed; a ten year housing program for six million new dwellings; $1 billion for a model cities program; a vast new child health program; and the appointment of a special consumers council. None of these was mentioned on this key C.B.C. news program. There was only an accumulation of negatives.

Let us examine the large three-column heading in the *Globe and Mail* of the same morning which read: "Record Outlay, Housing Drive, Johnson's Aim". The story written

by Fraser Robertson from Washington starts as follows:

Focussing on the domestic scene ... president Johnson last night proposed new measures to provide jobs for 500,000 hard core unemployed during the next three years, and to launch a tenfold increase over the next decade in housing construction for low income families.

While the C.B.C. tried to give the impression that the President's program was poorly received and was dull, the Ottawa *Citizen* in a front page story the next day wrote:

President Johnson was applauded time and again in the crowded house of representatives chamber.

Anyone listening to the address could not help but be impressed by the very loud and lengthy ovation punctuated by cheers which greeted the President when he entered the house of representatives. There are within the C.B.C. at least a few people who are either trying to foist their own anti-United States views on Canadians or are deliberately trying to stir up bad relations between the United States and Canada for reasons one can only believe are against the best interests of Canada. One observer has suggested that these people also have in mind the large listening audience along the United States border and are trying to influence them against their government's policies. This is a dangerous game if such is the case. If these charges are not accurate, we have a hopelessly incompetent news and public affairs management within the C.B.C. for which the nation is paying a fantastic bill. I wish to absolve, of course, the many honest reporters within the organization who are trying to do a job. But let us remember Tom Gould, to whom I referred on December 21, and his reasons for resigning.

Perhaps the editorial in the Ottawa *Citizen* of the same day reflects more appropriately the importance of the President's speech in the following comment:

What President Johnson does to combat internal U.S. problems has an importance of its own, for on it depends the future well being of the leading non-communist country of the world ... thanks to its initial idealism, its tremendous vitality, its technological prowess, its huge resources and its determined spirit, the U.S. has been able to attain a prosperity unparalleled in world history.

But it is still beset with harsh internal problems ... to a lesser extent Canadians share the same prosperity and many of the same problems. It is important to recognize the challenge, otherwise there is the danger of our affluent society becoming a complacent society that could ultimately corrode from within.

[Mr. Stafford.]

• (9:30 p.m.)

Then, again, on the 11 p.m. C.B.C. television news, following the announcement in Washington of the new and far reaching tight money policy, our C.B.C. Washington reporter Knowlton Nash commented with great certainty, as usual, that Canada would certainly be hard hit by these new United States regulations. He gave us a tear-jerker reference to the terrible fact that Canada's economy is so tightly tied to the success of the United States economy. However, within a few hours Canada's Minister of Finance stated publicly that there was every indication the United States action would not have a serious effect on Canada's economy.

One of the major methods by which Canadians are misled in C.B.C. news and public affairs reporting is by the careful omission of important stories that tend to counteract some of the favourite themes of this inner circle of united minds. For example, the Montreal *Gazette* of January 16 contained an article which read in part as follows:

British foreign minister George Brown—

He was speaking in Tokyo.

—yesterday praised President Johnson for going as far as you can go toward ending the war in Viet Nam and criticized North Viet Nam for refusing to do its part.

Walter Cronkite, on an American national newscast, on January 8 said:

The latest poll indicates President Johnson can win the next election handily.

On the same newscast a major story quoted George Romney, Governor of Michigan and United States presidential candidate, as saying after his return from a recent tour of Viet Nam:

The United States should not stop bombing North Viet Nam unless there is a satisfactory guarantee from North Viet Nam.

Mr. Orlikow: Was that before he was brainwashed or after?

Mr. Stafford: Canadians will recall the extensive coverage C.B.C. gave to the famous statement Governor Romney was alleged to have made, that he was brainwashed by the army on a previous trip to Viet Nam. Why have we not heard the important follow-up by Mr. Romney? Are Canadians not supposed to hear news like that? Why have we not heard over C.B.C. a rundown of the findings of a group of 14 top United States Asian scholars?

The front page of the *Globe and Mail* of last December 20 had a seven-column headline entitled, "Top United States Scholars Warn Bigger Wars Would Follow Communists Victory in Viet Nam". The foreword to their study, as quoted in the news story, reads as follows:

> The moderate segment of the academic community must now be heard lest other voices be mistaken for majority sentiment.

Again I would ask the question—

Mr. Fairweather: Mr. Chairman, will the hon. member permit a question?

Mr. Chatterton: He does not know the answer.

Mr. Fairweather: I wonder whether the hon. member read the statement by the 14 United States academics? The implication of the statement was that the war in Viet Nam should not be escalated.

The Assistant Deputy Chairman: Order, please. I hate to interrupt the hon. member again, but I cannot see the relevancy of the war in Viet Nam to the clause now being studied. Standing order 59(2) says that speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. This is an order of the house. All I am trying to do is make the hon. member abide by the order that has been accepted by the house.

Mr. Stafford: As I said a minute ago, Mr. Chairman, I am talking about the broadcasting policy for Canada. I cannot think of a single thing that is more important than to have fair, unbiased programs in which both points of view are put before the Canadian public. If there is anything more important than that, I would like to have it pointed out tonight. This is exactly the point I am making. I submit that my time is not yet expired, and what I am now talking about is the fact that we do not have fair and unbiased programs in Canada.

Mr. Orlikow: Read on. Who wrote the speech?

An hon. Member: Lubor Zink.

Mr. Stafford: Then again, I ask the question, as has one other member, why, on Christmas day, should Canadians have to be subjected over C.B.C. television to a much heralded peace program starring a Canadian interviewer, Neil Morrison, purporting to ask innocent questions of a panel of speakers at a peace conference in Switzerland? The conference speakers were composed entirely, as far as could be seen, of men well known for their opposition to United States policy in Viet Nam. It was so one-sided that even the C.B.C. announcer ended the show by saying, "You may have felt that this program was too anti-American."

Mr. Fairweather: Was Pope John XXIII one of those fellows?

Mr. Stafford: You can read it tomorrow. I will continue because my time is limited, and I am not going to get into any argument with my hon. friend, whose views naturally conflict with mine. Finally, Mr. Chairman, I am disturbed by a report that our famous C.B.C. producers of the Sunday evening program "The Way It Is", successor to "Seven Days", have been filming an interview with a man called Tauber who has just written a book which tries to claim that the Keisinger German régime is nazi dominated. The presumption is that we shall see it over the program shortly. This is another in the long succession of post-war, anti-German documentaries which have been continually thrown at us by C.B.C. and other media suggesting that the nazis are about to return to power in Germany.

What are some of the facts? The so-called neo-nazi party, N.P.D., in recent votes polled only 7 per cent to 9 per cent of the popular vote in three provinces and is estimated to have only 5 per cent of the national popular vote. The political experts who know Germany well claim that this party is primarily a coalition of two nationalistic groups, namely, refugees and German immigrants. Notable, too, is the fact that virtually no youth at all belong to this party. But none of these facts do you hear over the C.B.C.; nor do you hear the assessments of the reliable British Journal, *The Economist,* which stated last year that no reporters of any stature in western Germany give any credence whatsoever to the impression being created that the nazis are rising to power again or have any real influence whatsoever.

Will C.B.C. tell us this? What kind of a campaign are we facing here? Are we facing an anti-German campaign similar to the anti-United States one? Instead, we must help Germany join the family of nations, as she is surely trying to do. Furthermore, she is an

important ally now, and a new generation is in charge. I note, also, that almost never do we get over C.B.C. any mention or thorough treatment of the tremendous advances Germany has made since the war, her prodigious economic development, her immense aid to underdeveloped countries or her 300,000-man army which, with United States, British, French, Canadian and other western armies stands guard for our safety while the Russian armed power grows steadily, as the Secretary of State for External Affairs recently stated. Is someone trying to divide us from West Germany? I note with concern that there is not a single full time Canadian reporter for C.B.C. or any newspaper in Germany.

Lastly, Mr. Chairman, may I say something about the field of economics. One of the great tragedies of the day in Canada is the way in which matters of business and finance are handled over the C.B.C. as a general rule. The anti-business bias of "Seven Days" is well known and has been documented. A month ago, day after day Canadians were urged over C.B.C. to watch a special program on poverty which the producer of "The Way It Is", Ross McLean, would present to the country as the last word on this important subject. What did McLean give us on that broadcast?

• (9:40 p.m.)

He gave us an impression of abject poverty in Canada from coast to coast. He clearly implied that no one was seriously trying to do anything about it, or cared about it; that nothing could be done anyway in our kind of social system. No treatment was given to the immense advances made in tackling poverty during the last 25 years, through old age pensions, health insurance, medicare—now on the way—vast social service programs, immensely important efforts by the churches, new government programs stressing the monetary and fiscal policies, or special programs to achieve and maintain full employment. No treatment was given to the important new programs of the manpower department to train and assist those needing work. I could mention scores of others.

Such mischievous programs over our national broadcasting system must be replaced with constructive programs that give Canadians the hope that progress is possible and under way, that show how all can take part in meeting problems. This new bill should indicate clearly that the role of the C.B.C. should be constructive and not destructive criticism, unless clearly warranted.

By and large, Canadians do not understand the role of the new Keynesian economics in the western world, which cannot be described by the old cliches of socialism and free enterprise. We have something new going which gives appropriate roles to both the private sector and the government. Let the C.B.C. educate Canadians to the true facts of our attempt to create a good and modern society.

As members of parliament in a free society we must make certain that our institutions of information and education are never used for purposes other than those intended. Let us move to examine this bill; to make certain that Canadians, as a free people, are getting free access to world information so that they are in a position to make honest decisions based on adequate factual information, not biased diatribe.

Mr. Cowan: Mr. Chairman, my time expired when I was commenting on the seventh application for a C.A.T.V. installation that had been turned down by the board of broadcast governors, as outlined in the informative letter to me from the Secretary of State dated December 13. I have stated that the paragraph in question was full of fine-sounding phrases, but it is unfortunate that not all the facts behind the paragraph were actually placed in the letter. I have not any doubt that the paragraph in the letter is the information received from the Board of Broadcast Governors or from the Department of Transport with regard to that refusal of a CATV application for Wawa, wishing to drop the reception of the station at Sault Ste. Marie.

I should like to refer the committee to the letter received from the Minister of Transport under date December 20 in connection with this turning down of a CATV application for Wawa. The application, dated June 24, 1966, was submitted by Northern Telephone Limited, licensee of a CATV system at Montreal River, Ontario, serving Wawa, Ontario, for authority to discontinue reception from station CJIC-TV Sault Ste. Marie, Ontario and to add reception and distribution of station WWTV-TV, Cadillac, Traverse City, Michigan. Wawa is located within the proposed grade B contour of a television rebroadcasting station which the Canadian Broadcasting Corporation was authorized to establish at Wawa, Ontario on September 22, 1966. This station, CBLAT-3, was authorized

to commence scheduled broadcasting on December 8, 1967.

It seemed impossible to me to believe that the CATV station in operation at Wawa, Ontario proposed to drop reception from the Sault Ste. Marie, Ontario station because there is a requirement in the Radio Act that CATV stations must pick up the local T.V. station the moment they go into operation and must keep it on their dial.

In this connection I refer to numerous comments which have been made throughout the nation and in this House of Commons from time to time to the effect that CATV installations jeopardize the reception of local T.V. stations in homes in the vicinity. The statement that they jeopardize the reception of local stations is false, Mr. Chairman, because it is a requirement that CATV stations must carry on their dial the local T.V. stations.

Many people, of course, will not view programs from local T.V. stations that are on their CATV dial when there is a choice of stations. However, many people do state that CATV operators jeopardize the local T.V. stations once their installations commence operation.

In this connection I should like to read a statement made by Mr. K. J. Easton, secretary of the National Community Antenna Television Association of Canada, in a letter written from 130 Bloor street west, Toronto, and dated December 15, 1967, five weeks ago:

There appears to be some misunderstanding in Ottawa concerning the possibility that CATV operators might jeopardize the interests of a local T.V. broadcaster by removing his signal from the cable and substituting some other program material. I think this could be corrected by consideration of the following facts.

That is, the misunderstanding could be corrected.

First of course, an operator is expressly forbidden to do this by the terms of his license issued under the Radio Act and it is assumed that a similar regulation will be made by the C.R.C. under the new Broadcasting Act. The general radio regulations, part II, section 68C (1) (b) says as a condition of the license that "during the scheduled hours of operation of a station performing a Commercial Broadcasting Receiving Service, broadcasting received by that station shall not be altered or curtailed in any way except by agreement with the broadcasting station."

However, assume that an operator is prepared to contravene the conditions of his license, what is the technical possibility of his being able to prevent subscribers from receiving the local station?

It is common knowledge in the CATV industry that the weakest link in the whole system as far as susceptibility to external interference is concerned is the subscriber's television receiver and when the local T.V. transmitter is broadcasting within a few miles of the receiver, sufficient signal is picked up on the set itself to produce a strong picture often equivalent to that which could be received on rabbit ears or a similar local antenna. If now a CATV cable is connected to the receiver and the signals of the local station are distributed over the cable on the same channel on which they are broadcast, then due to transmission time delay on the cable, a second image will be produced on the screen displaced from the first one and producing the effect of a heavy ghost. Generally the amount of signal picked up direct on the set is sufficient to make the resultant picture quite unacceptable.

For this reason it is the normal practice to convert the local station to some other VHF channel for distribution on the cable and not to use the local channel allocation for video program distribution at all.

Thus for example on the cable system in Ottawa, CBOT broadcasting on channel 4 is converted to channel 2 on cable, CBOFT broadcasting on channel 9 is converted to 3, and CJOH broadcasting on channel 13 is converted to 6.

Now suppose as has been implied that the CATV operator wanted to remove the local station, for example CBOFT, and replace it with another program he considers would be more acceptable to his subscribers or commercially more advantageous to him, he would have to remove it from channel 3 on the cable. However CBOFT is still receivable by the subscriber on channel 9 position on his dial because the set is picking it up direct and since there is no program on this channel on the cable, the picture will not be degraded beyond any degradation due to direct pickup at that location such as might be experienced if the set owner were not a cable subscriber.

• (9:50 p.m.)

These facts refer to the station in Wawa where, we are told, the local CATV operator wanted to drop the Sault Ste Marie station and bring in Cadillac.

I wish to explain here that in December the C.B.C. began operating a rebroadcasting station in Wawa, Ontario, which brings in the same programs to Wawa as the local CATV operator had been bringing from Sault Ste Marie for some years past. I presume that the members of the house will be interested to learn that the programs the CATV operator in Wawa has been bringing in from Sault Ste Marie, in English only over the years, are now available in French and English over the C.B.C. rebroadcasting station which has been put into Wawa. You have the choice in Wawa, today, of getting the same program in English only, from Sault Ste Marie, through the CATV operator, or you can get the same program in English or French from the rebroadcasting station that has been established in Wawa.

Bear in mind that the CATV operator has to carry the local station. So, in Wawa, he is picking up the French and English station. I presume that there are people in this house who will say that because a program is coming in in French and English it is much

superior to the one that is coming in in English only. But, they must realize that the operator in Wawa has two positions on his dial, one of which is taken up by the program in English entirely, and the second position which is taken up by the same program coming in in English and in French.

The operator wanted to drop the program that was coming in in English only from Sault Ste Marie, and bring in a variation—bring in the programs from Cadillac and Traverse City, Michigan. That way the people in Wawa would have a choice between the local C.B.C. station broadcasting in French and English, which is available on the CATV dial, or the Marquette, Michigan, station, or the Cadillac-Traverse City, Michigan, station.

But what happened? The Board of Broadcast Governors recommended against any such thing as dropping that Sault Ste Marie program, which they had been bringing in at great expense over the years. When I speak of "great expense over the years" I want to read into the record the correspondence that this local CATV operator has been faced with. One has to admire him for bringing in programs to the people in Wawa, and Wawa is certainly an isolated community, about 160 miles north of Sault Ste Marie.

I want you to be happy in the knowledge that the Board of Broadcast Governors has recommended to the Department of Transport, and the Department of Transport has been kind enough to accept their recommendation. Now the people at Wawa can look at the same program in English only from Sault Ste Marie or they can switch over and get the same program in English or French from the C.B.C. rebroadcast station in Wawa. Why in the name of heaven the CATV operator has to carry two similar programs on two channels on his dial I do not know, and I do not think anybody on the Board of Broadcast Governors can explain that satisfactorily.

To show you how much money the CATV operator has expended in Wawa and the efforts he has made to bring enlightenment, information and entertainment, to quote a phrase from the white paper, to the residents around Wawa, I shall read to the committee a letter, under date of December 5, 1966, written to Dr. Andrew Stewart, Chairman, Board of Broadcast Governors, 48 Rideau Street, Ottawa, Ontario:

> These problems have arisen as a result of the announced intention of the Canadian Broadcasting Corporation to establish a rebroadcasting station in Wawa, Ontario, which we understand will soon become operational.

[Mr. Cowan.]

It became operational within one year of this letter:

> Since we are at the present time, and have been, for the past two years, providing to our subscribers in Wawa, programmes from station CJIC-TV, Sault Ste. Marie, Ontario via microwave facilities leased from Northern Telephone Limited, you will readily appreciate that upon the establishment of the CBC rebroadcasting station, the residents of Wawa will find little if any need for our services since CJIC-TV is a CBC affiliate and during prime viewing times, programmes will be duplicated.
>
> Our company is therefore faced with the prospect of abandoning its operation in the town of Wawa, and in relation to the size of the community, having to absorb the loss of a significant residual investment.
>
> We pioneered the introduction of television in Wawa in 1958, and were responsible for fulfilling a very real need for television entertainment in this remote community.
>
> At the outset, we brought to the residents of Wawa, one channel only, being that of the Marquette, Michigan station received off air from across Lake Superior. However, the unreliability and dubious quality of this station, received at a distance of more than 125 miles from its originating point over a large body of water, made it mandatory for our company to provide alternative programmes. Thus from the latter part of 1959 and up until November of 1964, we made available to our subscribers a second channel, consisting of films and documentaries from the National Film Board, originating from our studios.
>
> The demands placed upon us by the residents of Wawa for Canadian programmes (hockey and football were not the least of their motives) became so great in the year 1964, that we decided to abandon the programmes of films originated from our studios and outlay the funds required to bring to Wawa, programmes from station CJIC-Sault Ste. Marie via microwave facilities leased from Northern Telephone Limited. Our lease with Northern Telephone became effective on November 27th, 1964, and is for a term of five years. Under this lease, we paid an installation charge of $12,000 and undertook to pay a yearly rental charge of $11,400 for the initial five year term.
>
> Since the programmes of CJIC presently being carried over the microwave facilities will be of no value to our subscribers when the CBC establishes its rebroadcasting station in Wawa, Northern Telephone Limited have sought authority from the Department of Transport to substitute their present authority to carry CJIC-TV over its microwave facilities, for station WWTV-TV Cadillac, Michigan, and the authority sought by Northern Telephone is to become effective only upon the establishment by the CBC of its rebroadcasting station in Wawa.
>
> Should such authority be granted, our company would then hope to be able to continue to subsist in Wawa, by continuing to make available to our subscribers, signals from Marquette, Michigan (albeit unreliable and of dubious value) and a stable signal from WWTV-TV Cadillac transported over Northern's existing microwave facilities.

An hon. Member: Ten o'clock.

Mr. Cowan: Shall I call it ten o'clock, sir?

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

UNEMPLOYMENT INSURANCE—INQUIRY AS TO INCLUSION OF HOSPITAL EMPLOYEES

Mr. Barry Mather (New Westminster): Mr. Speaker, I think about a month ago I asked on orders of the day the following question, to be found on page 4876 of *Hansard*:

Can the minister say whether a decision has been made in respect of the recommendations of the Gill committee for the inclusion of hospital employees under unemployment insurance?

To that the minister replied:

—I do not think it is necessary to implement any of the recommendations of the Gill committee in order to provide coverage for hospital employees. It is now open to hospitals to apply to the commission for coverage. Employees in several hospitals are covered.

My purpose in taking advantage of this late evening period is to reiterate that question. I am sure that what the minister said was quite correct. I think he did not say quite enough, and in line with this opinion I should like to quote from a letter which I received from the unemployment insurance commissioner just a day before I asked the question. The commissioner, Mr. Hay, wrote to me as follows on November 27, 1967:

• (10:00 p.m.)

This will acknowledge your letter addressed to the Chief Commissioner inquiring whether hospital employees are to be covered by unemployment insurance. As Mr. Laval Fortier is no longer with this Commission your letter has come to me for attention.

When the Gill Committee reviewed the Unemployment Insurance Act some time ago, it recommended that coverage be extended to hospital employees in addition to several other groups not then covered by the Act. Extension of coverage to hospital employees has also been recommended by the Unemployment Insurance Advisory Committee and by this Commission.

No decision has been announced by the Government as to what action it proposes to take regarding these recommendations. However, it has announced, as you know, that it intends to bring in certain amendments in the near future.

It is my understanding that the government is giving consideration—or was at the time I asked my question—to several amendments to the Unemployment Insurance Act but that it does not wish to make a change in the situation affecting hospital employees in this connection until it has an overall policy to announce; it does not want to change one part of the picture before considering the picture as a whole. If this is the case, I can understand it, but I should like to take the opportunity tonight to raise once again the question of the provisions of the act as they refer to hospital employees in the light of the recommendation of the Gill committee, the unemployment insurance advisory committee and the commission itself. I should like, if possible, to receive an answer from the government on this point.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): The hon. member for New Westminster (Mr. Mather) has accurately set out the position of hospital employees and their coverage by unemployment insurance.

It is true that the Gill report recommended to the advisory committee of the unemployment insurance commissioners that coverage be extended to hospital employees. This is the case. Certainly this has been requested by both employers and employees. I understand that the reason for exempting hospital employees at the beginning was that years ago, in certain parts of the country at least, hospitals were for the most part run by charitable organizations or religious communities and it was felt that coverage of hospital employees would impose a difficult financial burden upon the organizations which made many of these hospitals possible.

I agree with the broad principle expressed by the hon. member, namely that it is desirable to adopt as soon as possible many of the recommendations of the Gill report. I think, for instance, of the fact that the Kennedy round which has recently been concluded has placed a lot of emphasis upon what the government intends to do for industry and not very much emphasis upon what the government will do for the workers of this country who could be temporarily unemployed in consequence of the dislocation which is bound to be caused during the transition period.

So, I am rather pleased to note on today's order paper, and I bring this to the attention of the hon. member, a government notice of motion in the name of the Minister of Labour (Mr. Nicholson), which reads:

That the house do go into committee of the whole at its next sitting to consider the following proposed resolution which has been recommended to the house by His Excellency:—

Proceedings on Adjournment Motion

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to increase the coverage provided by the act; to establish a new schedule of contributions to be paid by employers on behalf of employees covered by the act; and to establish a new schedule of benefits corresponding to the new schedule of contributions.

Not being a member of the cabinet I have not seen what is proposed in detail, but from the previous statements of the minister, as well as from the letter which the hon. gentleman was so kind to read, I would presume that in all probability this resolution will meet the problem which has been so eloquently raised by the hon. gentleman this evening.

Motion agreed to and the house adjourned at 10.07 p.m.

HOUSE OF COMMONS

Tuesday, January 23, 1968

The house met at 2.30 p.m.

[*Translation*]

QUESTION OF PRIVILEGE

MR. CHOQUETTE—REQUEST THAT FLAG DISPLAYING FLEUR-DE-LIS BE FLOWN ON PARLIAMENT HILL

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, at the risk of being out of order, I wish to point out that the Quebec fleur-de-lis will be celebrating within the next few days the twentieth anniversary of its official recognition. That flag is more than the emblem of the province of Quebec. It is a rallying symbol for the French speaking community in Canada.

In closing, I say it would be desirable that, in certain circumstances, it be flown on parliament hill, beside our unifoliate, as a symbol of the harmony between the two great linguistic communities of Canada.

Mr. Réal Caouette (Villeneuve): Mr. Speaker—

Mr. Speaker: Order. I presume the hon. member for Villeneuve wishes to raise a different question, because there is no question of privilege in the case of the hon. member for Lotbinière.

MR. CAOUETTE—PROTEST AGAINST FORWARDING OF INCOME TAX FORMS

Mr. Réal Caouette (Villeneuve): I rise on a question of privilege, Mr. Speaker.

I am sorry that the Minister of National Revenue (Mr. Chrétien) is not here, but as a member of this house and a French Canadian, I must protest against the fact that officials of the Department of National Revenue are sending me 1967 income tax forms in English only, addressed as follows:

Master Real Caouette
Parliament House
Ottawa

I even wonder if the official in question did not deliberately send me that form in English only in an envelope also endorsed entirely in English:

Taxation Data Center
P.O. Box 456
Ottawa 2, Ontario

Mr Speaker, I protest against this fact, and I think it is a question of privilege, because last year, I asked the department to send French forms to French speaking people in the province of Quebec. I was then told that errors had been made.

I maintain that no English speaking member would accept to receive a French income tax form, and I have the right to pay my federal taxes in French, Mr. Speaker.

Some hon. Members: Hear, hear.

[*English*]

FINANCE

GATT—TABLING OF RESULTS OF NEGOTIATIONS RESPECTING CHEMICALS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, hon. members will recall that as of July 1 next our tariff schedule relating to chemicals will be revised extensively along the lines recommended by the Tariff Board and that it is the intention to introduce legislation on the matter in the coming months.

To pave the way for this legislation it has been necessary to renegotiate certain existing commitments under the general agreement on tariffs and trade. I have had prepared a list showing the results of these negotiations and with the permission of the house I should like to table this list.

Mr. Speaker: Has the minister leave to table the document to which he has referred?

Some hon. Members: Agreed.

• (2:40 p.m.)

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ANNOUNCEMENT FOLLOWING PROVINCIAL REPRESENTATIONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the Prime Minister's statement last week indicating that the government was considering representations made by the provinces on the subject of the medical health and services program, and in view of the importance of the government's decision on this

matter to the country, and particularly in view of its importance to provincial governments which are now trying to settle their budgets for presentation to their legislatures for the current fiscal year, can the Acting Prime Minister tell the house when the government will announce the results of its review of the representations made by the provincial governments on this subject?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the Prime Minister said on Friday last at his press conference that he would make a statement after hearing the provinces when the review was completed. He also indicated, as I said yesterday, that parliament, with the support of all parties, had passed the medicare act; that it is permissive legislation, and that its implementation is a matter for the provinces. He further indicated, of course, that it was the duty of the federal government to hear the provinces.

Mr. Stanfield: In addition to recognizing its duty to hear representations from the provinces and consider those representations, is it not also the duty of the government to render a decision and to inform the house when a decision on this matter will be made known?

Mr. Martin (Essex East): It is the duty of the government to inform the hon. gentleman that the government is giving attention to the representations made by the provinces. This has to be read together with the statement of the legal fact as given by the Prime Minister.

FINANCE

DIRECTIVE LIMITING INVESTMENT IN CANADA BY U.S. SUBSIDIARIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to direct a question to the Minister of Finance regarding the instructions which have been issued by the President of the United States to American subsidiaries located in Canada, as well as in other countries, limiting the amount of capital which they may invest to 65 per cent of the base period and requiring them to send 35 per cent of their earnings back to the United States. I want to ask the Minister of Finance whether any instructions have been issued by the Canadian government to United States subsidiaries located in this country with respect to this subject, or whether the hon. gentleman will be required to telephone the secretary of the treasury every time he wants—

[Mr. Stanfield.]

Mr. Speaker: Order, please. The hon. gentleman may only ask a question.

Mr. Douglas: I am merely asking whether it is the intention of the minister to request the secretary of the treasury of the United States to tell corporations in Canada what constitutes good citizenship behaviour.

Hon. Mitchell Sharp (Minister of Finance): As the house knows, and as the hon. gentleman knows, the Minister of Trade and Commerce (Mr. Winters) has issued guide lines indicating the nature of good corporate behaviour. I do not see any reason at the present time for issuing any other guide lines of this kind.

Mr. Douglas: In view of the fact that instructions from the government of the United States are most specific with respect to the amount of earnings which must be returned to the United States, may I ask whether the Canadian government intends to issue any instructions on this subject and whether the Minister of Finance thinks it is in keeping with the sovereign power of Canada that instructions to subsidiaries should come from a foreign government?

Mr. Speaker: I would agree with the hon. member that the first part of the supplementary question is in order. However, the second part is in the nature of an argument.

Mr. Sharp: The instruction of the United States government to the parent companies of these organizations is that the flow of direct investment to a group of countries including Canada—and Canada is not singled out—shall be held to 65 per cent of the base period. This is supplemented by an instruction that subsidiary companies outside the United States are not to change their normal behaviour in the payment of dividends. This is the only instruction which has been issued.

Hon. George Hees (Northumberland): A supplementary question, Mr. Speaker. Since we have a current account deficit of about $1 billion with the United States, does the minister consider that the United States government's directive to subsidiaries of United States companies which operate in Canada, that they shall invest only 65 per cent of the amount they invested in this country in the base year 1965, is allowing those subsidiaries to be good corporate citizens of this country?

Mr. Sharp: Mr. Speaker, it is quite clear that the hon. gentleman has misunderstood the nature of the United States directive. I ask him to read it before I answer his question.

Mr. Hees: I have not in any way misunderstood the United States directive and I ask the minister to answer my question in a straightforward manner.

REQUEST FOR REMOVAL OF SALES TAX ON BUILDING MATERIALS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I would like to address a supplementary question to the new minister of housing. Will he use his good offices and prevail upon the Minister of Finance to remove the 11 per cent sales tax on building materials?

Some hon. Members: Hear, hear.

CARTER COMMISSION ON TAXATION— TABLING OF WHITE PAPER

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Finance and ask when we may expect the white paper, which the government has promised to bring down, setting forth its views regarding the Carter commission recommendations.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, during the parliamentary recess the Prime Minister announced that the white paper would not be brought down until the question of leadership of the party had been settled.

Mr. Douglas: A supplementary question, Mr. Speaker. Does this mean that the government does not intend to make known to the house and the country its views regarding this matter? I understood that the Prime Minister's statement was with reference to any action that might be taken. Does this mean that the government does not intend to make its views known on this question until after April 6?

Mr. Sharp: Mr. Speaker, the Prime Minister's statement was with respect to the white paper, which will contain the government's views.

[*Translation*]

REQUEST THAT CANADIAN DOLLAR BE RETURNED TO FORMER DISCOUNT RATE

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance.

As the Canadian dollar has regained its value and general confidence, is it the intention of the Minister of Finance to ask the Bank of Canada to return its discount rate from 7 per cent to 6 per cent, that is the level where it was a week ago?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am glad to report to the house that developments in the exchange market are reasonably satisfactory. I can assure the hon. gentleman and the house that it is the desire of the governor of the bank, as well as myself, that it be possible to reduce that rate as soon as confidence has been established that there will not be a recurrence of any outflow of funds.

[*Translation*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

REQUEST FOR GREATER DISTRIBUTION OF AMENDING BILL

On the orders of the day:

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to direct a question to the Minister of Labour.

Since it is impossible to get additional copies of Bill No. C-186 to meet the demand of several electors, can the minister assure us that the number of copies will be increased in order to give satisfaction to those who want more information?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, this is the first time that I have heard that there is any shortage of copies. Certainly, members of the house have been supplied with them. I shall see to it that copies are made available in English and French, as required, to those groups or parties who are interested in making representations.

Mr. Robert Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. What I have to ask is prompted by an article that appeared in the Montreal *Star*

and my remarks are directed to the Minister of Labour. Since in Montreal English copies of Bill C-186 are not available to union members, and since one union leader was advised that the bill will not be available in English until after it becomes law, would the minister, when he is looking into the matter, take into consideration also the question I have raised?

Mr. Nicholson: Mr. Speaker, I understand that copies of the bill were made available here in English and French. There were more copies in English than in French. Certainly we do not propose to make copies of the bill available to all Canadians, but any groups who are interested in making representations certainly will be able to obtain copies in either of the two official languages.

Mr. Muir (Cape Breton North and Victoria): A further supplementary question, Mr. Speaker. Does the minister not agree that union leaders, of all people, should be able to obtain copies of this bill in either of the two languages, English or French?

Mr. Speaker: Order, please.

HOUSING

CLARIFICATION OF LOANS REGULATIONS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the President of the Treasury Board in his capacity as the minister responsible for housing.

Some hon. Members: Hear, hear.

Mr. Johnston: I congratulate him on his appointment and wish him well. We expect great things of him. My question is whether there will be a clarification regarding the regulations covering the granting of N.H.A. loans on building lots that are not serviced by sewer facilities?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I thank the hon. member for his congratulations. With respect to his question, C.M.H.C. policy in built-up areas has always required that there be piped services. No wells or septic tanks are allowed.

May I also take this opportunity to bring to the attention of the house that the number of houses which were completed in 1967 came to 164,123 which is 30,000 above the 1966 level.

An hon. Member: Shame.

[Mr. Muir (Cape Breton North and Victoria).]

Mr. Benson: If we include the accommodation that was made available for the elderly, and for universities, the total comes to 175,000 units.

An hon. Member: Not enough.

Mr. Benson: That is the highest level of building in Canada's history.

Some hon. Members: Hear, hear.

Mr. Knowles: On a point of order, Mr. Speaker, if this is a statement on motions, will a spokesman for each opposition party be entitled to comment on it?

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Johnston: I wish to ask a supplementary question, because I think the intent of my question was lost in some parts of the minister's answer. I would like to ask him more specifically whether N.H.A. loans will be available for construction on lots in areas that are not built up but that are approved by local health authorities, whether the lots have sewer connections or not?

Mr. Benson: Mr. Speaker, in respect to this part of my hon. friend's question, as there are details involved with respect to varying situations I would respectfully request that I be allowed to take the question as notice in order that I may reply more fully later.

Mr. G. L. Chatterton (Esquimalt-Saanich): As a supplementary question, can the minister advise whether he thinks the figure of 163,000, which is some 30,000 short of the economic council estimate, is satisfactory?

Mr. Benson: Mr. Speaker—

Mr. Speaker: Order, please. This is argumentative.

POSSIBLE INTRODUCTION OF AMENDMENTS AT CURRENT SESSION

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I wish to direct a question to the minister responsible for housing. Notwithstanding his statistics can he inform the house whether at this session we will be presented with the amendments, as promised by the Prime Minister to the national housing conference, in order that those Canadians who need houses can have them?

Hon. E. J. Benson (President of Treasury Board): Mr. Speaker, I would like to indicate that I doubt if these amendments would be presented at this session, presuming the session comes to an end very soon.

Mr. Knowles: Why?

Mr. Benson: However, Mr. Speaker, I would like to indicate to the house that these amendments are now being prepared and that they will be submitted to the house at the earliest opportunity; and I would also like to state that we will meet the economic council's objectives.

Mr. Starr: When?

Mr. Keays: As a further supplementary question may I ask the minister if the amendments which are going to be brought forward will be those which were recommended from this side of the house?

Mr. Benson: I would simply like to say that most of the recommendations from that side of the house have not been very good.

POSSIBLE REMOVAL OF INTEREST CEILING ON LOANS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I would like to direct a further supplementary question to the minister. In view of his remarks yesterday to the National House Builders Association convention that he would like to see the interest ceiling removed from N.H.A. loans, can he tell us when he intends to implement such a policy?

Hon. E. J. Benson (President of the Treasury Board): I am presently preparing a submission to the cabinet in this regard, Mr. Speaker.

[*Later:*]

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the minister in charge of housing, arising out of an answer he gave to an earlier question. I should like to ask him, while he is considering amendments to the act to enable the removal of the ceiling on interest rates under the N.H.A. mortgages, whether he will also give consideration to policies to subsidize such higher interest rates as may result from the removal of the ceiling or from the high interest rates now in existence.

Mr. Benson: Mr. Speaker, when I answered an earlier question I might have seemed to be a little facetious. In the new job which I have undertaken I will seriously consider suggestions from all sides of the house concerning how we can achieve the objective of the economic council of 585,000 units by December, 1970, which I think we can and must undertake to do.

[*Translation*]

C.M.H.C.—REQUEST FOR REPORT ON SPECULATIVE LOANS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to direct a question to the minister responsible for the Central Mortgage and Housing Corporation.

Can the minister tell us if the speculative loan program to builders, in force last spring, will be continued this spring?

[*English*]

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I believe that the Minister of Labour, who was previously responsible for C.M.H.C., made clear our policy in this regard. However, I will check into the matter.

EXTERNAL AFFAIRS

NATO AND NORAD—RENEGOTIATION OF MEMBERSHIP BASIS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will the minister seek a joint meeting of the defence and external affairs committees in order that the members of those committees may receive information and consider the government's position relative to staying in NATO and NORAD on a renegotiated basis as promised several weeks ago.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I would hope that such an arrangement could be made effective as soon as possible.

VIET NAM—ALLEGED DISCRIMINATION BY MISSION AGAINST COLOURED RACES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Does the minister intend to make any statement concerning or in reply to the unwarranted attack on the personnel of

the Department of External Affairs made by Rabbi Feinberg yesterday in Montreal? I refer in particular to Rabbi Feinberg's reported accusations that the members of the Canadian mission in Viet Nam are prejudiced against all coloured races.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have not seen the statement to which my hon. friend directs my attention, but I can say I am sure that this house and the entire nation recognize the great services performed by officials in the Department of External Affairs, as well as in other departments of government.

GREECE—POSSIBLE RECOGNITION OF RÉGIME BY CANADIAN GOVERNMENT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the announcement by Turkey and the United States in respect of their recognition of the régime in Greece and the imminent announcement by the United Kingdom to like effect, does the minister contemplate making a statement in the house today or in the near future in this regard, so far as the Canadian government is concerned?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, we have been following the development of contacts between various emissaries of the régime at Athens and King Constantine in Rome. These contacts have included exchanges between the king and the prime minister of Greece. Against this background, in my view the question is not so much that of granting of formal recognition as the resumption of working relationships with the Greek régime.

Mr. Lambert: Can I take it that the minister's explanation is tantamount to the recognition of that régime?

Mr. Martin (Essex East): I have in mind the continuation of relations that have been maintained with the King of Greece. The head of state continues to be the king.

GRAIN

WHEAT—REQUEST FOR DECLARATION OF POLICY ON REDUCED ACREAGE

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. Does he endorse the suggestions made in two of his departmental publications that western farmers should reduce their wheat acreage this year because of the piling up of wheat now resulting from lower exports.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, as the hon. member knows the decision in respect of wheat acreage is made by the farmers individually in a free enterprise system, and I subscribe to that system.

Mr. Pascoe: Is the minister aware that suggestions for reducing the wheat acreage are contained in two of the publications from his department?

Mr. Speaker: Order, please. This question is not an urgent one.

NATIONAL DISASTERS

SICILIAN EARTHQUAKES—GRANTS TO ASSIST VICTIMS

On the orders of the day:

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I have a question for the Acting Prime Minister in his capacity of Secretary of State for External Affairs. In reply to a question asked yesterday the minister said, with regard to Canadian government aid for earthquake victims in western Sicily, that the matter is being looked into further. I wonder whether he has anything further to add by way of granting financial, medical and food assistance, initiated by the government, to be sent to the victims of the tragic earthquake in western Sicily?

While I am standing I should like to ask the Minister of Manpower and Immigration whether he can speed up the processing of immigration applications from individuals in those areas affected by the tragedy?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, we all recognize the hon. member's interest in this matter and I assure him that consultations are taking place now and should be completed very soon.

TRANSPORT

ALLEGED IRREGULARITY IN RAIL LINE ABANDONMENT

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in the absence of the Minister of Transport I should like to direct a question to the acting minister or the parliamentary

secretary. Is the minister aware that the Canadian Transport Commission has given notice of a rail line abandonment hearing under old order 123994, contrary to the minister's assurance given to the house on December 18 last to the effect that any further hearings would be free of any previous orders or preconceptions?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should be glad to bring this matter to the attention of the minister. I hope he will be able to return to the house tomorrow.

Mr. Dinsdale: I should like to ask the minister through his parliamentary secretary whether his policy statement on this matter has been communicated to the chairman of the Canadian Transport Commission.

Mr. Byrne: I assume it has, Mr. Speaker, but I will look into the matter this afternoon.

VISIT OF STANDING COMMITTEE TO ATLANTIC PROVINCES

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, in the absence of the Minister of Transport, I should like to direct my question to the hon. member for Hamilton West in his capacity as chairman of the committee on transport and communications. In doing so I ask the indulgence of the minister's parliamentary secretary. Can the hon. member give members of the house, and indeed the people of the Atlantic provinces, any indication as to the dates and places for the proposed visit of the standing committee?

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, the terms of reference have now been drafted and are in the minister's hands for approval. They will be forthcoming when the minister returns to the house after his illness. As far as dates are concerned, I have already been conducting some surveys as to where accommodation may be obtained and where hearings may be held. The itinerary will also be forthcoming from the minister. These preparations have been under way during the past month and I will be holding a steering committee meeting tomorrow afternoon in my office to discuss this matter further. Notice of the meeting has gone out.

[*Later:*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a supplementary question for the hon. member for Hamilton West, who I think is just behind the curtain. In view of the hon. member's answer to the question about the standing committee on transport and communications, and in view of the fact that he dragged the Minister of Transport into his answer, can we be assured that the committee, as has been intimated by the government on many occasions, will be in charge of its own terms of reference and its own activities on the trip to eastern Canada?

Mr. Speaker: Order, please. The hon. member is asking a question which refers more specifically to the management of the committee, and it should not be asked at this time.

MURCHISON INQUIRY—REQUEST FOR DECISION RESPECTING TRUCKING INDUSTRY

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, my question is to the Minister of Labour. Has the government accepted or rejected the findings of the Murchison inquiry and, if so, is the minister prepared to make a statement at this time?

Hon. J. R. Nicholson (Minister of Labour): The government has neither accepted nor rejected them, Mr. Speaker. The government has not as yet had an opportunity to consider them. Representations have been made to me about the report by both employers and workers. On the whole the reaction to the report is highly favourable, but some suggestions for change and possible improvement have been made and these are being studied by the department. When conclusions are reached, they will be laid before the government.

PUBLIC SERVICE

MODIFICATIONS IN CLASSIFICATION REVIEW PROGRAM

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, in view of the undoubtedly high competence of all public servants, so movingly described today by the Acting Prime Minister, may I ask the President of the Treasury Board whether the government has under immediate consideration a lump sum payment for those public service employees who are red circled, or other modifications to relieve the hardships of the classification review program?

Hon. E. J. Benson (President of the Treasury Board): Without in any way admitting to

the facts contained in the statement that my hon. friend has made, I should simply like to answer his question by saying no.

POWER

BRITISH COLUMBIA—LOCATION OF NEUTRON GENERATOR

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to address to the Minister of Energy, Mines and Resources a question of considerable importance to the people of this country. In view of press reports about the recommendation of the Science Council of Canada that an intense neutron generator be built at a cost of $150 million, and in view of press reports that the federal cabinet has approved the expenditure of $1 million to investigate a site which would provide an ample source of cheap power, what action has been taken on this question to date and has the minister received representations from mayor F. E. DeVito of Trail, on behalf of the regional district, that the Kootenays be considered for this site as being an appropriate one for the development of cheap power to—

Mr. Speaker: Order. I suggest to the hon. member that his question should be placed on the order paper.

UNEMPLOYMENT INSURANCE

EXPRESSION OF WILLINGNESS TO PROCEED THIS DAY WITH AMENDING BILL

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare in his capacity as government house leader. It relates to item 57 on the order paper which is a resolution introducing amendments to the Unemployment Insurance Act. If the government house leader can obtain an agreement from other parties, we in this party are prepared to take up this resolution as the first item of business today and pass it, because we are anxious to see the content of the bill.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I should like to have a word with the Minister of Labour on this point to determine whether we can proceed today. If the bill is available we might consider following that suggestion early in the day.

Mr. Starr: Perhaps we could pass it without debate.

[Mr. Benson.]

Mr. Knowles: Perhaps the minister would like to know that we would agree with that suggestion.

[*Later:*]

Mr. Starr: Mr. Speaker, I would like to ask the government house leader whether after his conference with the Minister of Labour he has been able to arrive at a decision as to whether the government will proceed with the resolution concerning the Unemployment Insurance Act as the first item of business today, which we have indicated we will pass without debate.

Mr. MacEachen: Mr. Speaker, I am waiting for confirmation from the Clerk's office as to the availability of bills in both languages. I think there are a number of bills available, and if that is the case we will call the resolution and give the bill first reading, on the understanding that there will be no debate.

INDUSTRY

CANADA-U.S. AUTOMOTIVE AGREEMENT—REVIEW OF PROVISIONS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the Minister of Industry whether Canadian and United States officials have met to discuss and review the U.S.-Canada automobile pact and, if so, has the minister anything to report to the house?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we have had some preliminary meetings and they are continuing.

Mr. Hales: Will the minister advise the house whether replacement parts are to be included in the revised pact?

Mr. Drury: That is one of the issues to be discussed, Mr. Speaker.

AIR POLLUTION

STUDY OF STANDARDS FOR MOTOR VEHICLES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Has the study referred to him a number of weeks ago on air pollution standards for motor vehicles in the United States in 1968 been completed as yet by his officials?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I should be glad to look into this matter right away.

ATLANTIC DEVELOPMENT BOARD

REQUEST FOR NAMES OF APPOINTEES

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of National Health and Welfare, who reports to the house for the Atlantic Development Board. Is he in a position today to advise the house of the names of those who will be appointed to the board to replace those board members whose terms have expired? If he is not in that position will he suggest how soon he will be able to make an announcement?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I believe the terms of a number of members expire today. We hope to fill the vacancies in a very short time.

DOMINION-PROVINCIAL CONFERENCE

OBSERVERS FROM OPPOSITION PARTIES AT CONSTITUTIONAL DISCUSSIONS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to direct my question to the Acting Prime Minister. I believe the Prime Minister indicated that he was going to make an announcement relating to the forthcoming constitutional conference. Perhaps in his absence the Acting Prime Minister could tell the house what arrangements if any are being made for observers from opposition parties to attend the conference, and whether any background papers or a white paper will be made available to members of this house? I refer, of course, to material concerning the proposed bill of rights and other important constitutional issues.

Hon. Paul Martin (Acting Prime Minister): As the Prime Minister indicated, he proposes to give further indication of what might be done. Preparations are under way for this meeting, and consideration is being given to the question of observer status. The Prime Minister himself will be dealing with this within a few days.

[*Translation*]

VOCATIONAL AND TECHNICAL TRAINING

SUBSIDIES TO UNEMPLOYED STUDENTS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

Could the minister tell us why the living allowances paid unemployed students are higher in the Montreal area than in other areas of Quebec.

Mr. Speaker: This question should be put on the order paper.

[*English*]

PROTEST BY STUDENTS RESPECTING LIVING ALLOWANCE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Has he received a telegram from some 200 O.T.A. students studying at the Manitoba technical and vocational school at Brandon, protesting the withholding of one week's living allowance immediately following the interruption in payments during Christmas week? If so, what action has the minister taken to resolve this problem?

Mr. Speaker: Order, please. I recognize that this is a matter of considerable importance and urgency to the people affected by the question, but I suggest to the hon. member that it is the type of question that ought to be directed to the minister in some other way.

INCOME TAX

SEIZURE OF COMPANY DOCUMENTS BY DEPARTMENT

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is to the Minister of National Revenue. I would take this occasion to compliment him on his new appointment. Can the minister tell the house whether it is a fact that a number of companies in Winnipeg and other cities have had their records seized this month by investigators from the Department of National Revenue, although they are not accused or suspected of any irregularities in the payment of their income tax?

Mr. Speaker: Order, please. The question should be placed on the order paper.

Inquiries of the Ministry

[*Translation*]

AGRICULTURE

ARDA—DEVELOPMENT OF NORTHWESTERN QUEBEC

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Minister of Forestry and Rural Development.

In view of the fact that the minister responsible for ARDA co-operates with the provinces inasmuch as the latter ask the aid of ARDA, does the minister know or is he in a position to tell us whether the province of Quebec has asked for ARDA assistance concerning certain economic developments in northwestern Quebec?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): To my knowledge, not yet, Mr. Speaker.

[*English*]

STUDENT LOANS

DISCUSSIONS WITH PROVINCIAL AUTHORITIES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. In the light of the reported administrative difficulties by two or more of the provinces with regard to the verification of applications under the Canada student loan plan, is the minister directing his officials to have discussions with the provincial authorities in order to protect the interests of the government of Canada under the plan?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I will be glad to take the hon. gentleman's suggestion into consideration.

DRUGS

ANTI-TRUST PROCEEDINGS AGAINST UNITED STATES FIRMS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs, and ask him whether his department has investigated the prosecution by the United States government of four or five of the largest drug manufacturers in the United States who have been accused of illegally co-operating to keep the price of antibiotic drugs at an abnormally high level, with a view to deciding whether to initiate similar prosecutions in Canada.

[Mr. Speaker.]

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I advised the house in response to a question on October 26, 1967, both the director under the Combines Investigation Act and I have been following the course of this case. As the hon. member may be aware, this prosecution was based on an offence alleged in the years 1953 to 1961 and most of this period is the one to which the general inquiry under section 42 of the Combines Investigation Act resulting in the Restrictive Trade Practices Commission report of January, 1963, relates. While this inquiry was therefore not directed to the offence provisions of the act, I am informed by the director that material obtained in the inquiry did not indicate the existence of a similar arrangement among Canadian companies. The director has, however, also been in touch with the anti-trust division of the United States department of justice to ascertain whether any disclosures in their proceedings indicate that there might be a similar situation with respect to Canadian operations.

FARM MACHINERY

REQUEST FOR REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of Agriculture. Will the royal commission on farm machinery prices, or the minister's task force, be making public their respective reports in the next few weeks or before the rumoured recess of the house.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have no indication from either of those bodies that they expect to make a report within that length of time.

THE CANADIAN ECONOMY

IMPOSITION OF WAGE AND PRICE CONTROLS

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to direct a question to the Acting Prime Minister, which is indirectly related to the matter of housing. Is it the intention of the government at the forthcoming federal-provincial conference to ask the provinces to agree to a constitutional amendment which will give the federal authority the right to impose compulsory wage and price guide lines or controls, as proposed in a

resolution at the western Liberal conference at Winnipeg by the parliamentary secretary to the Minister of Indian Affairs and Northern Development?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I think that that is such a large and involved question that it would require careful examination.

Mr. Baldwin: Mr. Speaker, I would like to direct a supplementary question to the Minister of Finance. Is it his intention to support a proposal of this kind designed to control inflation?

Hon. Mitchell Sharp (Minister of Finance): As my hon. friend the Acting Prime Minister has said, Mr. Speaker, this is a very involved question—

Some hon. Members: Oh, oh.

Mr. Sharp: —and I think the house would appreciate this. I am sure that when decisions are reached they will be set forth in government statements in the house.

TRADE

REACTION TO IMPOSITION OF QUOTA RESTRICTIONS BY UNITED STATES

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to direct a question to the Minister of Finance. In view of his statement a week ago that the government would react in like measure on the same day if the United States government imposed border taxes against Canadian goods entering that market, will he give an equally definite assurance that the government will take similar action if quotas are imposed against Canadian goods entering the United States market?

Mr. Speaker: I suggest to the hon. member that the question, as asked, is purely hypothetical.

Mr. Hees: On a point of order, Mr. Speaker, at various times there have been statements emanating from the United States Congress that a substantial number of United States senators and congressmen intend to vote in favour of the passage of such a measure, and I would like to have the assurance of the minister that the government will take this action.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am sure the hon. gentleman will recall that when I appeared before the committee of the house dealing with finance I placed before it and discussed at that time the resolutions on the Kennedy round which are now before this house. It is not now necessary for parliament to take any more action than this. I stated at that time the policy we would follow.

Mr. Hees: I have a supplementary question, Mr. Speaker. Will the minister simply assure me that the government will take similar action if import quotas are imposed?

Mr. Speaker: Order, please.

TOBACCO—IMPORTS FROM SOUTH AFRICA AND RHODESIA

On the orders of the day:

Mr. J. G. Lind (Middlesex East): Mr. Speaker, I would like to direct a question to my colleague the Minister of Agriculture. Can he assure us that there will be no more imports of South African tobacco into Canada, to make sure that this tobacco coming into Canada is not subsidized?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, that matter does not come within the responsibilities of my department—

Mr. Starr: Then why don't you tell your members?

Mr. Greene: —but I will be very pleased to direct the question to the Minister of Trade and Commerce.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question which I direct to the Minister of National Revenue. I brought this matter to his attention yesterday and he indicated he might be prepared to reply today.

Hon. Jean Chrétien (Minister of National Revenue): I am not ready to reply today, Mr. Speaker, but I expect to be in a position to reply soon.

Mr. Starr: You have learned the ropes quickly.

UNEMPLOYMENT INSURANCE ACT

MEASURE TO BROADEN COVERAGE

Hon. J. R. Nicholson (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to increase the coverage provided by the act; to establish a new schedule of contributions to be

paid by employers on behalf of employees covered by the act; and to establish a new schedule of benefits corresponding to the new schedule of contributions.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

The Chairman: Order, please. House in committee of the whole on a certain proposed resolution to amend the Unemployment Insurance Act. Shall the resolution carry?

Some hon. Members: Agreed.

Resolution reported and concurred in.

Mr. Nicholson thereupon moved for leave to introduce Bill No. C-197, to amend the Unemployment Insurance Act.

Motion agreed to and bill read the first time.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Monday, January 22, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: When the committee rose on Monday, January 22, clause 2 of the bill was under consideration together with an amendment thereto proposed by the hon. member for Lapointe.

On clause 2—*Broadcasting policy for Canada.*

Mr. Cowan: Mr. Chairman, at ten o'clock last night when I was discussing clause 2 of the bill before us I read from a letter addressed to Dr. Andrew Stewart, chairman of the Board of Broadcast Governors in Ottawa, written on December 5, 1966, by the operators of the C.A.T.V. broadcasting installation at Wawa. I read the major portion of the letter pointing out the tremendous expenditures that these people had made on behalf of the C.A.T.V. subscribers in Wawa. I should like at this time to complete the reading of the letter. It continues as follows:

> Should such authority be withheld, we shall have no alternative but to terminate our operation, incur a substantial loss on our investment in that community and deprive the residents of Wawa alternative TV programs which they have enjoyed for the past eight years, due only to the painstaking efforts on the part of our company which have brought us some really insignificant monetary rewards.

[Mr. Nicholson.]

> I should perhaps point out that there are at present approximately 1,000 dwellings in the town of Wawa and that we are serving 800 of these.
>
> We hope and expect that when the application made to the Department of Transport by Northern Telephone Limited, for authority to discontinue the reception and relay of programs from station CJIC-TV Sault Ste. Marie, Ontario, and to replace them with the programs of station WWTV-TV channel 10 Cadillac, Michigan, when the proposed C.B.C. television rebroadcasting station at Wawa, Ontario begins scheduled operation, that you will take account of the facts herein above stated, and that you will see your way clear, in view of the special circumstances of our situation and that of the Wawa residents, to give favourable consideration to Northern's application.
>
> Should you require any further information, I am of course entirely at your disposal.
>
> Yours very truly,
> Gilbert A. Allard

This letter pointed out the situation existing in Wawa when the people in that town wished to bring in programs from Cadillac and Traverse City, Michigan, instead of from the Sault Ste. Marie station whenever the C.B.C. rebroadcasting station should start operating in Wawa itself.

I have in my hand a copy of a letter from J. R. Baldwin, deputy minister of transport, dated March 23, 1967, rejecting the application of Northern Telephone Limited. It reads as follows:

> Your application dated June 24, 1966 for authority to replace the programs of station CJIC-TV Sault Ste. Marie, Ontario with those of station WWTV-TV Cadillac-Traverse City, Mich., at your land station performing a commercial broadcasting receiving service at Montreal River, Ontario, for relay via your authorized microwave system to subscribers at Wawa, Ontario, has been considered in accordance with the minister's announcement in the House of Commons on July 22, 1964. The Board of Broadcast Governors has advised the minister that it does not support the application submitted by your company.

The application of Northern Telephone Company Limited having been turned down to bring in programs from Cadillac on an authorized microwave transmission system between Sault Ste. Marie and Wawa, there is now a C.A.T.V. installation in Wawa which is offering the people there the opportunity to look at programs from the Sault Ste. Marie station which is a C.B.C. affiliate while on the second channel on their C.A.T.V. dial they can look at C.B.C. programs coming from the rebroadcasting station opened by the C.B.C. in Wawa in December, 1967, or else they can get an indistinct picture of programs coming from Marquette, Michigan. I do not know of any other place in Canada where a C.A.T.V. operator has been given permission to bring

in the same program on two different channels to one community. This is absolutely ridiculous on the face of it, and I can see no defence for it whatsoever.

As I mentioned last night, the B.B.G. must have given my respected friend, the Secretary of State, a high-sounding explanation when they stated that the application of Northern Telephone Limited to drop the Sault Ste. Marie station from its existing system at Wawa in favour of the channel emanating from Cadillac, Michigan, was rejected because the board felt the system should carry the available Canadian channel. Under these terms it is a marvel that they do not state that Canadian television viewers can only have one channel on their receiving sets so that they will not be given the opportunity of playing with the dial and receiving more than one program.

Here we have the same program being brought into Wawa by two different methods and the C.A.T.V. operators are told they cannot replace one of the two similar Canadian programs with an alternative United States program because the B.B.G. does not favour it. I said yesterday and I repeat again that if someone can show me any sense in that reasoning I wish they would give it to me in detail for I feel certain I could not understand any explanation that may be advanced to support the ruling rejecting the application of the Northern Telephone Company to bring in a United States station. I was reading in some detail yesterday the explanation provided by the Secretary of State for the rejection in the year ended March 31, 1967, of seven C.A.T.V. applications by the B.B.G. I made myself clear that I am indebted to her for her full report on the seven applications that were turned down by the B.B.G. On the other hand, the Minister of Transport, within whose field these applications came, gave no reason at all for the rejection of the applications.

• (3:30 p.m.)

Yesterday I mentioned the situation in Clermont, Quebec, and I should like to add some further details to the comments I made yesterday, January 22, as recorded in *Hansard*. As I have already said, in Clermont, Quebec, the C.A.T.V. application was turned down. According to the letter of the Secretary of State, the board turned down the application of Mr. Claude Lemieux of Baie St-Paul for a system at Clermont on the ground it would adversely effect the existing t.v. station there. The situation is that in the year ended March 31, 1967, this application was turned down, and I have no doubt that it was turned down because of opposition from the existing t.v. station.

I had a little trouble ascertaining which t.v. station considered itself affected by this C.A.T.V. application. Clermont is about 85 miles east of Quebec city, and I could not visualize the broadcasting of television stations in Quebec city extending over a radius of about 85 miles in the first place. Chicoutimi seemed too far to the north for broadcasts to reach Clermont and I wondered whether it was a station in Rivière-du-Loup or Rimouski. On making inquiries it turned out that transmissions from Rivière-du-Loup could be received in Clermont on a community antenna television system.

When an application from a C.A.T.V. operator is received, automatically objections are raised by local t.v. stations which are not in favour of the C.A.T.V. application. They work on the presumption always that where there is a C.A.T.V. operation the size of the audience reached by the local t.v. station will be diluted because people will watch programs other than those of the one local station all the time.

The amazing thing about the situation at Clermont, Mr. Chairman, is this. The C.A.T.V. application was rejected because the board felt that it would adversely affect the existing t.v. station there. This decision was made in the year ended March 31, 1967, as reported by the B.B.G. in its report for that year. However, I am sure you will be interested to know that a C.A.T.V. application has now been favourably considered and that a licence has been granted to a C.A.T.V. operator in Clermont.

Why is this, Mr. Chairman? It is because since March 31, 1967 it has been made clear to the t.v. station operator at Rivière-du-Loup that a C.A.T.V. operator in Clermont can pick up his programs across the St. Lawrence river. His picking up these programs increases the size of the t.v. audience of the Rivière-du-Loup station, so now the operator at Rivière-du-Loup is all in favour of a C.A.T.V. operation in Clermont.

So out of the seven applications that were rejected, according to the letters of the Secretary of State and the Minister of Transport, in the 12 months ended March 31, 1967 this interesting situation now results. Despite the statement that two applications for C.A.T.V. operations in Pembroke would adversely affect the economic position of the existing

t.v. station in that community, a C.A.T.V. licence has been granted in Pembroke, the C.A.T.V. station has been in partial operation, and by March 1 it will be in full operation.

I ask, Mr. Chairman, why the reasons given in the year ended March 31, 1967 held water then but do not hold water this year? Why would C.A.T.V. applications made prior to March 31, 1967 adversely affect the local t.v. station at Pembroke, according to the report of the B.B.G. and yet an application made since March 31, 1967 does not adversely affect the existing t.v. station at Pembroke?

The same might be said of the situation at Clermont. We have the statement that C.A.T.V. applications in that area were turned down because the local t.v. station had objected that they would adversely affect the existing station there. But in the year beginning April 1, 1967 an application was granted for a C.A.T.V. installation in Clermont so that the operator can bring in programs from Rivière-du-Loup.

It seems to me, Mr. Chairman, that a very thorough investigation could not have been made of the applications submitted in Pembroke and Clermont if prior to March 31, 1967 they were turned down for the reasons stated, namely, that they would adversely affect the economic position of the existing t.v. stations there, whereas since April 1, 1967 applications in Pembroke and Clermont for C.A.T.V. licences have been granted. You just cannot believe what you read in some official government statements and, after all, these are reports submitted to the ministers at their request by the B.B.G. The situation is intolerable.

I maintain that C.A.T.V. applications should be granted the moment they meet the technical requirements that are laid down by the Department of Transport. Any refusal of a C.A.T.V. application on other grounds constitutes a direct interference with the freedom of the individual to acquire knowledge and information where he can. And do not forget, Mr. Chairman, that in the case of C.A.T.V. applications the subscriber has to pay money to view the stations that are brought to him. It is a private commercial enterprise.

I think it would be very interesting to dwell upon this phrase the B.B.G. uses when it makes recommendations to the Minister of Transport, namely, that the application was rejected "on the ground it would adversely affect the economic position of an existing t.v. station". I ask you, gentlemen, as members of the House of Commons, how can a C.A.T.V. station adversely affect the economic position of an existing t.v. station in face of the fact that C.A.T.V. stations do not accept or sell advertising space? The one source of revenue for the local t.v. station is advertising placed either by local businessmen or nationally by large organizations. The C.A.T.V. operator cannot accept advertising direct; he is not allowed to solicit advertising. The only source of funds for local t.v. stations is advertising revenue.

In view of this situation, Mr. Chairman, I should like to ask this question. How can the local C.A.T.V. station affect the advertising revenues of the local t.v. station when it is not allowed to sell advertising and the local t.v. station is? The situation simply gets down to the basic proposition that when advertisers can prove to a local t.v. station operator that people are not watching his station but are watching programs brought in from outside stations by a C.A.T.V. operator, then those advertisers rebel at the advertising rates that are charged by the local t.v. station. That is a basic fact.

If people in Canada do not want to watch the programs put out by local t.v. stations, then why should the cabinet of Canada determine that they shall watch those programs whether they like it or not? The cabinet has not yet got around to telling the people what magazines they should read. The cabinet has not yet got to the point of telling us what newspapers we should read. So why has it adopted this sanctimonious attitude of saying: "We will tell you what stations you will watch"? Why should the cabinet say that there will be no C.A.T.V. installation in a given area because this would mean that the people in that area would watch programs other than those the local t.v. station operator is prepared to broadcast?

On this question of C.A.T.V. applications adversely affecting the economic position of local stations, I have asked this question before and I do so again: Since when did the cabinet of Canada enter the picture and guarantee that a licensee must make a profit? I have in my hand the Fowler report of 1965. This gentleman has investigated the broadcasting world of Canada on two different occasions. It is interesting to note the efforts to which some people will go in order to protect t.v. licensees and ensure that they make a profit. At page 251 of his report Mr. Fowler prefaces one section of his report with these words:

Our terms of reference specifically excluded community-antenna television services—

Yet he proceeds to tell Canadians what is good for them with regard to C.A.T.V. operations. Some people might call this conceit; some might say that he has acted on the basis that he knows the answers to C.A.T.V. and therefore has told us what he thinks about it even though his terms of reference specifically excluded this matter. Mr. Fowler goes on to say:

• (3:40 p.m.)

—but we inevitably found ourselves drawn into consideration of this complex subject because of its actual and potential effects on television generally.

In the course of his comments on page 253 one finds Mr. Fowler writing—

The Chairman: Order, please. I must advise the hon. member that the time allotted to him has expired.

Mr. Orlikow: Mr. Chairman, I intend to spend a few moments today discussing an important task of the new regulatory agency which will be established under this bill, a task which the B.B.G., to my knowledge, has not performed, a task which is absolutely essential, namely, the examination of the activities of the radio stations of Canada, particularly the private stations, and the setting of standards of performance for any radio or television station in Canada that is granted a licence.

I would be remiss in my duty if I did not make some comments about several speeches which we were privileged to hear or burdened with listening to—it depends on how you look at it—yesterday. Some of the speeches, to say the least, I found amazing. I am referring to the speeches made by the hon. members for Elgin and Red Deer. I congratulate the hon. member for Elgin on his wide-ranging speech which demonstrated to me that he had excellent technical assistance, as good as the assistance provided to cabinet ministers in Canadian governments by their executive assistants. In his criticism of the C.B.C. the hon. member for Elgin dealt with C.B.C. reporting of race problems in the United States, C.B.C. coverage of United States foreign policy and C.B.C. coverage of domestic politics in the United States. I find it hard to believe that any Canadian member of parliament who looks after his constituency and tries to follow legislation and estimates in the house, which must be followed and dealt with, has been able to find the time to become as knowledgeable about United States affairs as the hon. member for Elgin seems to be.

The hon. member for Elgin has just left the chamber. I am sorry because I do not like to criticize an hon. member who is not here. Since he was here when I began speaking I shall continue. There was a remarkable similarity between the views which the hon. member for Elgin expressed and views which often appear in the Toronto *Telegram* under the by-line of Mr. Lubor Zink. There is nothing wrong with that. The hon. member for Elgin may agree with Mr. Zink. If the hon. member for Elgin did not have Mr. Zink's assistance in preparing his speech I can only conclude that two people in Canada have identical views on almost any subject one can think of.

An hon. Member: Shame.

Mr. Orlikow: I am not concerned about everything the hon. member for Elgin spoke about. Surprisingly, I agreed partially with one or two of his points. But I am concerned about some of the views he expressed. One gathers from his remarks that because the views of certain C.B.C. commentators do not coincide with his views, therefore the C.B.C. must be wrong. I often disagree with the views of certain C.B.C. commentators, as do other members of parliament as well as thousands of Canadians who listen to C.B.C. radio or who watch television. Just because we disagree with a C.B.C. commentator does that give us the right to say that the C.B.C. is wrong and that therefore the new management needs to put the blocks under the present staff.

I hope the new officers of the C.B.C. will receive more co-operation than their counterparts received in the past. I hope they will give more direction and will run a more efficient, aggressive and—I say this hopefully—constructive organization than we have seen in past years. If the new C.B.C. management tried to follow the suggestion of the hon. member for Elgin and to censor—that is the only word I can use when commenting on what the hon. member for Elgin suggested—the views of those who work for the C.B.C., as the hon. member for Elgin suggested, there would be no point in allowing the C.B.C. to continue its existence.

Let me illustrate my remarks by referring to some of the things the hon. member for Elgin said yesterday. For example, he said that the C.B.C. correspondent in the United

States, Mr. Knowlton Nash, was anti-American when he spoke about President Johnson's popularity in that country. When Mr. Nash said that President Johnson's recent state of the union speech to congress was not a success, according to the hon. member for Elgin Mr. Nash was being anti-American.

Yesterday's Ottawa *Journal* carried an article by Mr. James Reston, who is perhaps the most respected newspaper columnist in the United States. I think he is an associate editor of the New York *Times*. The article is headed, "Johnson's Speech No Triumph". Following the line of argument of the hon. member for Elgin, Mr. Reston is anti-American.

In this morning's *Globe and Mail* there is an article by Anthony Westell about the Liberal leadership race. I do not intend to discuss that topic today. However, in that article Mr. Westell has written one paragraph which I intend to read because it touches on something which the hon. member for Elgin referred to yesterday:

U.S. Republican presidential candidate George Romney did it—

Mr. Westell means that Mr. Romney completely destroyed his credit as a candidate.

—with a remark about being brainwashed on Viet Nam.

The hon. member for Elgin suggested that when C.B.C. correspondents reported that Mr. Romney had said that he had been brainwashed about Viet Nam they were misquoting him. Using that argument Mr. Westell, who writes in the *Globe and Mail*, should be called anti-American.

One can carry the analogy further. On occasion our Prime Minister and the Secretary of State for External Affairs have been critical of the United States. I suppose, using the line of argument the hon. member for Elgin did, they should be called anti-American. No doubt, according to the views of Mr. Zink, who may have helped in the preparation of the speech, one could call them communist dupes. I point out these things only to show what slippery ground we get on to when we talk about regulating, censoring and directing the day to day operations of the C.B.C.

The hon. member for Red Deer also spoke yesterday and certain of his remarks can be found on page 5801 of *Hansard*. He told us that a C.B.C. program last Sunday had made fun of religion. I did not see that program. We say so often here that we live under a system of government like that of Great Britain. I wonder why hon. members, instead of being critical of the C.B.C. or of any other agency which pokes fun at the establishment, whether it be political, business, religious or labour, cannot adopt the British point of view. The kind of satire carried by the British Broadcasting Corporation in which they satirize everything from the royal family downward would be a revelation to us here; yet nobody there makes any fuss about it.

• (3:50 p.m.)

As I say, I did not see the program referred to. It may be that the hon. member for Red Deer is right. He went on to say that programs ought to present a positive view of the family. I do not know what this means. I had a feeling as I listened to the hon. member for Red Deer that he wants us to go back to the Victorian age. Maybe that would be a good thing, but the fact is that we are living in the sixties. One only has to look at the kind of legislation with which we are dealing in the house to realize how times have changed. Divorce, abortion, the pill—you name it and we have had it here. This is the situation, whether the hon. member for Red Deer wants to believe it or not. I would hate to see the C.B.C. restricted as I gathered the hon. member for Red Deer thinks it ought to be, to telling the people of Canada fairy tales and stories from the Bible. Incidentally, even those would have to be censored because I can think of some chapters of the Bible that I would not want young children to hear or see depicted on television.

I am saying this because I believe we ought to face the problems which any broadcasting organization has to confront. We live in an age in which, whether we like it or not, people are drinking more liquor than they were 50 years ago—

An hon. Member: Speak for yourself.

Mr. Orlikow: I cannot. It so happens that I am a non-drinker. People are smoking more than they used to and, incidentally, I am a non-smoker myself. People, unfortunately, are using drugs. I may happen to think, as I do, that this is bad and that we should be carrying on an educational campaign to demonstrate this view. But the facts are there and there is no use hiding our heads and saying they are not. Members of parliament ought to be careful when they criticize radio and television not to leave the impression that because parliament is granting the money which the C.B.C. uses we are telling the people in charge, including the new directors, that they had better watch their step

and do as suggested, or they may be in trouble.

One thing which has bothered me a great deal is the suggestion made by a number of hon. members—I heard it from the hon. member for Jasper-Edson and, I believe, from the hon. member for Rosthern—that the best thing to do would be to sell the C.B.C. lock, stock and barrel. I do not agree with this proposal. Moreover, I should like to say to the hon. members that either they have forgotten or they simply do not know what their own party in years gone by felt about this issue and what every government since the thirties has felt about it.

I want to remind hon. members to my right that it was a Conservative prime minister, Mr. Bennett, who said when the C.B.C. was established that Canadians had a right to a system of broadcasting from Canadian sources equal to that of any other country and that Canada must be assured of complete control of broadcasting from Canadian sources free from any interference. One cannot achieve these things which Mr. Bennett commended so eloquently in the absence of a publicly owned television system. I certainly hope and expect that the government will ignore the proposals which have been made so frequently by the official opposition that the corporation should be disposed of or its activities curtailed.

In the few minutes which remain to me I should like to deal with what I believe to be an important subject, a field which has been virtually ignored. I refer to the activities of private radio stations. When television began to develop in Canada in 1952 or thereabouts many people thought that radio stations would virtually disappear because people would no longer listen to them. Since that time nobody has been paying much attention to the affairs of the radio stations.

The fact is that the radio stations of Canada have never been so numerous, so affluent and so successful in securing advertising revenue as they are today. There seems to be no end to their growth. I have no objection to this. In 1952 there were 169 privately owned radio stations. In 1965 there were 281 such stations; that figure includes both a.m. and f.m. stations. It is true that television secured the lion's share of the total broadcasting revenue in 1965, the last year for which C.B.S. figures are available, but radio stations took in more than $70 million or some 42 per cent of total broadcastig revenues. Each year the sale of radio receivers exceeds that of television sets.

That radio broadcasting is a profitable business is obvious if one studies the figures to be found, for example, in the *Financial Post*. One sees that the corporation called Selkirk Holdings, which owns radio stations in Lethbridge, Edmonton, Calgary, Hamilton, Victoria, Vancouver and elsewhere, has increased its profits in each of the past three years, that Standard Radio, which owns stations in Toronto and Montreal, has similarly increased its profits every year, that Western Broadcasting, which has stations in Vancouver and elsewhere, has similarly seen its profits increase. I have no objection to this but I should like to draw the attention of hon. members to the following provision in the bill before us:

> 2. It is hereby declared that—
>
> (d) the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources;

I point out that this applies to the entire broadcasting system, private as well as public, and that the words "creative and other" are underlined. I wish to ask the minister and the new officials of the regulatory agency to take a look at the record of the private radio stations which, certainly in the larger cities, have sufficient resources, as I have indicated, to enable them to do what is required of them.

• (4:00 p.m.)

I would like the minister to make inquiries. I do not expect an answer today. We can put questions on the order paper and get the answers later. However, I would like the minister to find out what orchestra or orchestras were heard live on private radio in 1967. I happen to like symphony music, but I do not expect a private radio station to hire a symphony orchestra. Private radio stations have built up their audiences by appealing to the young people—I am not being critical about this—by playing the kind of music which young people like. But why does this have to be done through the use of records only?

Private radio stations are making money, and the new broadcasting legislation stipulates that they shall use Canadian creative talent. Why can they not be required to devote a certain percentage of their revenues to hiring live musicians? If Canada is to be a

real country it must have musicians, actors and writers. Why can it not be stipulated that as part of the price for having their licences, private radio stations, which again I say are making money, must use Canadian talent?

I would like to find out how many musicians were employed last year by private radio stations. I venture to say I could count them on the fingers of one hand for all Canada. How many operas were performed on radio? How many plays were performed live on private radio stations in 1967? I venture to say again that I could count the number on the fingers of one hand, if there were, indeed, any at all.

I would like the minister to find out what percentage of all the records played by private radio stations was made in Canada and featured Canadian artists and Canadian compositions. One has just to look at the number of Canadians who are working on the top shows in the United States and Great Britain —I am not being critical of them—to realize how many of them have left Canada. Why have they left? Because we did not encourage them to stay.

Unfortunately every year is not 1967; every year is not centennial year. I wish to give the government and the Secretary of State a great deal of credit for the excellent job they did in centennial year, but why can we not encourage Canadians who are creative and have a contribution to make to Canada to stay in Canada? We cannot encourage them if we are going to permit the private radio stations to be simply money-making propositions. Of course, the hon. member for York-Humber has an entirely different view. The hon. member for York-Humber would argue—

Miss LaMarsh: Mr. Chairman, I would suggest that my hon. friend might get his information from the hon. member for York South, who acts for ACTRA.

Mr. Lewis: Who acted for ACTRA.

Mr. Orlikow: Yes, the hon. member for York South has acted for ACTRA. I have acted for them and I have close relations with them. We can get the information from them but if I were to present that information here I do not think the Secretary of State would accept it as very authentic or official. ACTRA is a private organization which has its own axe to grind on behalf of its members. I think this is a task for the new regulatory agency. I hope the minister will take my suggestion seriously and urge the members of the new regulatory agency to look into this question.

As I have mentioned, Mr. Chairman, radio stations greatly outnumber television stations in Canada. In 1965 there were only 65 television stations in Canada. Therefore it is not unnatural that of the total of almost 9,000 people employed almost full time in broadcasting, over 5,000 were employed by radio stations in that year. Canada's 281 radio stations took in over $70 million in broadcasting revenue in 1965 and showed a net operating profit of over $7 million. Without resorting to a slide rule it is apparent that the average percentage of profit on total broadcasting revenue was about 10 per cent, but consideration must be given to expenditures, depreciation, etc. Even more important, there is a vast range in the profitability of stations. One cannot compare the popular stations in Toronto, Montreal, Winnipeg and Vancouver with stations in Portage la Prairie or Corner Brook, Newfoundland, if indeed there is a radio station there. Therefore one should expect much more from the large stations. I suggest that this is a task which the new regulatory agency should pursue closely.

There is just one more point I would like to raise. Although I do not particularly like it I have no objection to the kind of programming which private radio stations do. Obviously they do the kind of programming which their listeners want to hear. I have no objection to the music they play, although I think they might devote some time during the week to more serious music. I do not even object to their open line programs, although I find it amazing that in each city in Canada where there is a private radio station there are two or three experts on every subject. The person conducting an open line program can give a quick answer about sex, drugs, liquor, cigarettes, about any matter which any unidentified person may telephone and comment upon.

Miss LaMarsh: Everybody is an expert on some of those.

Mr. Orlikow: However, I would hope that the new regulatory agency will look at the amount of advertising carried by private radio stations. Since the minister has referred to ACTRA I want to refer her to the spring 1967 issue of the *ACTRA* magazine. It contains a centre section reporting on a survey they made one day of the amount of advertising carried by a whole series of private radio stations in different Canadian cities. It shows

that on radio station CJON in St. John's, Newfoundland, between 8 and 10 a.m. and 2 and 4 p.m. on the day in question 26 per cent of the time in those four hours was devoted to commercials. On radio station CJAD, Montreal, in six hours that day, between 8 and 10 a.m. in the morning, 2 and 4 p.m. in the afternoon, and 7 and 9 p.m. in the evening, 24.4 per cent of the time was devoted to commercials.

Miss LaMarsh: I am told that was a bad day.

Mr. Orlikow: You mean they did not have enough?

Mr. Lewis: Told by one of the owners?

Mr. Orlikow: That may be. On station CKGM in Montreal, which must be a pretty poor station, in four hours only 16.3 per cent of the time was devoted to commercials. I do not know how they manage. Station CFRB, Toronto, in a six hour survey devoted 21.9 per cent of the time to commercials. Station CHUM, Toronto, in a six hour survey devoted 26.5 per cent of the time to commercials. Station CKY in my own city, Winnipeg, in a two hour survey devoted 24.2 per cent of the time to commercials. I could continue but I think I have made my point. In any case the minister and the officials of the new regulatory agency should look into this matter. When 25 per cent or more of the time in any hour is devoted to commercials I think it is a bit much. I know that the regulations provide for a fixed amount of time for commercials, but that is for a 24-hour period. What happens is that there is very little advertising from midnight to 8 a.m. when nobody is listening.

Mr. Jamieson: That is excluded.

Mr. Orlikow: I defer to my hon. friend from Burin-Burgeo. He is much more expert in this field than I am.

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has now expired.

Mr. Orlikow: Mr. Chairman, may I have one more minute to complete what I have to say?

The Assistant Deputy Chairman: Is this agreeable to the committee?

Some hon. Members: Agreed.

Mr. Orlikow: Mr. Chairman, I have tried to indicate some of the things which I think the new regulatory agency should do. I am hopeful, as we all are, that the C.B.C. will improve under new management and I hope that a year from now the new regulatory agency will have done the job which I think is long overdue.

• (4:10 p.m.)

Mr. Dinsdale: Had this legislation been passed before Christmas, Mr. Chairman, I am sure it would have been dealt with much more expeditiously by the house. Certainly I had not intended to speak during the course of the debate because we were represented on this side by a capable committee which was handling the matter with great efficiency.

Miss LaMarsh: You are still represented.

Mr. Dinsdale: However, Mr. Chairman, at this stage of the discussion I must speak briefly. I am able to speak briefly because I am not equipped with any of the research facilities which were referred to by the hon. member for Winnipeg North. Everything I say today will represent entirely my own thinking and interpretation in respect of this matter. I agree that private members of the house do not have the research facilities which when used sometimes result in long tedious speeches, and that they do not is perhaps best for all concerned.

I enter this debate mainly because during the Christmas recess, as I presume was the case with most hon. members, I was called to many meetings in my constituency. We had been away for a long time sitting almost continually here in the House of Commons. There were many matters which constituents wished to discuss with their members as a result of that long absence. This applies mainly to those of us from the more distant parts of Canada who do not have an opportunity to keep as closely in touch with our constituencies as those who live closer at hand.

I found a strong wave of protest across the country on many matters. In fact I have never attended so many protest meetings in all my years in the house. I can tell the government there are many unhappy citizens across this nation in respect of many policies or lack of policies. No doubt those who were in the central part of Canada during the week end when the leadership candidates were there were made aware of this spirit of protest personally during their sojourn in the city of Winnipeg.

The one meeting I attended relating to the particular subject before the committee at the

moment was convened by a committee in the city of Brandon which calls itself the committee for better broadcasting. I, along with other interested citizens, met with this committee for a period of some four hours. In fact the meeting went on until midnight and would not have broken up at that hour had there not been the problem of time. I discovered that this committee, which actually had been formed to protest monopoly broadcasting in southwestern Manitoba, in reality was more concerned about the quality of broadcasting than any other subject. This was a spontaneous protest which arose following the recent hearings before the B.B.G. with regard to a second channel television service in southwestern Manitoba.

The committee was formed for the purpose of opposing any extension of monopoly in broadcasting. In response to a newspaper advertisement some 4,000 citizens communicated with the B.B.G. to express their feelings on this important subject. As I say, while the main item of concern was monopoly broadcasting, both radio and television, it turned out at the meeting I attended that the citizens were more concerned about the quality of broadcasting by both the private broadcasters and the C.B.C.

It is not necessary for me to enlarge on some of the matters which were brought before that meeting. In the interest of brevity I should add that the following day the chairman of the B.B.G., Dr. Stewart, arrived in the city of Brandon. A special meeting of the board was convened at which the board was represented by Mrs. Sweatman and the chairman. During that board meeting the members of the board were subjected to a repetition of the experience which had been mine on the previous evening. Therefore, without bringing the matters before the house in detail I can assure the responsible minister and members of the committee that the B.B.G. has been fully informed concerning the problem.

I do not know whether this was an exceptional circumstances in Canadian broadcasting affairs but I do know that there is a very enlightened electorate in the Brandon-Souris constituency. I would imagine that other members have had similar experiences, if not before a special committee, at least through correspondence and other forms of communication. I want to emphasize that the quality of broadcasting both by the C.B.C. and by private radio and television services is of great and growing concern to the people in southwestern Manitoba.

It is natural that there should be this type of public reaction because broadcasting both television and radio, is a comparatively new facility in the area of communication and as electronic mass media they are having a growing impact on the thinking of the people and therefore on the public policy of the nation. Even though we have had broadcasting for a comparatively short space of time, actually just over a quarter of a century, we know what can be accomplished by the skilful use of this mass media.

Mass media is a vital and integral part of the whole modern process of brainwashing which is a part of our psychological stock in trade today. While the hidden persuaders still use the printed word, to a growing extent I would say that they are resorting to mass media in order to engage in subtle forms of hidden persuasion at the subliminal level which motivate much of our way of life today. In the political area we have the example of what took place in nazi Germany where a monstrous authoritarian régime was able to maintain control. In addition to removing the normal processes of parliamentary democracy they were actually able to obtain the support of the masses by manipulation through the skilful use of radio broadcasting. We are all aware that President Roosevelt for many years was able to maintain a strong influence over the electorate in the United States even though most of the major newspapers of that country were opposed to his policies. He was able to do this through his fireside chats. Through his skilful use of broadcasting he maintained this influence over the people of the United States.

• (4:20 p.m.)

If this is true of radio broadcasting it is much more true of television because television has a double or even multiple impact as a result of hitting all the senses at once. It is even suggested that in the not too distant future we may have "smellovision", which will add another sensory impact to those which have already been achieved.

Miss LaMarsh: Some smell already.

Mr. Cowan: There is a smell now.

Mr. Dinsdale: We know that many outstanding personalities have been moulded and have evolved in Canada by reason of their exposure on television. Indeed, some of our television personalities who appear regularly on this mass media have a greater impact on the nation than even the political figures.

Pundits become household words across the nation by reason of their exposure on the idiot box, as it is referred to sometimes.

I was sadly disillusioned a year or two ago when I had someone assisting me who had had a certain amount of local television exposure. I found he was better known than I and that everyone wanted his autograph even though I was the candidate campaigning for re-election. They were more interested in this gentleman because he had been singing cowboy songs on television. I am not sure what moral that has for me as an aspiring politician. We are also aware that Mr. Laurier Lapierre, who has had considerable television exposure, is aspiring to political leadership in this nation.

Miss LaMarsh: He says he will be the first socialist prime minister.

Mr. Dinsdale: I am sure his exposure through the means of television is going to have considerable influence and impact on his contemplated political career. I do not want to pursue this thought further, and if I am going to maintain my vow of brevity I must move to the next point.

There have been criticisms that C.B.C. broadcasting policy and private broadcasting activities have a less than desirable influence on our Canadian society. I am inclined to agree with that because the mass media does reflect a trend toward increasing urbanization in Canada. I served on the broadcasting committee away back when—a long time ago. One of the points I repeatedly brought before the committee was that in C.B.C. programming local interests are not represented. Most of the programs originate from big metropolitan communities such as Montreal and Toronto, and to a lesser extent Winnipeg and Vancouver, with the result that inevitably there is going to be an influence reflecting the process of urbanization in this country, and urban influence is a secular influence. It is a materialistic and often sensuous influence. Anyone who has visited the C.B.C. broadcasting centres in Toronto and Montreal soon discovers that gathered there are groups of artists and programmers who are completely caught up in the secular urban trend under way throughout the entire western world.

Someone referred to what Oswald Spangler said in his writings after world war I, that the inevitable drift from a predominantly rural society to a secularized, industrialized, urban society will bring about drastic changes in values. It is this trend that several members have protested against during the course of the general discussion at the committee stage.

There is very little spiritual or religious influence in mass media communications at the present time. This not only applies to the arena of broadcasting but to all our other social institutions as well. Someone has said that the only spiritual uplift modern man is capable of today is that which he derives from the pursuit of the cocktail circuit where he becomes filled with spirit and as a result enters into new dimensions. We might also add to that the resort to pills, sexual thrills, and all the other things which are part of the western urbanization of today. This trend applies to all the other social institutions as well.

It is for this reason, I am sure, that the late Governor General Vanier felt compelled to establish the Vanier Institute of the Family. He was aware that this basic social institution was being profoundly eroded by the secular drift that is under way in our so-called western civilization. Perhaps this is not the time to refer to this, Mr. Chairman, but very shortly we will be debating amendments to the Criminal Code, just as we have recently debated divorce reforms. This indicates that the family as a social institution today is no longer the healing place of the soul as it used to be in more stable times. It is the breeding ground for divorce and delinquency. This is the important point which was brought to our attention by the Vanier Institute of the Family. Anyone who has read the recent writings of Dr. Wilder Penfield will quickly come to the conclusion that these are the problems which concern him. Our mass media of communication as well as the basic social institutions have come under the influence of the inevitable drift toward a secular, urban society.

If time allowed I could deal with education as well because changes are taking place in our educational system. In the old Victorian days, referred to I think by the hon. member for Winnipeg North, it used to be reading, writing and arithmetic that were taught. This apparently has been changed by the addition of another category. It is now reading, writing, arithmetic and rioting. There is a great protest emanating from our educational institutions at all levels. I am sure hon. members noted the recent caustic comments of Malcolm Muggeridge who resigned as chancellor of the University of Edinburgh, one of the most

venerable educational institutions. He did so in protest against a trend of the student body. He said that the fine, progressive spirit of the youth of the University of Edinburgh has been prostituted because their goals are now sex and pot rather than those which used to activate and motivate the young people attending that university. He suggested that these are not the traditional goals of youth but rather the goals of the debauched. He is amazed and shocked because the young people have now substituted these less than exalted goals for the ones he pursued in former times.

• (4:30 p.m.)

There are three types of people in society. First there are the activists who get things done. The second group simply stands by and watches things being done. The third group consists of those who do not have a clue about what is happening. It seems to me that the activists have moved into the area of mass communication because they tend to be those who are most caught up in the social turmoil that has been unleashed by the process of urbanization and they have a controlling and dominating influence on the whole process of broadcasting.

If this is so, it is up to the apathists, those who stand by and merely criticize and watch, to move into this sphere of influence. This is why I am so encouraged by the brief reference in the bill which contemplates the establishment of educational television. We have had television for only 20 years or so and we have not used this tremendously powerful tool for mass communication for educational purposes. If we are to resolve some of the problems that have been referred to by other hon. members, we must move into this area of E.T.V. broadcasting as quickly as possible.

The printing press was discovered back in the fifteenth century and it was at least 200 years before print was used for mass education. I believe we are making much quicker progress in the twentieth century because in the relatively short space of a quarter of a century we are at least thinking about the educational possibilities of television. I urge rapid progress in this regard. This is where we can deal from an educational standpoint, using qualified educationists, with some of the problems that so obviously beset mass media communication in Canada at the present time.

I am aware of the interest of the Board of Broadcast Governors in the problem of the quality of broadcasting in Canada. This was demonstrated forcefully by the chairman of the board, Dr. Stewart, who came all the way out to Manitoba just two weeks ago, bringing with him the Manitoba representative on the board, to see for himself the reasons for the protests that had arisen in southwestern Manitoba. I trust that the new regulatory body, the C.R.C., will have the same interest and zeal in pursuing a more excellent course for broadcasting. I am sure it will if Dr. Stewart and those who have been associated with him in the past are retained on that board. I am quite optimistic concerning these matters. I am not too concerned that sometimes local, private broadcasting stations abuse their privileges. We all abuse our privileges; it is the nature of homo sapiens, sometimes referred to as homo the sap. But eventually there is a reaction and we find the citizens deciding for themselves that all is not for the best. Then they take the initiative and eventually the quality of broadcasting is elevated. As a result the quality of life as manifest through mass media communication is raised accordingly.

Mr. Cashin: Mr. Chairman, toward the end of his remarks, the previous speaker, if I understood him correctly, quoted Malcolm Muggeridge as being somewhat disillusioned with the youth of today who, according to Mr. Muggeridge—at least, I understood Mr. Muggeridge was being quoted and they were not the words of the hon. member—are concerned more with sex and pot and not with the finer things with which they were concerned in Mr. Muggeridge's day. I take issue with Mr. Muggeridge on this question. I think what we are in fact witnessing today, which is perhaps in some degree reflected on radio and television, is a much more open society in which there is a greater opportunity for a far greater number of people to express themselves both intelligently and unintelligently. Sometimes, therefore, in reference to mass media, particularly television, people are upset when they hear views expressed which are not their own. I believe that if television is to be a meaningful instrument in society this trend will continue rather than diminish because television must reflect the changes that are taking place in our modern society.

Another factor that I think we find upsetting about the mass media is that in the period 50 or 60 years ago or whenever it was—I suppose it was not that long ago—that Mr. Muggeridge was talking about the world of ideas was limited to those who had education

and they were relatively much smaller in number than is the case today. It was limited to those who had access to books. I think we would find among the intellectual community, if that is the correct term, of 50 years ago as much depravity as we find among the intellectual community today. I do not know that the morals of the intellectual community, if one can find such a community, have really changed in the last 50 years.

Perhaps what has changed more than anything else is that we have become more democratic and the average citizen is able to be exposed more to all facets of life and has a little more time to pursue the finer as well as the not so fine aspects of life. I believe this trend is being expressed in one form or another on the mass media. There is a certain group of people in our society who have preconceived notions of how it must operate. These rules are not always applied to themselves because the alteration of that sort of strict code can be permitted for the few. But if there is any danger that the masses may indulge in the same way of life this, of course, can be upsetting.

To put it another way, I think our criticism of the mass media is sometimes more the result of uncertainty about the consequences of the changes we are experiencing. Naturally, television as a mass media must be part of this picture. I suppose it can be said that when there is an unknown quantity many people may be concerned. Perhaps there are those who, while they may argue on the one hand that this trend is good because it is democratic and open, say that in fact television as a mass medium can be used by a particular group which has a particular philosophy about society to exploit or perhaps unduly influence society. Therefore I suppose one of the real dangers in the policy of broadcasting is an imbalance in this connection. A proper balance must be maintained.

I think it is safe to say that up until now there has been an imbalance in this area. I do not think the reactionaries of the country feel they have the same opportunity of expression as others. I do not know whether they have; I have not monitored all the programs. However, I suppose it may be said that some of the views allowed to be expressed on the mass media tend to be what may generally be regarded as the more progressive and sometimes we do not hear enough of other, more reactionary views. I suppose that in all fairness there ought to be some kind of balance and there is undoubtedly therefore, at least theoretically, a danger present in the broadcasting media.

• (4:40 p.m.)

While the issue of broadcasting has been with us since the beginning of broadcasting and will continue to be with us, I think that what we are in fact talking about is society itself and how the mass media reflect it. My particular reason for speaking in the debate today is to deal with two matters that are of concern to me. One has to do with public broadcasting policy with regard to the extension of service. I am concerned about the fact that in the development of broadcasting in this country—and I intend to go along with some of the things that the hon. member for Brandon-Souris said in this regard—there is a danger that the large metropolitan centres will control the mass media more and more to the detriment of some of the other regions of Canada.

We all recognize, I believe, that it is in the larger centres that the greater opportunities exist for people in the arts who would like to have their talents displayed on television. But at the same time I feel that in viewing the policy of the Canadian broadcasting system there is reason for the valid criticism that over the years the C.B.C. has not always and at all times adhered strictly enough to the view that one of its primary functions is the extension of service. I know that certainly a great deal has been done in this area, but in 1968 we find that a great many Canadians still do not enjoy the modern advantages of television. So it is a little annoying to these people to hear about large expenditures and great public buildings going up while at the same time they do not enjoy the benefits of a service.

Let us take my own province as an example. One of the things for which the former member representing Burin-Burgeo fought during his entire period as a member of the house was public broadcasting in his constituency. To this day there is no public radio broadcasting in his constituency although there are two private radio stations which operate there. The same goes for television, although in the case of television the private broadcasters at that time did not have a station in the province of Newfoundland. However, in the case of the south coast of Newfoundland, the example of the initiative of private enterprise vis-à-vis the C.B.C. is a telling one and warrants criticism. The same situation still exists today so far as television is concerned in my own constituency which is

never more than 100 miles at any point from the city of St. John's. There are a number of areas there which do not enjoy television coverage, and this is even more true of other areas in Newfoundland.

The second matter which I believe has regional overtones concerns the policy of public broadcasting so far as the development of Canada on a regional level is concerned. Again I think the C.B.C. is faced with a serious problem in this respect because there are only so many dollars to be spent and there are a great many ways to spend them. At the same time, those of us who come from the periphery of Canada and do not live in the great metropolitan centres have more than a legitimate complaint that too much of public broadcasting is controlled from these centres. This is bad for a number of reasons. It is bad because it reduces the opportunity for a number of people to participate. Therefore in a quantitative sense it is unfortunate. Second, it has a qualitative effect because if public broadcasting is concentrated, as it is, in one or two large metropolitan centres it is more difficult to achieve the diversity which could be obtained if there were greater autonomy or greater opportunities at the regional level.

I believe there is a relationship between culture, art, drama and geography. The hon. member for Essex South mentioned fog. Although he may never have seen it physically he should have more knowledge of it in a metaphysical sense than most hon. members in the house. I would have thought the hon. member for Essex South would share my views because I would not think that Windsor is one of the great metropolitan centres of this country.

The qualitative effects to which I referred are due to the fact that, as I said, culture, art and drama are related to geography. Therefore I believe that a greater emphasis should be placed upon the development of talent in regions other than the metropolitan centres. It is not solely the responsibility of television to undertake the development of talent. Opportunities can be provided in many ways. However, I feel that television must play an important role. I was pleased to note last night that the C.B.C. broadcast a program which originated from St. John's, Newfoundland. I am sure that those hon. members who did not see that program will have heard about it because there are few parts of Canada as rich in folklore and culture as the province of Newfoundland, unless it be the province of Quebec. I contratulate the C.B.C. for its production last night. However, I think that greater emphasis should be placed in the future on the development of talent in the Atlantic provinces and also on providing opportunities for the development of talent in western Canada. Not only would this be justified on the basis that it opens the media to more people but also because it can have a qualitative as well as a quantitative effect. Not only will new people be brought in but I believe that people from the different regions of Canada will have an effect on the quality of the programs.

There are certain attitudes or certain factors which may perhaps make for a greater diversity in programming. Obviously one of the facts of life in Canada is our regional and cultural diversity, and I think the C.B.C. has a role to play in its development. We speak a great deal about national unity. I hope that national unity does not mean we should all become the same and, so far as television is concerned, become more and more like those who live in Toronto or Montreal. It would be a great advantage to Canada, not only so far as television is concerned but in many other areas, if greater opportunities were given to people in the more distant areas of Canada.

Let me refer to the program "Viewpoint" as an illustration of the policy. It so happens that very seldom do we see people from the Atlantic provinces appearing on that program. I have made some inquiries, not official but quite informal ones, and it would be safe to say that the C.B.C. has had some difficulties in using people from the Atlantic provinces on that program. This was the impression I received. If this is the case, then I think it is a reflection on the efforts of the C.B.C. and perhaps more than anything else it spells out an attitude of mind that may lead us to believe that Canada extends from York on one side to Humber on the other.

Miss LaMarsh: It is from sea to sea to sea.

Mr. Cashin: I hope that the future policy of broadcasting in Canada will take this factor into account. I do not wish to be unduly critical because I recognize that there are many legitimate problems involved in developing talent in different regions in Canada, but the somewhat elusive problem which bothers those of us who come from the Atlantic provinces is that although facts and figures can be produced to show otherwise, basically there exists an attitude of mind that part of being Canadian is the task of making sure that a minimum standard of service is provided to the outer regions of Canada because they are

part of our country. So often we are not really seized with the real conviction that Canada extends from sea to sea and that, for example, there is no country that would not benefit from having Prince Edward Island. There are some who may not think so but, although there are only 100,000 people in Prince Edward Island, in a qualitative sense the population of that island and their way of life enrich this country. If that is true of Prince Edward Island, then that analogy pales into insignificance when compared with the greater island of Newfoundland.

• (4:50 p.m.)

I feel that the Canadian people are not being given the proper opportunity to enjoy the full advantages of being Canadian and experiencing, however vicariously, the great pleasure and honour it is to live on Canada's Atlantic coast. I hope that the C.B.C. in its future policies will perhaps take these factors more into account and become really seized of this matter instead of regarding it as their duty to allot us a certain minimum time every once in a while.

Mr. Prittie: Mr. Chairman, I should like first of all to commend the hon. member for St. John's West for the first part of his speech. I did not mind the last part and all that blarney that we listened to, but in the first part of his speech he pointed out what I think was a modern point of view about morals and life today compared with the point of view expressed by the hon. member for Brandon-Souris and others. I should like to say a few words about this question.

Before I do so, Mr. Chairman, I have in front of me the white paper on broadcasting, 1966, prepared by the House of Commons standing committee on broadcasting, films and assistance to the arts. I notice that it was presented to the house on March 21, 1967. I am one of those who were active members of the broadcasting committee. I sat through almost every minute of its hearings when the committee was reviewing the white paper, when the bill was drafted and sent back to the committee for review, and again in the house I have listened to almost every minute of the debate.

I have restrained myself from speaking for most of the time but it now seems to me that if we get through this broadcasting bill by June we will be doing rather well. I have come to the conclusion that it is rather pointless for me to sit here listening as the debate goes on to many things with which I disagree and to continue to remain silent. Therefore I am going to make a small contribution at this time. Perhaps the first anniversary of the report or the bill will soon be reached and we shall still be debating this subject.

At this point I want to refer in particular to a theme which has come up in the speeches of a number of members. I refer to the speech made before the Christmas adjournment by the hon. member for Okanagan-Revelstoke. I also noticed the same theme in the speech of the hon. member for Kindersley, in the speech of the hon. member for Rosthern, in the speech of the hon. member for Acadia, and particularly in the speech made yesterday by the hon. member for Red Deer. These speeches had to do with, I suppose, morality or morals in broadcasting.

I think the hon. member for Brandon-Souris referred to the sensuous quality of broadcasts, that sort of thing which is perhaps related to the kind of thing the hon. member for Acadia referred to earlier in his speech, the type of scenes that he may have viewed in some programs broadcast by C.B.C. television. I think here of the broadcast of the program "The Ernie Game" and the other film "Waiting for Caroline", the kind of program that deals with love and sex, couples in bed and so on. Some hon. members would have us believe that there are thousands of people in Canada who are up in arms about this kind of broadcasting. I do not doubt hon. members at all when they say that they have received letters of complaint on this subject. No doubt the headquarters of the Canadian Broadcasting Corporation have received similar letters as well. However, I represent a constituency with 120,000 people, an urban constituency largely, and I may have received three letters on this subject.

The answer is not that these people do not watch C.B.C. television because surveys show that about 30 per cent of the people in the lower mainland area of British Columbia regularly watch the local C.B.C. television station. So from a constituency of 120,000 people which is situated in an area of 800,000 people this one member has received two or three letters on this subject. It does not seem to me that there is very much dissatisfaction with the type of broadcasting the people are getting. Therefore I believe that the views expressed by the members to whom I have referred do not represent the views of the majority of the Canadian people.

It seems to me that these members share the point of view of a lot of people who seem to think that our society is going to hell and that our morals are slipping. The people who

hold this point of view quite frequently support it by quoting statistics of the number of illegitimate births, the number of divorces and that type of thing in support of their contention that society is going down hill. They seem to yearn for the Victorian age when they think that everything was better. The hon. member for Brandon-Souris referred to it as the good old Victoria days. Many of us think that it was the age of hypocrisy and that the people were not so good. If we accept the point of view of these members that the morals of our society are slipping and that things are not the way they were in the good old days, then let us discuss t.v. programs in that context.

When we talk of t.v. programs that deal with morals or sex, the kind of subject matter about which the hon. members have complained, we are not talking about many hours during a week. We may be talking about the Sunday night public affairs program on occasion, which lasts for one hour. We may be talking about the program "Festival", which is another hour. But we are not talking about very much more than that. The rest of the viewing time is given up to comedy shows, variety shows, public affairs, news, sports. So we are speaking about two or three hours of television a week at the most. I suggest to the committee that if our morals are slipping and the situation is so bad, then we must look somewhere else than to television for the reason. Because two or three hours of television a week, even of the worst sort, cannot be making that much of a contribution to the decline in moral behaviour.

I suggest that we should look at our total environment. We should look at the books that are being sold in the stores every day. I am not talking of the kind of books that only moral deviates would buy; I am talking of books that can be purchased in respectable bookstores, in drugstores and at our leading airports. I refer, for example, to books like "Valley of the Dolls". I asked one book dealer what kind of people bought these books and I found it was not just young kids who may be looking for a thrill. The buyers cut right across the whole spectrum of society. Respectable middle-aged people are buying these books. I suspect that throughout our history people have always been interested in books which have a little pornography in them. These books are purchased by people who are considered to be quite normal in our society. I suggest, there must be some reason why magazines such as *Playboy* enjoy such wide circulation. It is not only deviates or abnormal people who buy them; in fact they are to be found in the homes of many respectable families.

An hon. Member: And in the parliamentary library.

Mr. Prittie: Somebody says it is in the parliamentary library, Mr. Chairman. I did not know that. I have seen *Esquire* in the reading room but not *Playboy*.

Again, Mr. Chairman, looking at the total environment let us look to advertising both in newspapers and magazines and on television which depicts scantily clad ladies advertising various types of underwear. I myself have no objection to this but if our morals are slipping, as people say, then this sort of advertising has something to do with it.

I suggest we should also look to our movies. We must remember here that ideas of censorship have been changing over the years. It used to be the case that in the days of the Hays office married couples in bedroom scenes always had to be shown in separate beds. This has changed; things are changing all the time. People are not shocked by this. There is nothing wrong with it. Why pick on two or three hours of television a week as contributing to the so-called decline in the morals of our society?

• (5:00 p.m.)

Here, Mr. Chairman, we have an attempt at censorship. Some are saying "Tighten up; don't show that sort of thing." With all due respect to my hon. friend from Red Deer, I suspect he would want nothing more sexy than Anne of Green Gables on television. This amounts to censorship. It does not matter whether we have a board of censors or whether we tell the management of the broadcasting companies to do their own censoring. To be consistent we should have censorship all along the line. We must censor advertising, we must control the sale of books and what goes into books. Advertising can be very suggestive, whether it appears in newspapers, magazines or on television. All communications media would have to be controlled. If this sort of thing were tried in today's 1968 society it would fail utterly. People would not accept it.

I do not accept the view that society is going to hell, as some hon. members seem to think. Rather, I agree with what the hon. member for St. John's West said. Some aspects of life which hon. members do not

like to see portrayed are simply more apparent and open than they were before. Hon. members have only to read the biographies of some of the leading lights of the Victorian age to realize that the upper classes and intellectuals were not all that good. They did not practice all the Victorian morals.

We have a more honest and open society today and there is no reason for that not to be reflected on television just as other aspects of our society are reflected there and elsewhere. I want to see a television system which is open and frank in its portrayal of our society. There are laws in this country to deal with anything that goes too far, whether it be in the printed or the visual media. Those laws should be the only restriction.

I make these points particularly for the benefit of the new president and new executive vice president of the Canadian Broadcasting Corporation. Perhaps the corporation does need tightening up so far as economy is concerned. I do not know. That is a matter for experts. But I hope that they leave their creative people with a free hand to broadcast. I hope they are free to innovate and experiment. If ever the day comes when members of parliament do not rise to their feet and complain about something the C.B.C. will be a tame organization indeed.

I am really tired of listening to hon. members who act as if they speak for the majority of the Canadian people. I do not think that the majority of the Canadian people object to a few sexy scenes on television. They seem to like those scenes in books and movies, which seems to be a perfectly normal human reaction that has been pretty consistent throughout history.

Mr. Cowan: Mr. Chairman, I was speaking on a point that was raised in the rejection by the Board of Broadcast Governors of C.A.T.V. applications for licences for a number of centres in Canada and the B.B.G.'s concern that they would interfere with the economic viability of local television stations. I wish to pursue that subject further along the line of asking when the cabinet of Canada adopted the attitude that television stations must show a profit each year, even though that means restricting the freedom of access to information and knowledge of the Canadian public.

I made reference a short time ago to the report of Mr. Robert Fowler, which is popularly known as the Fowler report on broadcasting. I was quoting from page 253 of his report in which, though his terms of reference excluded C.A.T.V. operations, he made comments that were not required under his terms of reference. On page 253 he said:

> There are, however, many single-channel areas where regulatory policy to nourish or support the licensee has been negated by the sudden intrusion of a number of new signals which dilute the audience and damage commercial support.

The question now arises, why does the Canadian cabinet consider it necessary to provide a financial profit for a television station in the face of the sudden emergence of competition by a C.A.T.V. installation in the area that the local television station is servicing?

I have a brother who was the publisher, for Lord Thomson, of a paper in the Timmins area, the Timmins *Press*. When he was appointed publisher of that paper by Roy Thomson, as he was then, there was no television station in Timmins. There were applications in hand by the C.B.C. to issue television licences in Timmins. It was well known that television applications had been forwarded to the C.B.C. But did the Canadian cabinet go to the locally established newspaper in Timmins and ask them whether it would be economically viable for them to continue to publish in Timmins and service the general public there if a television station were licensed? Not on your life. The local newspaper in Timmins could sink or swim, according to the financial support it could engender for itself in Timmins, after a television licence was granted.

A television licence was granted to a station in Timmins and the local paper did not object. They were going to live despite the competition, and the television station went on the air. It drew off a tremendous amount of advertising revenue from the local business firms and from national advertisers, but the local Timmins *Press* continued to publish and continued to show a profit. Why did the cabinet not say to the television applicant, "You cannot operate a station in Timmins because that will adversely affect the economic viability of the presently established mass medium in Timmins?" But no, they licensed the television station.

When a C.A.T.V. operator comes along and wants to operate in an area where a television station has already been established he is told, through the medium of the Board of Broadcast Governors: "That will adversely affect the local television station; you must not go there and adversely affect the local television station. We do not mind how much

a television station affects the local newspaper or magazine; that is a horse of a different colour. But we are certainly upset if any C.A.T.V. operation is to affect a television station." Why is there this favouritism for the television licensee? Why not give some support to the publishers of the fourth estate of this country?

The same brother who was in Timmins was appointed publisher of the Prince Albert *Herald* in Prince Albert, Saskatchewan. That was another Thomson paper. He was appointed there before there was a television station in Prince Albert. It was well known that applications were being received by the cabinet for the issuance of television station licences at Prince Albert. The local newspaper was not consulted in the slightest degree by the cabinet. They were not asked whether they favoured the establishment of a television station in Prince Albert. The local paper could sink or swim so far as the cabinet was concerned in the face of the new competition from a television station. The television station went on the air; the local paper continued to publish. It returns a profit to Lord Thomson.

But if a C.A.T.V. application comes in for an area that is now serviced by a television station, why, the cabinet cannot get to the local television operator quickly enough to ask whether the C.A.T.V. operator will affect him. Why is there this solicitude for the television licensee when there is absolutely no solicitude for the established print medium that is servicing the mass market of the area? That certainly smacks of favouritism to the nth degree and does not reflect credit on a cabinet that performs in such a way.

• (5:10 p.m.)

The Fowler Report continues at page 253:

—it is a matter of concern to us that the viability of the national network system could be disrupted if unrestrained or unregulated growth of the C.A.T.V. system is allowed to continue.

When Fowler refers to the unregulated growth of the C.A.T.V. system, who does he think should do the regulating? Of course, it comes out in further quotations that he believes the government should regulate C.A.T.V., so there should be no unregulated growth in the eyes of Mr. Fowler. Does Mr. Fowler show any concern over the fact that Canadians are buying whatever magazines or newspapers they wish on the newsstands of the nation? This involves the unregulated growth of newspapers and magazines. Does

[Mr. Cowan.]

the cabinet tell the general public that it cannot buy certain magazines because if it does it will be reducing the circulation of the magazines it used to read before? Is this what it says in the case of newspapers? Of course, the cabinet has more sense than to take a stand of this kind. But when it comes to television it states that applicants for C.A.T.V. installations cannot be allowed to operate because people would begin looking at programs other than those already available to them through the local television station. Why should this solicitude be shown in one field of mass communication and not in another? Fowler continues:

There is growing recognition of the need to examine the effect of C.A.T.V. on stations in these market areas whose ability to conform to the Canadian content regulations is being jeopardized by this new competition.

Why do we hear members of cabinet talking about the free economy under which this country operates when here they are concerned, as is the Fowler report, over the fact that television stations are faced with new competition? There are some who talk about competition being the life of trade, but evidently these do not include members of the Canadian cabinet.

Mr. Fowler pointed out that local television stations are being affected by C.A.T.V. stations and referred to this as being "new competition". What is the matter with new competition? This is supposed to be an enterprise system and I should like to see such a system continue. But now we have a bill before us which proposes to licence C.A.T.V. installations through the medium of this new council, and I can assure you, Mr. Chairman, that whoever grants the licences will have as a first consideration the protection of existing television stations.

This whole policy as it affects C.A.T.V. stations is false and a betrayal of the best interests of the Canadian public who are entitled to get news, information and knowledge from whatever source they wish, even from t.v. stations which can only be brought to their area by means of a C.A.T.V. installation which has a more effective antenna than any which an individual could afford to put up.

On November 1, in introducing the broadcasting bill the Secretary of State said as reported in *Hansard* on page 3749:

I should also mention that the legislation indicates that community antenna television systems will also be subject to licensing by the commission... In general the commission when considering an application for a licence for one of these

systems will have to take the whole local situation into account, including the interests of the local broadcasters.

Why, in the name of heaven, should a cabinet which pays lip service—and I emphasize the expression "lip service"—to the theory of free enterprise or the competitive marketplace state that the licensing commission which it proposes to set up should take the interests of local broadcasters into consideration when handling applications for C.A.T.V. installations in various areas? To me this shows rank favouritism on the part of the cabinet toward a very small segment of Canadian industry and it is not true Liberalism.

In the annual reports of the Board of Broadcast Governors for the years ended March 31, 1964, 1965 and 1966, frequent references are made to the fact that C.A.T.V. applications would, if granted, interfere with the economic viability of local television stations. In the annual report of the board for the year ended March 31, 1965 a direct reference is made to a statement of the then minister of transport on July 22, 1964, a copy of which I have in my hand. This statement was released by the minister of transport, I would say, without prior consultation with members of parliament. He was the minister of transport; he was a big fellow who picked and chose what he desired and cared not where the chips fell. Parliament did not matter. He issued a statement on July 22, 1964—and let no dog bark. The hon. member for Burnaby-Richmond said just now that he does not like certain people standing up and speaking as though they represented the whole of Canada when they have an opinion to express. I may say I do not like cabinet ministers standing up and speaking for the whole government without consulting members of parliament. However, this seems to be the practice followed by some of them. The fifth paragraph of this statement reads:

The government has two main concerns. One is to see that C.A.T.V. installations in Canada do not come under the ownership and control of persons and corporations which are not Canadian. The other is to see that C.A.T.V. installations designed to receive broadcasts emanating from outside the area reached by any local Canadian television station, and particularly from outside Canada, are unlikely to make the operation of any existing television station uneconomic or to inhibit the provision of alternate Canadian television service in the area concerned.

I have already stressed in previous remarks that in some areas where it is proposed to put in C.B.C. stations—and here cost is not a factor because the corporation simply asks for the money and the cabinet sends it over —C.A.T.V. applications are told that they would inhibit the provision ultimately of alternate Canadian television service in that area. Why should the cabinet refuse to grant a C.A.T.V. application in respect of an area into which the C.B.C. is thinking of moving, when a private station is already in existence there, bearing in mind that the C.A.T.V. operator would be able to render competitive or alternate service? Has the cabinet committed itself to the principle that there must never be any economy in expenditures by the C.B.C. by resolving that it will not allow competitive or alternative service to be rendered by C.A.T.V. stations where there are privately owned stations in existence simply because the corporation may wish to put a C.B.C. station in at some future time at great expense to the public?

Take the case of a C.A.T.V. installation in an area such as Kingston. I am referring now to the applications for Napanee, Gananoque and Prescott which would not cost Canadian taxpayers one cent in tax increases because those subscribing to the C.A.T.V. service would pay a direct commercial fee to the operator. However, the gentleman who applied for permission to operate C.A.T.V. stations in the three communities I have named was told that the provision of such a service would inhibit the likelihood of establishing an alternate Canadian television service in the area.

I hav already pointed out that the alternative Canadian television service would be provided by the C.B.C.—"to hell with the expense", as the cabinet would say; we cannot allow C.A.T.V. to provide competitive or alternative service in the area. Why cannot businessmen who are willing to provide a service of this kind be allowed to do so? Why should we reserve the area for the taxpayers of Canada, obliging them to put up the money for a C.B.C. service which other men are willing to provide and for which they would be paid by the local recipients of that service?

• (5:20 p.m.)

I have spoken before on the fact that limiting C.A.T.V. installations according to the whims of the Board of Broadcast Governors and the Minister of Transport is a denial of the right to freedom of information. I would like to refer to some statements made on this subject by members of the cabinet and other

speakers on the matter. In the white paper on broadcasting reference is made on page 7 to the right to freedom of expression, which it says should be unquestioned. I have already emphasized the fact that this begs the whole matter because having the right to freedom of expression where the public does not have the right to receive that expressed opinion is a denial of the right of the individual to receive information from whatever source he so desires.

Then at page 13 of the white paper we read:

> Among the matters subject to regulation—will be the inclusion of Canadian channels—

No C.A.T.V. installation in Canada is in the position of not having available all Canadian channels on its dial. When the statement is made that among the matters subject to regulation will be the inclusion of Canadian channels this is a soft way of stating that we are going to do our best to keep American channels off C.A.T.V. installations. I point out that C.A.T.V. is making such rapid strides at the present time that there are now wires available that will carry 30 channels to the individual dial of a C.A.T.V. subscriber. In this way the Canadian government could demand that every television station in Canada be placed on the dial of the local C.A.T.V. operator, even though he cannot pick up all the stations as most of them would be too distant for reception. But the new wires will carry 30 channels now.

There is one operation in South Carolina at the present time with 23 channels available on one wire. So, when the statement is made in the white paper that "among the matters subject to regulation...will be the inclusion of Canadian channels". I would like to add that with these wires now carrying up to a total of 30 channels there is no problem in carrying all the Canadian channels in a specified area. If the viewer wants to look at them he can. If he does not want to look at them then he does not have to look at them.

On the first page of Bill No. C-163 we find it stated that "the right to freedom of expression...is unquestioned." But the public is denied the right to receive freedom of expression over C.A.T.V. stations. As recorded in *Hansard* of November 1, 1967, page 3747, the Secretary of State said:

> —broadcasters must be allowed the right to freedom of expresion; that is to say, censorship and pre-editing of programs are not only undesirable but impractical.

[Mr. Cowan.]

They certainly are undesirable and in large measure they are impractical, but what is the use of having freedom of expression without censorship if the public is not allowed to look at the programs they want to look at because they are denied a C.A.T.V. franchise in the areas in which they live?

Then we find on page 1348 of the minutes of the committee on broadcasting, films and assistance to the arts for December 1, 1966, that Mr. J. A. Ouimet, president of the C.B.C. told the committee:

> Community antenna television (CATV) is to be made part of the broadcasting structure.

When he made that statement on December 1, 1966, it was interesting to many people in the broadcasting and receiving field in this country because no definite statement had been made in that regard prior thereto. I have in my hand a release from the C.B.C. information services, 1500 Bronson avenue, Ottawa, dated January 16, 1967, about six weeks after Mr. Ouimet's statement on community antenna television, and I wish to read it to the committee. It reads:

> For Your Information.
>
> The following statement by President Ouimet was released to the Canadian Press in Ottawa; C.B.C. newsrooms; and dailies in Toronto after 7.40 p.m. January 14, 1967:
>
> The C.B.C. is deeply disturbed by the violence of the reaction to its invitation to Mr. Adolph Von Thadden to be interviewed on the program "Sunday." The invitation was based on the rise of Mr. Von Thadden's party in Germany as reported in the news media recently.

Then there is this paragraph:

> The greatest safeguard of the democratic tradition is the freedom to express and examine the widest range of ideas and opinions. A prime function and responsibility of the C.B.C. is to provide for the free expression and scrutiny of points of view thus enabling the Canadian people to judge such views for themselves.

Mr. Ouimet never made a more forthright or more honest statement than that contained in that second paragraph in which he said:

> The greatest safeguard of the democratic tradition is the freedom to express and examine the widest range of ideas and opinions.

In this broadcasting bill we are told that the freedom of expression is unlimited, but the government does not go along with Mr. Ouimet's statement, namely:

> The greatest safeguard of the democratic tradition is the freedom to express and examine the widest range of ideas and opinions. A prime function and responsibility of the C.B.C. is to provide for the free expression and scrutiny of points of view—

He did not stop, like this bill does in clause 2, with a mouth-filling statement that freedom of expression is unquestioned and is to be allowed. He went on to say "free expression and scrutiny of points of view." By denying the Canadian public the right to look at programs of their choice over C.A.T.V. installations, which do not fall within the public domain as they do not use radio frequencies which are in the public domain, we are denying the public the right to examine the different points of view and opinion available and to scrutinize points of view, even though we tell the broadcaster he can say what he likes because his freedom of expression is unlimited. But unfortunately the recipient is limited in his choice of scrutiny of programs available on C.A.T.V. installations. In his press release Mr. Ouimet continued:

I must therefore announce the withdrawal of the invitation to come to Canada and telegram to this effect has been sent to him.

This action does not mean that the corporation will abrogate its responsibility in terms of the principle of the right of the Canadian public to information.

I am mighty glad to know that the corporation will not abrogate its responsibility in terms of the principle of the right of the Canadian public to information. But the cabinet is abrogating its responsibility in terms of the principle of the right of the Canadian public to information when, through media such as this proposed council, C.A.T.V. installations will be prohibited from going into certain areas because they will dilute the audiences of the local t.v. stations. The right to information is curtailed when a C.A.T.V. system is placed in the position where it may not be granted a licence.

I have read many references to freedom of expression as though it entirely covered the subject. Free expression is only half of the subject of free speech. The other half is the freedom to hear.

I would like to make a brief reference now to a certain situation which agitates the people in the Toronto-Barrie area. If you look at this bill as amended and reported by the committee on broadcasting, films and assistance to the arts you will find that in clause 19 on page 10 no change whatever has been made in the regulations that make it possible for the cabinet to move the Barrie t.v. station into the Toronto area. Clause 19 is headed "Hearings and Procedure." It states:

A public hearing shall be held by the council (a) in connection with the issue of a broadcasting licence, other than a licence to carry on a temporary network operation—

It goes on to state:

A public hearing shall be held by the council, if the executive committee is satisfied that it would be in the public interest to hold such a hearing, in connection with

(a) the amendment of a broadcasting licence—

You will notice that qualifying phrase, that a public hearing will be held by the council "if the executive committee is satisfied that it would be in the public interest to hold such a hearing in connection with the amendment of a broadcasting licence." As a member for a Toronto riding I am vitally interested in the problem raised by the desire of the owners of the Barrie television station to move into the Toronto area and thus interfere with the clear reception of programs now coming from Buffalo. I resent very much that in this new broadcasting bill no effort is made to restrain the authority given to cabinet to amend a broadcasting licence, which means moving it from one city to another if they so wish to do, because this t.v. station in Barrie has a licence. If the executive committee of the proposed new council is satisfied that it would not be in the public interest to hold a public hearing they can just amend the broadcasting licence of the Barrie station and let them move wherever the new council may desire to let them move.

• (5:30 p.m.)

In that connection you will be interested to know that under clause 23 on page 12 there is a subheading "Setting aside after reference back to Council". The Barrie t.v. station application, as no doubt members will recall, was referred back to the Board of Broadcast Governors for further consideration when the subject became too hot to handle. I will not mention for what people it became too hot to handle. In any event it was referred back to the B.B.G. for a new hearing. In subclause 4 of clause 23 we find this interesting statement:

The issue, amendment or renewal by the council of any broadcasting licence that has been referred back to the council pursuant to subsection (1) and confirmed pursuant to paragraph (d) of subsection (3) may be set aside by order of the Governor in Council made within sixty days after such confirmation.

There you have it straight and unadulterated. If the cabinet does not like the recommendation of the council the recommendation may be set aside by order of the Governor in Council made within 60 days after such confirmation. In Toronto we understand that the Barrie t.v. station has been sold to western interests.

The Assistant Deputy Chairman: I regret to interrupt the hon. member but the time allotted to him has now expired.

Mr. Patterson: Mr. Chairman, my colleague the hon. member for Okanagan-Revelstoke has been a very active member of the committee on broadcasting, films and assistance to the arts which has had this particular matter under consideration for a considerable length of time. He has also taken part in the discussions here in the house, as has my colleague from Red Deer. These two members have set forth, I believe, quite clearly and concisely the views of our group with regard to the legislation now before us. We will be participating later, of course, in the debate on the various clauses. I feel, however, that I should make a few comments at this time because if I failed to do so I would perhaps be failing in my responsibility to those who have communicated to me their views in respect of this broadcasting legislation and various aspects of it.

We are pleased that the uncertainties with regard to the management of the Canadian Broadcasting Corporation have been removed by the appointment of Dr. Davidson and Mr. Picard to the two top positions in the organization. These two distinguished gentlemen face a difficult although challenging task. We all wish them well as they assume their new responsibilities.

I should like to comment briefly on two or three areas of concern which have been brought to my attention through observation, by personal discussions with individuals and also by written communications. First of all I should like to consider briefly this afternoon the matter of the programming of the C.B.C. which has been a subject of great interest in this debate and in fact in previous debates. I believe the vision of those who were responsible for the establishment of the publicly owned corporation involved the use of its facilities for the promotion of the greatest benefit to the Canadian people and also for assistance in the development of a truly Canadian culture.

While there are some programs that maintain high standards and are inspirational, educational and entertaining in a wholesome way, I do regret the fact that there has been an increasing trend toward programs which have been characterized by such words as "lewd" and "sleazy" and are "destructive of the type of programming the Canadian people desire. This has resulted in a mounting wave of protest from individuals and organizations across the country. Even though my hon. friend from Burnaby-Richmond does not agree that it involves a substantial body of opinion, I believe that the protests are increasing. If people believed that their protests would have any weight with the corporation the communications would be much more numerous than they are at the present time.

Questions have been raised in the house in the past few months regarding various types of programs which have been shown on television. These have been brought to the attention of the C.B.C., as I said, by communications and by representations here in the house and in many other ways. I believe that if the C.B.C. was sincerely desirous of fulfilling its responsibilities to the Canadian people it would pay more attention to the protests which have been voiced and would endeavour to understand just what it is that the people of Canada wish to have.

I should like to refer to an article by Jack Miller which appeared in the Hamilton *Spectator* of Thursday, November 30, 1967. He refers to a number of programs which have been alluded to such as "The Ernie Game", "Waiting for Caroline", "Paper People", and some others. He states:

> C.B.C. drama, to steal a line from "Critic's Choice", has become "a hotbed of hot beds" this year. And the corporation's slavering preoccupation with this aspect of the human drama has become so noticeable, and so offensive, that it clouds the public mind to any artistic merit a single program may offer.

I should like to read one more paragraph. There are others I have marked here but I shall just read one more:

> In all of the C.B.C.'s television years, I can remember no season which has brought so many people to me, saying "I never watch the C.B.C. any more. It's filthy—nothing but sex, sex, sex! They can't think of anything else." If this attitude prevails across the country, and I wouldn't be surprised if it does, the C.B.C. artistic leaders should not be too ready to brush it off.

Even though it was brought to our attention today that this type of program may occupy only a very limited period in a day or week, I believe that the C.B.C. should pay some attention to the representations that have been made in order to try to upgrade the type of programming it is beaming into Canadian homes.

• (5:40 p.m.)

In addition to the representations that commentators have made I have in my hand representations from church organizations

across the country. For instance, I have one here from Olds, Alberta, signed by quite a number of members of the congregation of the particular organization. I also have a copy of a resolution passed by a church organization calling attention to this same matter. I should like to read one paragraph:

Whereas the C.B.C. is a government institution supported by our tax money; and whereas the C.B.C. is preoccupied with programs which contribute to the breakdown of marriage and the home, pseudo-educational programs concerning sex and sexual perversions, programs of violence, and programs that use questionable and profane language;

We...wish to express that we deplore the calibre of certain programs shown and heard on the C.B.C. network, a corporation that receives money that we have paid in taxes.

I have another communication from the Calgary Evangelical Ministerial Association. Let me read a paragraph from this letter which was directed to the president of the C.B.C. board of governors. It says:

Whereas the C.B.C. is the national voice of the nation and as such helps to set the moral standards of the country and whereas the show "Waiting for Caroline" shown locally in Calgary, Alberta on Wednesday 29th November, 1967 within the "Festival" series was extremely objectionable morally, we, the Calgary Evangelical Ministerial Association, a body composed of some eighty (80) ministers of churches in this city and representing better than 20,000 people, do strongly and solemnly protest this particular program.

Later in the paragraph this is stated:

As taxpaying citizens we do deplore $511,252 being paid for the production of this film and do demand that the moral tone, in deed, word and total content of C.B.C. programming be such as is healthy, wholesome and morally acceptable.

I have also received a number of letters from individuals, a sampling of which I have here, but I do not intend to take up the time of the committee this afternoon by reading them.

Let me point out that programming is a matter of serious concern to people across the country. Those who will be charged with the responsibility in the days that lie ahead would do well to give consideration to the various protests that have been launched and endeavour to do something about the type of programming that is being beamed into our homes at the present time.

It has been argued that if too many restrictions are placed upon creative individuals they will leave the corporation and their talents will be lost. If those responsible for such indecent and morally destructive programs quit I suggest they would be doing a service to the Canadian Broadcasting Corporation and it would be a blessing to the whole nation. On my own behalf and on behalf of individuals and organizations who have contacted me in this regard I protest the use of the facilities of a crown corporation, supported by the tax dollars of the Canadian people, to glorify crime and evil and to seek the destruction of the moral foundations of our nation under the pretext of entertainment and public information.

There is one other matter I want to deal with briefly and it has to do with the financing of the corporation. We must concede that if Canadians want a publicly owned radio and television service it must be financed. We have no quarrel with that idea and we do not argue with it. I do not think that this involves just financing or that financing is what is griping the Canadian people at the present time. I believe that what is involved is the use of taxes for the type of programming being carried across the nation. If the C.B.C. is to be financed it must merit financing.

Statements have been made today about taking to task those who have raised objections to certain C.B.C. programs. The hon. member for Elgin brought some of the weaknesses of C.B.C. programming to our attention, particularly in respect of the presentation of current issues. We have heard references to the preoccupation of the C.B.C. and its programs with the seamy side of life. When we put all this together we must realize that a great number of people across the country wonder whether, in view of this record, the C.B.C. should be maintained or financed by the Canadian taxpayers.

Let me voice my strenuous objection to the proposed long term financing formula for the C.B.C. until the corporation indicates its ability to act in a responsible way and until it proves to the public and parliament that it merits support. The hon. member for Winnipeg North, when speaking today, said he did not think the corporation should be placed in the position of being told that if it does not measure up it will not receive finances. I do not think there is anything basically wrong with that idea. If any organization or agency of any corporation is to be financed by the taxpayers' money surely the representatives of the taxpayers should have something to say about its operations. I do not think there is anything obnoxious about the idea that the C.B.C. should be responsible to someone for the way it conducts its business and spends the taxpayers' money.

The hon. member for Burnaby-Richmond had something to say about censoring C.B.C. We are not talking about that; we are talking about getting C.B.C. to accept a sense of responsibility. That hon. member also pointed out that there are many books on the bookstands and other types of material available which present the seamy side of life. Let me say to him that he may be right but the taxpayer is not necessarily subsidizing that type of thing. We are objecting to the fact that tax money—people are being taxed now beyond their limit—is being used in a way which will destroy the very institutions in which we believe. I do not blame the taxpayers for protesting.

For these reasons I felt I had to express the views of those with whom I have discussed this matter. I might add that they are also my views. In spite of what the hon. member for Burnaby-Richmond has said we have the right, the responsibility and the duty to represent those who have sent us to Ottawa by speaking on their behalf.

• (5:50 p.m.)

Mr. Herridge: Mr. Chairman, I want to deal with a question of policy which I think is fundamental to this clause of the bill. I came into the house yesterday and was given to understand that the hon. member for Lapointe had moved an amendment to clause 2 (b) of the bill. This is what causes me to rise today. I must say frankly that whenever the hon. member for Lapointe moves an amendment I am rather suspicious, but I found later that I had no reason to be suspicious in this instance. The hon. member moved an amendment which I think means more so far as policy in respect of private stations is concerned than anything that is now included in the bill.

I have followed the work of the committee and I want to compliment its members on the work they have done in studying this measure. They have made a careful study of the bill, have gone over it very thoroughly and have made proposals for amendments. We must realize that this committee represents the intellectual elite of the house, I am informed.

An hon. Member: That is right.

Mr. Herridge: It contains learned members of the legal profession, one of whom has been, I understand, an attorney general and would consider all measures with a fine-tooth comb. The committee also includes a very progressive member of the clergy who is

[Mr. Patterson.]

extremely interested in this type of legislation. I compliment the committee for its interest in this measure and its interest in culture generally. I pay tribute to these gentlemen for their dedication to bringing culture to the masses of the people of Canada.

Incidentally, Mr. Chairman, on reading the committee reports I found what in my opinion was an oversight on the part of the learned members of the committee. These distinguished and learned people—I use the word "learned" in respect of them although I think farmers should also be entitled to that appellation even though they only produce the food that people eat and the country depends on them—overlooked one factor in the bill. The committee voted unanimously for clause 2(b) which reads:

(b) the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada;

I have been informed that the hon. member for Lapointe moved an amendment that would substitute the word "shall" for "should". Over many years I have heard the exact meaning of words discussed in respect of legislation before the house. I am entering this debate as a person who has not had the opportunities that many other hon. members have had for education, cultural development, and so on. I am approaching this question purely as a backwoodsman, you understand, Mr. Chairman.

I referred to the dictionary to ascertain the meaning of the word "should". The two dictionaries which I consulted referred me to the word "shall" and I found in one case a column and in another a column and a half of definitions with respect to its meaning. I have heard this subject discussed on many occasions, namely, the exact meaning of the words "may", "would", "should" and "shall" and after reading the definitions I have come to the conclusion that it is very difficult to say what is the exact distinction between the words "should" and "shall".

I admit frankly that I have not had the opportunities of many distinguished gentlemen in the house, but in my opinion the word "shall" connotes more of a moral imperative than the word "should". On that account I support the hon. member for Lapointe on this occasion, though I differ with him fundamentally in his philosophy in respect of other matters. I will vote for his amendment which would substitute the word "shall" for "should".

I have got into quite a bit of trouble in this respect and can quite understand the failure more or less of this distinguished committee, comprising the hon. members I have mentioned, to pinpoint the exact definition of the word "should" and why they voted unanimously for this clause of the bill. I rise only to point out that these things can happen in a distinguished house like this and in a committee composed, as I said before, of the intellectual elite of the house.

As one who has not had their opportunities, as I have said, it is my opinion that in this case they were wrong. I expect that when the vote is taken we will find them voting to change the word "should" to "shall" because they believe, like me, that it is a greater moral imperative than "should".

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Cowan: Mr. Chairman, I was speaking about the fact that no change has been made in this proposed bill in the regulations that allow a member of the cabinet to okay the movement of a television station from one place where it is licensed to another at the whim of the cabinet member, as is now the case. I stated that the people of Toronto are watching with a very jealous eye the efforts being made to move the Barrie station into the Toronto field where it will interfere with the reception of two stations from Buffalo that are watched by a large number of Canadians day after day after day.

I believe that when a new bill such as this is being brought in, complete authority should be given to the new council and it should not be hamstrung in its decisions and activities by some saving clause, if that is the proper phrase, which allows the cabinet to override any decision it may make with regard to the granting of a licence. Clause 23 of the bill contains a side-heading which says "Setting aside or reference back to council." It gives the Governor in Council authority to set aside decisions made in respect of any broadcasting licence. The Governor in Council, of course, is nobody else than the cabinet.

The Assistant Deputy Chairman: Order. In order that the house may proceed to the consideration of private members' business it is my duty to leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Carleton (Mr. Bell), Public Service—pensions of retired civil servants—request for reconsideration of increase refusal; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—pensions of retired civil servants; the hon. member for Chapleau (Mr. Laprise), Health and Welfare—inquiry as to a campaign on the dangers of alcoholism.

It being six o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills and public bills.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, may I ask leave of the house to revert to motions?

[*English*]

Mr. Deputy Speaker: Does the house give consent to revert to motions?

Some hon. Members: Agreed.

PIPE LINES

INTERPROVINCIAL PIPE LINE COMPANY—PERMIT TO LOOP LINE VIA CHICAGO AND PORT HURON

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to inform the house that Interprovincial Pipe Line Company through its United States subsidiary, Lakehead Pipe Line Company, Inc., has received a presidential permit covering the construction of additional pipe line facilities across the international boundary.

• (6:00 p.m.)

Although Interprovincial's pipe line system was progressively built to serve the prairies and Ontario, in the course of the years the company has acquired customers in the United States extending from the Saint Paul-Minneapolis area to Buffalo, N.Y. Increasing demand in all these markets has required a substantial increase of Interprovincial's facilities. In order to meet anticipated demand in Ontario and elsewhere in 1968 and for subsequent years and to restore the reserve

capacity it normally carries for national and international purposes, the company has to undertake further expansion immediately.

In view of this further expansion Interprovincial considers it desirable to loop its facilities east of Superior, Wisconsin, south of its existing line, before re-entering Canada. The first step contemplated by Interprovincial is the construction of a 34-inch line from Superior to the Chicago area, to be completed some time in 1968.

In the near future, probably in 1969, Interprovincial will construct a 30-inch connecting line from that area to Port Huron to complete the loop. The timing of such further construction would depend on a number of matters, including the terms and conditions under which the Tecumseh and Buckeye systems are available to Interprovincial in the meantime, and the rate of growth in demand in the areas served by Interprovincial. I would expect that Interprovincial will proceed immediately to the construction of its new facilities.

The house should also be aware that the Aurora-Glacier pipe line system, which transports oil from Alberta into Montana, is currently undergoing expansion. This expansion is associated with a further presidential permit, which has been issued.

These programs of expansion of facilities were included in recent discussions on oil with the United States authorities which, as the house knows, take place periodically. These discussions and exchanges are used to explore the potential levels of our exports as well as the relationships of our two countries on oil matters generally. From these conversations come the mutual confidence which facilitates the efforts of our industry to increase exports while avoiding disruption of United States markets. The recent discussions have been no exception to this rule. An important feature contributing to the framework of agreement which came out of our meetings was the clarification that Interprovincial has planned its expansion with a view to the future as well as to immediate markets. A similar element of pre-investment is also present in the expansion program of the Aurora-Glacier system.

I am sure the house would wish to commend the industry and the pipe line companies for their initiative regarding the projects to which I have referred. They will have the effect of placing our industry in a sound position to meet the future requirements in Ontario and United States markets in an efficient and economic manner. These projects are also a manifestation of the ability of government departments and agencies on both sides of the border to resolve matters of common interest in an atmosphere of good will.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, the Canadian private company, Interprovincial Pipe Line, should be congratulated for being able to get into the Chicago market. In the first stage this will increase our exports into the market by approximately 50,000 barrels a day and it will go some way toward balancing the deficit which exists between our imports and exports, with resulting benefits to Canada's balance of payments. While welcoming this announcement there is one point I have to emphasize, namely, the fact that we still lack from the government a statement on a national oil policy. In the original oil policy statement of 1961 we declared unilaterally as the Canadian government that exports from Canada should approximate imports into the Montreal and maritime markets. That was the first principle in the national oil policy. The second principle was that our producers should be allowed to produce at their maximum rate of efficiency which should roughly equal that of the United States independent producers. The statement of 1961 succeeded in increasing our exports to a point where they almost balanced our imports.

Since 1963 there has been no statement from the government regarding the objectives which private enterprise should meet in implementing this oil policy. It must be admitted that the pressure on the United States government by independent companies in the United States to restrict their country's market has made it difficult for us to deal with that government. The Israeli-Arab war of last year broke the dike, and now I think the United States government recognizes the inherent dangers. The decisions that have been made in the last year with regard to our resources have enhanced Canada's economic position immensely.

The economics of today's announcement are sound. As Alaska oil moved into the west coast of the United States it made it more difficult for our western Canadian producers to enter the northwestern American market. So it is only natural for us to allow Alaska oil to move into the west and to move our oil into the mid-west regions of the United States. The pipe line extension from Superior to Chicago will allow us first entry into that

market through the pipe line, and the extension from Port Huron to Sarnia will assure people in Ontario that their immediate needs in the next few years will be met by this increased capacity.

From the viewpoint of a Canadian nationalist I believe that this announcement is good for Canada. As the minister said, it is also good for the United States. I believe that Canadians will have to live with the fact that if we are to get the maximum and best use of our resources we must think and talk in terms of mutual advantage to both countries. The primary rule should be that prices should be as low as possible for the consumers in all parts of North America and therefore products should move into the best markets. The midwest market is a good market for western oil.

The second rule which should be followed is that producers should be allowed to obtain the best price they can realize for their fuel in the competitive markets. The movement into this field has brought new opportunities in the last two years for Alberta, British Columbia and Saskatchewan to find markets in a natural and economic way. This move by Interprovincial Pipe Line is not only sound economically but also fits into what I conceive to be the basis of a national oil policy which the government should announce. I hope the government will take cognizance of the advice that we have been trying to give them for the last four or five years, namely, that in the interest of all Canadians and of the whole North American continent the government should periodically state its objectives in the national oil policy, keeping in mind the criteria I have mentioned.

Mr. David Lewis (York South): Mr. Speaker, I cannot be quite as lyrical about the minister's announcement as were both the minister and the hon. member for Qu'Appelle (Mr. Hamilton), not because I have any objection to an increase in our oil exports to the United States but because I have an uneasy feeling that to commend Interprovincial Pipe Line for doing something which will bring it a pretty good profit is not the work of parliament or the government. To suggest that Interprovincial Pipe Line did this for some altruistic motives seems to me to be a little wide of the mark.

However, I note, as the hon. member for Qu'Appelle said when he spoke as a Canadian nationalist, which I believe is true of all hon. members, that there is a suggestion in the statement that the purpose of this expansion is to meet the anticipated demand in Ontario and elsewhere in 1968. However, the anticipated demand in Ontario will not be met in 1968, as is pointed out in the minister's statement, but may be met in 1969 when the looping will take place.

• (6:10 p.m.)

Mr. Pepin: In the meantime, before the second phase is concluded the company will be using two networks which already exist in the United States, the Buckeye and the Tecumseh systems.

Mr. Lewis: To bring oil to Ontario?

Mr. Pepin: These systems will service the Toledo-Detroit area and could bring surplus up to Port Huron.

Mr. Lewis: I am glad to have that statement. However, this does not depend on the expansion in Ontario for which no date is given. The minister inserted in his statement the words "probably in 1969".

I think the most important point to note in this announcement, one which has been true for many years as the appendix to the copy of the statement I have in my hand points out, is that our exports over the years have been very much less than our imports and that this state of affairs will continue. What we are doing by this arrangement, which no doubt is a cartel division of markets as well as an intergovernmental understanding, is to export oil from the west through the United States and to import oil for the Montreal market and other eastern markets from Venezuela through the international oil companies.

As the table shows, Mr. Speaker, in 1966 Canada imported 596,000 barrels of oil daily and exported only 386,000 barrels daily. Whether the gap in dollar outflow compared with dollar inflow will ever be closed remains to be seen in the years ahead.

Mr. Pepin: May I ask my hon. friend to compare the growth of exports and of imports?

Mr. Lewis: I am sorry, I cannot hear the minister.

Mr. Speaker: Order. May I remind the minister that we are not debating this announcement. A statement has been made on motions and the house should not embark upon a debate.

Mr. Lewis: I was pointing out that we in Canada, it seems to me, would be a great deal better off if we were able to arrange our affairs by perhaps building a pipe line direct to Montreal, thus being much less dependent on imports of oil from other parts of the world. This is particularly so in view of the very large oil reserves that we have in our own country. I have never been able to understand why governments should greet with pleasure exports which are more than matched by imports that necessarily cost us hard currency. As I said, Mr. Speaker, I have always suspected that this is the result not of any intergovernmental good will but of the action of a cartel existing among the companies to divide up the markets in North America in the same way as internationally the same companies divide up the markets in other parts of the world.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I think this constructive measure is a step forward in the use of our tremendous natural resources. The increase in our oil exports to the United States will no doubt enable us to improve our deficit trade balance with that country.

The Montreal area, as well as other Canadian regions, should first benefit from our oil resources; however, it must be recognized that we have agreements with other countries at present and that we must transact business with them. That is probably why we are buying oil from Venezuela and from other oil producing countries.

Mr. Speaker, I believe that private enterprise shows beyond doubt that it is anxious to serve the interests of the nation even though my hon. friend for York South (Mr. Lewis) says that the companies will make profits. I believe that they will show profits and will develop our resources more profitably than any government could. In fact, their operations will be profitable, whereas a government body would show a deficit. This is shown everywhere, even in Saskatchewan where a socialist government, at one time, led the province without achieving a balanced budget.

So, I think we should congratulate private enterprise for showing initiative and developing natural resources in order to serve the best interests of the country, because it will use Canadian manpower, Canadian material, while encouraging the producers of our country.

[Mr. Speaker.]

That is why I feel that instead of minimizing and crushing private enterprise because it is making profits, a responsible government should rather help private enterprise to develop our natural resources, so that they will serve first the Canadian people, while the surplus can be exported abroad.

In this particular case, that is our petroleum exports to the United States, I am convinced that these will help us balance our trade deficit with that country.

I believe that this measure augurs well and will contribute to the welfare of the Canadian people as a whole.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on behalf of our party I should like to express our satisfaction with the announcement that has been made tonight with regard to the arrangements that have been entered into by the Interprovincial Pipe Line Company to increase their sales potential in the market south of the border. I think that one of our great handicaps in Canada has always been the problem of working against the logical direction of trade and communications by forcing upon the country as a result of its very nature an economic burden. The development outlined this evening whereby we actually reach directly south into the market in Montana and also by a much shorter route into the market in the Chicago area is good economics.

This move really does not make much difference now because I think that oil is not just a national resource but caters to an international market. If we can export our surplus oil to markets which are much closer to the source of the oil in Canada and thus use credits established thereby to supply the demands of our own markets in more distant areas, then this is a logical and sound principle to follow.

Therefore I think we should support the remarks of the minister and also those of the hon. member for Qu'Appelle (Mr. Hamilton), because this kind of arrangement is just good business for Canada not only with regard to the export of our surplus resources but also in so far as the economics of transportation and general marketing are concerned. We share the satisfaction that has been expressed with this new arrangement which Interprovincial Pipe Line has been able to effect across the border.

PRIVATE BILLS

BRITISH NORTHWESTERN INSURANCE COMPANY

The house resumed, from Thursday, November 2, consideration of the motion of Mr. Allmand for the second reading of Bill No. S-14, respecting British Northwestern Insurance Company.

Mr. Frank Howard (Skeena): Mr. Speaker, we are resuming the debate on second reading which commenced on November 2 last year. When the proceedings were interrupted at that time I had the floor and a brief recapitulation of what took place then may remind us of what we were dealing with.

• (6:20 p.m.)

The hon. member for Notre-Dame-de-Grâce (Mr. Allmand) made a brief presentation on second reading which was in keeping with the consideration this bill had been given by the banking and commerce committee of the Senate. At the end of the hour I had been referring to the international ownership of this company and the hon. member for Notre-Dame-de-Grâce, by way of clarification, said something. I did not think he should have made his remarks in the way he made them because I did not want even the briefest remark of the hon. member to close the debate. I wanted an opportunity to say something more.

I wish to read what the hon. member for Notre-Dame-de-Grâce said because, should he ever have the opportunity to close the debate on second reading, he may wish to elaborate on what he said. He said, as reported on page 3814 of *Hansard* for November 2, 1967:

> For the information of the hon. member this company is a Canadian company, originally incorporated in Manitoba in 1906, and subsequently incorporated under chapter 70 of the statutes of 1910. The original company, Eagle Star, was a British company.

My interpretation of those remarks may be wrong but I took them to mean that the British Northwestern Insurance Company, to which the hon. gentleman is referred, is a Canadian company. Later the hon. gentleman referred to Eagle Star and he said that the parent company was British.

I may have misunderstood the hon. member because I did not appreciate that British Northwestern Insurance Company was a Canadian company in the sense that it is owned and controlled in Canada by Canadians. The contrary was my understanding. I wish now to quote an extract from the proceedings before the banking and commerce committee of the Senate on June 28, 1967. The committee was considering this bill. I shall quote from page 29 of the proceedings where I find the remarks of Mr. Humphrys, the superintendent of insurance, which, incidentally, were not challenged in any way by anyone who attended that hearing.

In passing I might add that one other person spoke before the committee, a Mr. James Hugessen who is listed as a parliamentary agent. The chairman asked him if he had anything to add, to which Mr. Hugessen said, "No, Mr. Chairman, I have nothing to add." That was the extent of his evidence.

Mr. Humphrys, whose remarks were not challenged in any way, said:

> The British Northwestern Insurance Company is a federal company, having been federally incorporated in 1917, but it started earlier as a provincial company. It is owned by the Eagle Star Insurance Company, a prominent British company with world-wide interests and a very large volume of business.

I understood that only two companies were involved in this bill, the British Northwestern Insurance Company and the Eagle Star Insurance Company. One of the purposes of the bill is to change the name of British Northwestern Insurance Company to Eagle Star Insurance Company of Canada. That name would closely approximate the name of the British parent company and would bring with it all the benefits of having a similar name.

The hon. member for Notre-Dame-de-Grâce said, "this company is a Canadian company." That is without meaning. The company may have been incorporated under federal law or under the statutes of a province, but since, according to the evidence of Mr. Humphrys, it is controlled in the United Kingdom it is not a Canadian company.

When the hon. member interjected the hour had almost expired and I did not have the opportunity to pursue his remarks. At the time his comments seemed a little odd and on reading them later they still seemed odd. On November 2 I said that if the hon. member for Notre-Dame-de-Grâce wanted to interrupt me by using the procedure of asking a question I would be glad to accommodate him. But the time expired and the opportunity did not arise. It has arisen now. In any event, I hope the hon. member will wait until he has the opportunity to close the debate before taking advantage of any opportunity that may arise for him to speak.

The approach to this company ought to be the approach adopted with respect to other companies that are foreign owned and controlled and which seek to do something in this country through bills that come before this house. It is well known that the Prime Minister (Mr. Pearson) has a particular view on the question of foreign ownership. He has enunciated it in the past. He was speaking as Prime Minister and not as a private individual and his remarks carried the force of the government itself. He said that the Canadian government is partial to the promotion of Canadian ownership of our resources and wealth.

• (6:30 p.m.)

I believe that as long as the present Prime Minister (Mr. Pearson) remains in office this will be the view taken by the government. But this stand may change early in April, on the 10th or the 11th, or some such date, and it may be that tthe new prime minister will not share this opinion. Incidentally, the new prime minister may not even be able to sit in the House of Commons for some time after that date. He may decide that the sources from which he derived the support which enabled him to assume office were such that he ought to take a more tolerant view regarding this question of the control of insurance and other companies. However, for the time being we must abide by the attitude which the present Prime Minister takes toward this question of foreign ownership, an approach which the hon. gentleman who used to be minister of finance—I do not recall his present office—also used to adopt.

Some years ago this parliament enacted as law certain alterations to the legislation governing insurance companies, requiring that some of these companies, depending upon the date of their formation, must be Canadian owned rather than foreign owned or foreign dominated. Thus the Canadian parliament itself has taken a stand on this question of Canadian ownership.

In my opinion, this reflects the feelings of Canadians themselves. I should like to point out that there is a mechanism by means of which the British Northwestern Insurance Company could bring itself within the purview of public law and establish itself as a Canadian company in a true sense. This mechanism was used voluntarily by the United Investment Life Assurance Company which earlier had a bill before this house and which is currently before the Senate. The company came to parliament and said voluntarily that it desired to become a full Canadian corporate citizen, even though the original bill for which it had petitioned contained no such provision. That company, therefore, proposed in a memorandum to the committee which considered the legislation that within two years of the commencement of business it would make a public offering to Canadian residents of a sufficient number of shares to bring its share ownership to below 75 per cent. I relate this, though it applies to an entirely different bill, merely because the relevant wording could be extracted and incorporated in the bill now before us by a simple process of substitution.

Mr. Speaker, I do not think I should proceed any further until there is a quorum in the house.

Mr. Speaker: The hon. member's time has expired.

Mr. T. S. Barnett (Comox-Alberni): Despite the public position of the present Prime Minister (Mr. Pearson) with regard to the question of the ownership of business and natural resources in Canada, it does seem to me that Canadians continue to indulge a predilection for shipping out not only our resources but our money in the delusion that we shall thereby continue in a state of prosperity and economic well-being.

Mr. Peters: There is no quorum, Mr. Speaker.

Mr. Barnett: It has been drawn to my attention informally that the attendance is somewhat below that called for by the rules. I am not raising this as a point of order but merely by way of comment, because I think the bill before us is an indication of the Canadian predilection to which I have referred.

This measure appears to have a double purpose. According to the explanatory notes, one of them is to change the name of the company and the other is to expand the capital stock of the company. I have decided to address my remarks largely to the second purpose, the proposal to expand the capital stock.

This is a proposal brought before us by what is, as my hon. friend has pointed out, a foreign company despite the fact that it is legally incorporated as a Canadian firm. In these circumstances I suggest it is a matter worthy of careful consideration by hon. members before they decide whether or not the bill should be approved. The proposal here is

to raise the number of shares from 50,000 to 125,000, each having a par value of $40. This represents a substantial expansion. What does it mean in practical terms?

• (6:40 p.m.)

It means that any of the surplus which may come into the till as the result of these operations, presumably expanded operations because of the proposal to enlarge the scope of the company and its capital stock, will represent an additional amount of the savings of the Canadian people to be siphoned abroad. From time to time, I and some of my colleagues have attempted to argue in connection with certain other bills that to assent to such a proposition is clearly to aggravate what is already an unfortunate situation so far as the Canadian economy and people are concerned. We have said that far from approving any expansion of private insurance companies in this country, parliament should be taking a stand to call a halt to that expansion. Increasingly, the kind of operations they conduct are an unnecessary and wasteful appendage to the economy of the country.

We have had debates in this house about the expansion of public pension plans. The Canada Pension Plan is a good case in point. During those debates some of us became increasingly aware of the source from which the major opposition to any such plan was stemming. Among other sources, it was coming from the private insurance interests in Canada. On the one hand we have parliament, rather painfully and slowly, struggling to implement measures that will serve the common good of all the Canadian people, and on the other we are being asked to approve and pass bills of this nature which strengthen the hand of the very economic and financial interests that have been seeking to slow down and prevent the enactment of laws to provide adequate public insurance programs.

If I understand correctly the evidence given before the Senate banking and commerce committee, this company operates largely in the field of automobile insurance. It is not in the life insurance business. We do not have across this land any adequate system of public coverage for the hazards of automobile operation, hazards both to the owners and to pedestrians. I believe this is the direction in which we should be moving rather than lending our approval to giving added power and strength to private automobile insurance interests which, in my view, have been conducting a very expensive and wasteful operation in so far as providing protection is concerned.

I find it astonishing that members who support the government, and after all this is the government that sponsored the Canada Pension Plan measure, can reconcile their positions in acting as sponsors of bills of this nature with their support of measures such as the Canada Pension Plan. These measures have the support of other members of the house but they like to laud them as accomplishments of the party to which they belong. It is time we made up our minds about which direction we are going to move, whether we are to continue the aimless expansion and multiplication of these private insurance companies, placing increased economic power in their hands with which to further their industry, politically and otherwise, or whether we are going to put a halt to that trend. One of the ways in which we can put a halt to that trend is to refuse to pass bills allowing these companies to expand and increase their powers.

This becomes all the more pointed when we realize that we are placing this power in the hands of financial interests that lie beyond the borders of our country.

Mr. Allmand: Would the hon. member permit a question?

Mr. Barnett: Certainly.

Mr. Allmand: Does the hon. member realize that the purpose of this bill is to replace four insurance companies, which belong to the same group, with one insurance company? Three of the companies were fully British companies, whereas the one that will replace the four is a Canadian company, although it is partly British owned.

Mr. Barnett: I am not sure I am in a position to answer completely the hon. member's question. He may have information concerning this proposal which I do not have. In his introductory remarks he did not cover the question which he has asked me, and I have not found an answer to it in the evidence given to the banking and commerce committee of the Senate. In fact, my reading of the brief bit of evidence given to that committee indicates that this company, leaving aside the question of the juggling of various corporations, will remain a company owned and controlled by a large British insurance firm or complex of firms.

I cannot see that the point the hon. member has raised in any way alters the validity of

the argument that I have been making. I am not quite certain whether the hon. member is suggesting that this increased capitalization is simply to enable one company to take over the stock of others. If that is the point he is driving at, it is not made clear in the evidence given to the Senate committee. The explanatory notes say that one of the purposes of the bill is to change the capital stock from 50,000 shares, with a total value of $2 million, to 125,000 shares with a total value of $5 million. That is a very substantial expansion of the capital stock of the company, two and a half times an increase in valuation and number of shares. In any event, whether or not that is the case the basic argument I am making still stands.

In my view it is not in the public interest to pass measures to enable private insurance companies to expand and multiply the fields of their operation, as we have been asked to do by this and a veritable barrage of other bills in recent months and years.

I am trying to say something which I have not said before. The facts of the matter are that within the tussle for the Canadian savings dollar it is becoming increasingly evident that there is a real conflict between what is in the public interest and what is in the interest of a few private and special financial corporations, corporations increasingly owned and controlled outside of our borders. The latter is an undesirable trend, and this parliament should say so in no uncertain terms.

• (6:50 p.m.)

We must recognize that in a sense this is a political battle which has never clearly emerged on the floor of this chamber. Nevertheless, one has only to read the type of briefs and documents which reach our offices in periods when we have measures before us like the Canada Pension Plan to realize where much of the strength of the opposition to the idea of the expansion of public insurance is, and where the real opposition is to the channelling of the savings of the Canadian people into socially desirable programs. We have had statements made on motions by the Minister of Finance concerning the problem of protecting the Canadian dollar. Yet, so often in this hour we are asked to approve measures which in the long run will simply compound the problems which any minister of finance in this country will have to face in the future.

We say it is important that this measure not be slipped through in this hour of our proceedings because it would have the effect of negating some of the efforts which may from time to time be made as a matter of public policy to preserve and strengthen the financial position of the country. We believe that the one cannot be separated from the other. Even though these bills are brought in under the guise of private bills during the period which is referred to as private members' hour, it is my contention that basically we are here to enhance and protect the interests of the ordinary people of Canada. This is the point of view to which we should address ourselves when proposals of this kind come forward. I do not believe this should be regarded as a place to which any private interest can come and expect to get placid and tacit consent by members of parliament to proposals which would enhance their interests at the expense of the ordinary citizens of Canada.

These private bills, as I have seen them go through this house from session to session, have had a lasting effect upon the real nature of the economy of this country. I do not believe the implications which are inherent in these proposals should be ignored by this house to the extent they often are. This attitude is often indicated by the kind of attendance we have in the house when these matters are considered. I believe we should serve notice—at least I am prepared to do so—that there are some members in this parliament who are not prepared to bow down three times whenever an insurance company decides it wishes to do something in this country. We should make it clear we do not intend to continue to silently accept their sabotage, which is going on behind the scenes, of measures which will really enhance the position of the Canadian people. These are the types of road blocks which stand in the way of real social advances, and which these people manage to establish through their propaganda as well as in other ways.

This is something which disturbs me most deeply. I know we could have had a Canada pension plan which would have been much more adequate than the one now on the statute books had these companies not been so successful in pulling the strings behind the scenes to prevent this kind of a plan. Therefore, while some people allege privately if not on the floor of the house that this is an obstructive exercise, I should like to tell you that so far as I am concerned this is a constructive exercise. It is an effort to persuade this parliament that it is about time we took notice of what is being slipped through during these private members' hours. It is about time we started putting the interests of our

people before the private interests of foreign insurance companies.

I believe this bill, with its proposed terms, is a very good example of how we can continue this process that is working against the interests of our constituents. We should be prepared to take a stand and say that it will go on no longer. I am not suggesting that this company or any one of these companies should be expropriated or put out of business. I am saying, however, that this kind of wasteful approach to the whole field of insurance should be stopped where it is, and that from now on we should agree that public insurance can be provided much more economically and much more effectively than insurance has been provided in the past by virtue of the laws enabling these companies to operate and to expand.

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like a little more time, but I see that the time is limited. I should like to ask one question of the sponsor of this bill. In a question put to the hon. member for Comox-Alberni (Mr. Barnett) he made a statement concerning the disposition of the four companies forming the one company. Although I do not see any reference to that situation in the report of the standing committee, if that is true then I would assume, as sponsor of the bill, he is willing to explain what has happened to the other three companies. The company which we are now being asked to incorporate originally was a holding company. Northwestern Finance was the holding company and this company held the other two companies, the Security National Insurance and British Crown Insurance, in the right of the holding company. If this is so and we are now being asked to increase the capitalization of this company to $5 million, we should know how the others were purchased. If this is really the winding up of a bankruptcy, I think that aspect of it should be explained by the sponsor of the bill. I would hope that the member who raised these matters would tell us how these companies were liquidated and what the disposition of the shares has been.

Mr. Speaker: Order. The hour appointed for the consideration of private members' business has expired. The house will now resume the business that was interrupted at six o'clock.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-193, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: It being seven o'clock I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order, please. The house again in committee on Bill No. C-163, an act to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions. When the committee rose it was considering clause 2 and the amendment thereto.

On clause 2—*Broadcasting Policy for Canada.*

Mr. Cowan: Mr. Chairman, when the committee rose at six o'clock I had made some reference to the fact that in this new broadcasting bill No. C-163 the power still resides with the cabinet to override the decisions of the proposed new council, if as and when it may desire. I made particular reference to the situation existing in the Toronto-Barrie area where a tremendous uproar developed some time ago when it was ascertained by the residents of Toronto that it would be possible for one member of the cabinet only, by putting his signature on a single piece of paper, to move the Barrie station in such a direction and to such an extent that it would interfere with reception in Toronto of several very popular television stations in the Toronto area. I pointed out that there has been no change made in this regard.

Let me direct your attention to the proposal in this bill which states that the governor in council may override any decision of the council as long as it is done within 60 days and as long as the matter has been referred again to the council which has made a second report to the cabinet. However, if that council should have occasion to make a decision the cabinet does not like, arrangements can be

made to change the personnel on the council. There are many of us in this house old enough to remember the treatment by Lloyd George of the British House of Lords. When it came time to put a certain measure through the House of Lords he simply created lords right and left in order to obtain a majority in support of his own opinion.

We had a recent appointment to the B.B.G. which was very important, because after he took his seat the motion he was looking after carried by a majority of one. According to the best information available no one has denied the source of that majority, even though the motion was passed the same day as that great Liberal took his seat for the first time.

This situation has to be watched carefully. I believe there should be a change in this proposed bill regarding television and radio because the Canadian public is not satisfied with the situation as it is today. A license can be granted to a t.v. station operator to set up business in a certain town. An amendment to that license can be made by the council if it is desired. Why can a license not be granted for a specific point and for that point only? I have been active for many years in the newspaper business. The newspapers I was connected with were always associated with the Canadian Press. The Canadian Press is a co-operative news gathering organization, but I can assure you that when the Canadian Press granted membership to a new applicant at some place where a new daily paper was to be established that did not give the new member the opportunity to move to any other city in Canada he thought would offer him a better financial return than the place from which he made his application. If a t.v. station operator has applied for a license to go into a certain centre and a licence is granted, there should not be any clause which would make it possible for that operator to move that t.v. station elsewhere, if, as and when he decided to do so. This should not be possible as the result only of obtaining the assent of the cabinet or the proposed new council for radio and television. Such a decision can be made at a meeting in secret. As I indicated to you before six o'clock, meetings do not have to be held in public if the executive committee decides there is no necessity.

Before moving on to the proposed method of financing the C.B.C. on the basis of five year grabs, I should like to refer to a portion of the white paper in relation to multiple ownership of mass media in any one community. I read to you from page ten of the 1966 white paper on broadcasting. On page 12 we have a section headed "Ownership of Canadian facilities". It reads in part:

> Within Canada, ownership or control of one medium of communication by another is equally a matter of concern if it tends to develop into a monopoly. There is a growing number of cases where either ownership or control extends to both the local newspapers and the local radio or television facilities. The Board of Broadcast Governors will be required to investigate and report on public complaints or representations about situations of this kind.

Let me point out that there is one city in this Dominion of Canada where the newspaper and the television station are owned by one organization. This is a monopoly situation if there ever was one. I am not going to attack that monopoly situation on the ground that it is inimical to the public interest. However, when people have applied for a C.A.T.V. licence to enter the area served by the monopoly, the newspaper and television station owner—and incidentally the radio station owner as well—they have been told that this would inhibit the establishment of a second television facility in that area. Here is a prima facie case where businessmen have offered competition to a monopoly situation involving the local newspaper, radio and television stations yet the Board of Broadcast Governors say no, you cannot go in there and offer competitive service because this would inhibit the possibility of an alternative t.v. station being erected there.

The white paper was prepared by the cabinet, make no mistake about that. The white paper, says the governor will look into monopoly situations. They should, particularly in relation to a C.A.T.V. application for a license to open a station to break a monopoly situation. Yet any one who makes such an application is informed that he can not do that; he simply can not do that.

• (8:10 p.m.)

They are fine sounding words in the white paper, but I say that actions speak louder than words. The action in refusing a C.A.T.V. applicant permission to enter a monopoly area indicates more forcibly what the cabinet desires to do than any words that may be found in the white paper or in any broadcasting committee report, I can assure you.

Before leaving the subject of C.A.T.V for a moment I should like to refer to the remarks

of the hon. Secretary of State on November 1, 1967, to be found on page 3749 of *Hansard:*

> Provision is made for the exemption of certain classes of community antenna from the licensing requirements, for example, the roof-top antenna on an apartment block—

I ask you, if the roof-top antenna on an apartment block, which is nothing more or less than a community antenna system, is not going to require a licence why do they have to have licences for other forms of community antenna systems? As most of you are aware, I represent a Toronto riding. I have been a resident of Toronto for over 50 years. I think it is absolutely amazing that the cabinet will make the statement, through the Secretary of State, that no licence will be required for a roof-top antenna on an apartment block, but other forms of C.A.T.V. operations must have a licence.

I point out, too, that no licence is required for a roof-top antenna to serve a hotel the size of the Royal York hotel in Toronto, which has a community antenna pure and simple. But if there is a real estate subdivision anywhere in Canada that wishes to put in a community antenna in order to bring in the largest possible number of stations to the people living in the real estate subdivision, they will have to apply to this new radio television council for a licence. How ridiculous can you be? You do not need a licence to have a roof-top antenna on a 24-floor apartment block such as stands across the Humber river from my home in the riding of York-Humber. You do not need a licence for a community antenna to service the Royal York hotel, the King Edward hotel or the Westbury hotel. But if the owners of a real estate subdivision desire to put up a community antenna and bury the wires underneath the ground so that every house will not have an antenna above it picking up the individual family reception, they have to apply for a licence, which may be refused by the Board of Broadcast Governors or this proposed new council.

It cannot be right that hotels and apartment blocks do not need a licence for their community antenna systems, whereas real estate subdividers will have to apply for a licence in order to service the homes in the subdivision. If a town wants C.A.T.V., the operator there must apply for a licence. I guess the best way to get a C.A.T.V. licence in Napanee, Prescott and Gananoque would be to erect a hotel consisting of a couple of floors and put in a community antenna system.

I was quite interested when a member of the house last night came to me and talked about C.A.T.V. I said I had never subscribed to it until about two weeks ago. The reason I now subscribe to the C.A.T.V. system is this: I did not really need it, because I was getting a clear enough picture on black and white television, but when I secured a coloured television set—by the way, my wife and I paid for it ourselves; the C.B.C. did not pay for it—I decided to have C.A.T.V. installation in order to get a clearer picture on the coloured television set.

The member of the House of Commons who spoke to me last night said that he does not believe the freedom of the individual is being interfered with by the necessity of securing a licence for C.A.T.V. He expressed resentment to me because I get the C.A.T.V. service from the antenna on top of the Old Mill Towers. He said it is okay for the Old Mill Towers, a 24-floor apartment house, to pick the signals out of the air and transmit them to the apartment dwellers on the 24 floors, but he expressed resentment at the fact that man has a licence to service an area of about a square mile around the Old Mill Towers. He expressed resentment at private homes within a mile of Old Mill Towers receiving C.A.T.V., although it was all right to give it to the apartment dwellers. It was a member of the House of Commons who expressed that resentment last night, much to my surprise.

While we are speaking about the heart of the matter, which is clause 2 of this Bill No. C-163, I want to make some references to the proposed method of financing this octopus which has the country in its grip. In the relevant clauses of the proposed legislation it is stated definitely as follows:

> Upon the coming into force of this act and every fifth year thereafter, the corporation shall submit to the minister for submission to the governor in council a five-year capital program proposed by the corporation together with a forecast of the effect of the program on the corporation's operating requirements.

No one can quarrel with the desire to have a five year capital expenditure program submitted by the corporation to the cabinet, because you cannot make large capital expenditures within a 12 month period; capital expenditures, generally speaking, are for long range programs. But I cannot for one single moment support subclause 2 of the financing operation of the corporation which suggests to this parliament that:

> Upon the coming into force of this act and every fifth year thereafter, the corporation shall submit

to the minister an operating budget for the next ensuing five financial years of the corporation for approval by the governor in council on the recommendation of the minister and the treasury board, and the minister shall lay before parliament each such operating budget of the corporation as approved by the governor in council within 15 days after the approval thereof or, if parliament is not then sitting, on any of the first 15 days next thereafter that parliament is sitting.

This simply means that the C.B.C. is to be given their money in five year grabs. Mr. Chairman and members of the Canadian House of Commons, this to me is an absolute denial of democracy. It is a denial of democracy because the control of public expenditure and taxation is at the heart of the parliamentary system and its origins are deeply rooted in history. The evolution of the British constitution was largely influenced by the fundamental principle that no taxes should be levied and no public revenues disbursed without the prior approval of the representatives of the citizens and taxpayers in parliament assembled. This principle is so fundamental that it is impossible to assign a date to its origin.

I would point out that the practice of holding regular sessions of parliament may be said to date effectively from the passage of the Bill of Rights in 1689. The principle of granting annual appropriations can be traced back in more rudimentary form to the parliaments of the Stuart kings. Prior to 1641 Charles I governed for 11 years without summoning a parliament. It was to resist these illegal exactions that the House of Commons, whenever there was a parliament in existence, would insist on an annual review of certain grants. I ask you, Mr. Chairman, what is the reason for calling parliament back once a year if we are going to give this crown corporation their money in five year grabs?

The explanation was given to us in the committee on broadcasting, films and assistance to the arts that the C.B.C. wanted to get their money in five-year grabs so they would not have to come to parliament and ask for the money every 12 months; it was said this would interfere with the even tenor of their acts. A further study of the matter disclosed the point that in 1957, under the St. Laurent administration, there was established by the parliament of Canada the Canada Council. Before the creation of the Canada Council, you may remember, certain great windfalls came to the dominion in the form of succession duties on two vast Canadian estates which were assigned to the Canada Council over a ten year period. I have read the discussion and observed the fact that parliament was being circumvented by this ten-year plan for the Canada Council. I refer to the discussion that took place in 1957.

[Mr. Cowan.]

• (8:20 p.m.)

I am glad to see that the hon. member for Cariboo is in the house tonight because I should like to pay tribute to him for the stand he took in February of 1957, almost 11 years ago, against money being voted by parliament on a ten year basis. He mentioned the fact that money should not be voted for a longer term than one year and that each year parliament should impose the necessary taxes and allocate funds to the departments requiring finance. I should like to refer in more detail to the statements of the hon. member for Cariboo. They make very interesting reading at this time when there is an effort afoot to allocate money to the C.B.C. in five year grants. I tell you, gentlemen, if the C.B.C. can foretell what will happen in five years' time, they should be running the country. Let me point out that this past Sunday the Prime Minister of Canada himself, speaking in Winnipeg, pointed out that there are unhappy signs of difficulties ahead. He said that prices and the danger of inflation are a major problem and that the government has begun to tackle it. The *Globe and Mail* of January 22 contained the following report:

Canada's dollar remains strong, although there are unhappy signs of a weakening in international economic co-operation, Prime Minister Lester Pearson told western Liberals here yesterday.

Then we have the comments of the Minister of Trade and Commerce in his year end review of Canada's economy in 1967 and outlook for 1968. The minister, who is a master at his job, said the following:

In Canada, economic activity has continued to expand, but at a reduced pace.... But more than half of this increase reflects higher prices.

Then, he pointed out that:

Above average wheat crops, particularly in the main importing countries, have brought about a pronounced softening in the world wheat market in the latter part of 1967.

The C.B.C. of course will be able to foretell whether or not there will be above average wheat crops in other parts of the world thus affecting Canadian wheat sales from year to year, and therefore we should give them their money in five year grants.

Then, the Minister of Trade and Commerce went on to say:

There are, however, other, less salutary, developments in the economy which, unless checked, could reverse this favourable trend in our payments position and undermine the very basis of our current prosperity.

The minister has his feet on the ground. He knows no man can look into the future five years ahead. It is a fortunate man who can look 12 months ahead. He went on to say:

Nor can the momentum toward freer world trade be allowed to subside.

He issued his statement in December and already in January we are concerned about the protective policies which are developing in various nations of the world. We cannot foretell which country will raise barriers against us at any one time, but the C.B.C. management maintain they can foretell five years ahead what will happen, despite rising costs, despite inflation, and despite above average wheat crops in other parts of the world. The C.B.C. knows what will happen. They can tell us five years in advance what they will want, and we are supposed to pay them the money without any discussion during the five year period.

The following is a quotation by the hon. member for Cariboo of what Hon. Louis St. Laurent said on the establishment of the Canada Council:

It was for the purpose of creating this body in such a way that it would not be subject to frequent pressures in the allocation of the funds which would be placed at its disposal.

This simply means that Mr. St. Laurent did not want the Canada Council coming to parliament once every 12 months to ask for additional funds. He referred to it as being "subject to frequent pressures in the allocation of funds". This is a nice way of speaking of annual grants by the parliament of Canada to which men and women are elected to look after the best interests of the taxpayers. As the hon. member for Cariboo said in February of 1957:

—I think it is a reflection on any government, ...to make the suggestion he did, namely that someone who is going to follow is not going to be as true to his country as the Prime Minister himself is.

If the C.B.C. cannot trust the parliaments which will be elected in the future to do the proper thing year by year, then we need somebody in the C.B.C. with a little trust and faith in the elected members of this house.

To show hon. members how impossible it is even for the C.B.C. to forecast the future I will quote from page 4905 of *Hansard* of November 30, 1967, when the Minister of Finance introduced his mini budget. He spoke at that time about the changes that had taken place since June when he brought in the first budget. He referred to the financial changes which had taken place in the previous five months. Yet the C.B.C. can foretell five years ahead what they will require. They want us to hand them over the money and to ask them for an explanation only once every five years. On November 30, the Minister of Finance said the following:

The fiscal restraints that are essential now may limit somewhat the increase in our production next year but such a limitation now is far better than a serious recession later... This is a case where the proverbial ounce of prevention now is far preferable to a pound of cure later.

He then spoke of:

—the unacceptably high rate at which prices and costs are increasing, including wage settlements.

He referred to cost increases and said:

—in the expectation that their money over the years will maintain its real value.

Then he gave the back of his hand to the Carter report by stating:

The commission was designing a system to yield a revenue comparable to that of 1964. Clearly we will need a tax system in 1969 and subsequently which will produce more revenues than that of 1964—

If the Carter commission could not foretell the financial future of the country, I can assure the house that I have no confidence in the ability of the C.B.C. management to forecast its financial requirements five years ahead. We must have an annual accounting as called for by the present Broadcasting Act. Section 35(1) of the 1958 Broadcasting Act reads:

The minister shall annually lay before parliament a capital budget and an operating budget for the next ensuing financial year of the corporation, approved by the governor in council on the recommendation of the minister and the Minister of Finance.

Subsection (2) reads:

Within one year after the coming into force of this act and every fifth year thereafter the corporation shall submit to the minister and the Minister of Finance for submission to the Governor in Council a five year capital program.

The present Broadcasting Act calls for annual operating budgets but a five year capital budget. The proposed bill now before us calls for a five year capital budget, which is quite satisfactory to me and a five year operating budget. The new bill should call for an

annual operating budget because I say to you, gentlemen, that the absence of responsibility is the mother of extravagance. We are told that we should have confidence in the C.B.C., but they cannot foretell five years in advance how much money they will need.

The Ottawa *Citizen* for Wednesday, December 20, contained the following item:

> The controversial film "Waiting for Caroline" cost nearly $200,000 more than first budget estimates.
>
> This information came to the Senate on Tuesday in response to a question from Senator Edgar Fournier (P.C.—Restigouche-Madawaska).
>
> The film, estimated to cost $319,768.58, wound up costing $511,252.36, divided equally between the C.B.C. and the National Film Board.

I went to the trouble of ascertaining by how wide a margin the C.B.C. missed the mark in its estimated budget for this film. The budget was for $319,768.58. It had cost $511,252.36. The discrepancy was 59 per cent. The total cost was 159 per cent of the budget, or an excess of 59 per cent. I should like to advise the house that, using mathematical calculations, if the C.B.C. cannot estimate the cost that it is engendering any closer than within a margin of 59 per cent, what will happen if we give them their money in five year grants? If one takes 159 per cent as the normal performance of the C.B.C., and I am not far wrong in taking that particular figure as typical of the C.B.C., one would find that if we gave them the money for five years their mistake of 59 per cent would mean that after 37 months and 23 days they would have spent all the money and after a little more than three years they would be out of funds. Back they would come to parliament stating: "We have made a miscalculation of the funds and want more money".

• (8:30 p.m.)

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has now expired.

Mr. Korchinski: Mr. Chairman, I was rather hesitant at rising at this stage of the proceedings because I question the value of suggestions that are put forward at this stage. However, some of the suggestions I wish to make in my presentation may be of such a nature that something can be done to implement them. I mention this because I wonder whether there can be many major changes in the drafting of this bill before it finally passes parliament, if it does.

I venture to suggest to the minister at this point that in the few months remaining until the new leader of the government is appointed she temper her remarks so that the new management of the C.B.C. might be given the opportunity to prove its value, if such is the case.

One suggestion I should like to leave at this point of the proceedings and which applies to broadcasting generally concerns the programming of the C.B.C. about which there has been wide criticism from the public at large. People feel that in many cases the C.B.C. programming is demoralizing, deceitful and degrading. This is not criticism that is levelled by church groups or organizations which seek to provide us with some sort of standard of values in this country; this is criticism that has come from parents as well as from young people.

We have from time to time passed legislation relating to pornography, and this subject is also occasionally touched on by the C.B.C. in its television broadcasting. If magazines or books are published in contravention of such legislation, then they should be withdrawn or action taken.

Some producers produce programs with only one idea in mind, namely their self-promotion. In such cases, I think it would be in the public interest to stipulate in their contracts that if after consultation with the management and board of directors of the C.B.C. they are of the opinion that certain programs of this type were detrimental to the moral health of the country, the contracts of these producers could be terminated. A provision could be written into the contract to safeguard the producer's interest, but I think that some action along this line is necessary. I do not think that the public in general should be subjected to this type of program whether they want it or not. Although this criticism is mainly directed at the C.B.C., it could also apply to private broadcasters. That is all I have to say on that point. I do not want to spend more time than is necessary briefly to state the case.

I am also opposed to another provision in the bill, which incidentally has been embodied in other legislation. I am referring to the appointment of the president, which is now a thing of the past. I do not think that such appointments should be made for a period longer than four years. If at the end of the four year period the incumbent has been satisfactory he could be reappointed. In the case of a man who has proved his value I do not think there would be any danger of the government suddenly dismissing him and trying to find somebody to take his place.

In my opinion this would provide some recourse to the government if the management of the C.B.C. were unable to apply themselves to the promotion of the type of programming that was considered desirable.

I would join other speakers in voicing my objection to the five year period for capital programming. I cannot imagine anything more undesirable than perpetuating the type of financing of the C.B.C. that has been the case heretofore and which has been progressively increasing in amount year by year.

In this connection, one has only to look back to previous broadcasting reports and to the report of the Gordon commission to find how sadly underestimated were the financial requirements of broadcasting, and this following upon what I believe was a very carefull study of broadcasting needs. I do not think that the government should be obligated to carry on mistakes in this area which may have been made by its predecessor or by a former leader of the party.

The government is presently attempting to impose an austerity program on the country. This it cannot do if it continues to hand over sizeable amounts to the C.B.C. which are in the interest neither of the public nor the government. I suggest that the financial provisions in the bill should be re-examined. Parliament has never turned down any budgetary plans that were reasonable. However, I do not believe that the public will tolerate the present situation, and I do not think we would be doing our duty if we were not to record our opposition to this particular type of financing.

With regard to capital expenditure, it is regrettable that many fringe areas in the country at the present time are not receiving service and are sadly neglected. I remember asking a question on this on March 9, 1966, and I was told that at that time the total number of people without television in Newfoundland was 83,600; in Prince Edward Island 10,300; in Nova Scotia 8,600; in New Brunswick 11,100; in Quebec 82,300; in Ontario 85,000; in Manitoba 71,300; in my own province of Saskatchewan 169,300; in Alberta 88,000, and in British Columbia 111,800. There are many areas of the country which are well served with facilities. I know the demand is great, but we should not ignore these people entirely.

• (8:40 p.m.)

One need only look at the expenditures which have been made on fringe areas to realize what has happened. The information I am about to give to the committee was supplied to me by the C.B.C. At the end of March, $1,700,000 had been spent specifically for the extension of coverage into those areas which might be considered fringe areas. In 1964, $733,000 was spent; in 1965, $1,400,000 was spent; in 1966, $2,700,000, was spent and in 1967, $2,200,000 was spent. As against that, in 1967 alone $10 million was spent for colour television facilities. I understand that that was a special expenditure. Nevertheless, the question is often asked why, after a five year period, only approximately $8 million has been spent in developing coverage for fringe areas, as against the $10 million which was spent for colour television facilities in one year. Such expenditure does not constitute a proper management of funds and shows a complete disregard for those in the fringe areas.

In future, I submit, between 15 to 20 per cent of capital expenditures should be earmarked specifically for our fringe areas. In this way our entire population will come to understand what national unity is. The people in some areas of Canada have grown up with television, but in other areas they have not. Sometimes the television that has been provided has been difficult to view. That this situation is allowed to exist some of our people think is inequitable, it should be corrected.

The question of satellite broadcasting has not even been touched in this bill. I cannot understand why such a supposedly far reaching bill should ignore the question of satellite broadcasting. I submit that under the broadcasting bill we should set up an agency which should look into the entire question of satellite broadcasting and co-ordinate all the preliminary work that may be necessary to bring about such a far reaching innovation as broadcasting via satellite.

We know what is going on between Quebec and France. Satellite television is not something that is in somebody's imagination, something that we shall not see for the next 20 years. Satellite television is a present day reality and this bill ought to make provision for this country to control the space above it from which a satellite might beam broadcasts. We might launch a satellite in orbit. In any event, I think we should try to protect ourselves, because other countries are looking at space.

Do we want satellite transmissions to be controlled by private or public agencies? That

is a question we must ask ourselves and that is the question which this bill should clarify. But this bill does nothing like that. At present the initiative in this field comes from private industry. The question that Canadians generally may ask themselves is: is it necessary to have a Canadian Broadcasting Corporation at all?

An hon. Member: Yes.

Mr. Korchinski: If the answer is yes, as an hon. member suggests, I submit that it is necessary for us to examine the entire question of transmission by satellite. If it is necessary to have a C.B.C. then, I say, the C.B.C. should be charged with the responsibility, at this stage of our proceedings, of examining that question. This bill ought to set up the machinery which would guarantee that the C.B.C. will be able to use our space in the near future.

We should reserve Canada's space for Canada. We should share it, rent it or sell it if we do not want it, but we should reserve our right to our space and that space ought to be disposed of in a way which will be good for Canada. Another country should not be allowed to reserve our space; we should not put ourselves in the position of having to go to someone else, hat in hand, asking for permission to use our space.

There are many difficulties to setting up orbiting satellites. We may have the know-how, but we do not have the resources to do it. I think that all these questions should be worked out by an agency that ought to be established by the present bill. I do not believe that this bill ought to be amended in one or two years. If it is left in its present form I see no alternative to our coming back to amend it. Should that happen, we shall have been very shortsighted.

Mr. Leboe: Mr. Chairman, I want to say a few things only about the broadcasting bill. First, I wish to add my voice to those who have previously spoken in criticism of some C.B.C. productions. I think we should look to some other body than the C.B.C. for productions that are suitable to be televised. Some independent body ought to make these productions and sell them. I am referring to feature films and not to those productions that are made to be released almost immediately, news interviews and so on. Provision ought to be made for some industry which would make films for sale to television operators.

Then, the C.B.C., C.T.V. and other broadcasting networks could buy or rent those productions; in that way, by having available productions which are produced at competitive prices, we should escape the criticisms which are directed at the C.B.C. in connection with its productions. Those criticisms are very serious indeed.

One of my main reasons for rising is that I want to make another plea for the extension of broadcasting facilities in the northern areas of Canada. It is incredible that out of a budget of from $140 million to $170 million we should quibble about the $200,000 to $250,000 which would provide the complete establishment of television facilities throughout the entire northern parts of our provinces.

Hon. members of the house may be surprised at this, but the cost of translators for television broadcasts is very, very minor indeed. You can set up a minor broadcasting or relay station, with a translator, for as little as $3,500. That station can pick up signals from the air. Bear in mind that modern facilities for scrubbing certain signals exist. It has been said to me by engineers that a signal can be transmitted from Vancouver, through a translator, to the Prince George district of British Columbia and that the signal there will be stronger and clearer than the signal which is received by sets in the city of Vancouver from the local broadcasting station.

• (8:50 p.m.)

The reason is that there is a lot of local interference in the city; those who live right in the city do not get as good a signal as that transmitted 500 miles through the relay to the outskirts of Vancouver where there is little interference. This proves that the ability to use translators to bring a signal into the far reaches of the north is ours for the taking, and I emphasize once again that an expenditure of a quarter of a million dollars out of a budget running as high as $170 million seems like peanuts when one considers the result that could be achieved.

The prime purpose of the C.B.C. was to bring broadcasting, whether radio or television, to regions where it would be uneconomic for private enterprise to provide it. This is spelled out in the new bill. I must say I was pleased to receive a letter from the minister in which I was informed it was government policy to give priority to bringing signals to these outlying areas. I must say I am interested in having these signals made available free to all who live in such areas.

Why should people in Valemount in my constituency have to make payments every month in order to get television of sorts, in addition to providing funds for the transmitter? It does not make sense. Everyone else gets free television. Think of the millions being spent by the C.B.C. to wean Canadian business away from United States stations. Well, there are people in the north who still do not have transmissions of any kind available to them, though the provision of a signal would involve a paltry sum of between $3,500 and $7,000.

The C.B.C. comes cap in hand asking for a five-year budget as far as operating expenditures are concerned. I cannot find words strong enough to denounce a policy which allows the C.B.C. a five year budget. What in the world is this parliament for if it is not to scrutinize expenditures of this type and see whether or not we are getting value for the money spent? I recall the years gone by when no broadcasting committee was set up and when we were unable to examine the affairs of the C.B.C. in any effective way. I should like to see the broadcasting committee meet every year, with a report from the management before it for discussion as is the case with any other Crown corporation, and the C.B.C. getting money on the basis of its performance.

Nothing could be more appalling than that the government of Canada should even consider allowing a five year budget. There is not a businessman in Canada of any experience who would subscribe to such a thing. Certainly we need some action on the part of hon. members on all sides of this house to make certain that this five year plan is put on the shelf. In this connection, we are all aware that the government is very much concerned today about the rate of government spending. If this state of affairs continues we may have to cut back the $170 million allotted to the C.B.C. as part of a deliberate program. If there is a possibility of getting ourselves into a lot of trouble in the financial world today, why should we put a glorified circle around the C.B.C.?

I, myself, am interested, of course, in plans for an airport terminal at St. George. I agree that if the government is pressed and has to reduce its spending, we shall have to be patient and wait. But why in the world should we wait for the building of an airport terminal there merely to fatten the C.B.C. with multi-millions of dollars in excess of the amount required to bring needed facilities to Prince George and the surrounding area?

• (9:00 p.m.)

In closing, I should like to say that as one who has been in business, who has had to meet a payroll and bear responsibility for production, this five year budget provision makes no sense whatever.

Mr. Cowan: When my time expired a short while ago I was referring to the clause in this proposed act which would give the C.B.C. its operating expenditures by means of a five year grant rather than through an annual grant under the present system. It is true we have never received an explanation from the C.B.C. as to how they spend their money. On the other hand, parliament does get an opportunity once a year to find out how much the C.B.C. proposes to spend in the following year, which gives a rough indication of the base they will use to exceed as the 12 months roll by. As I say, we have never succeeded in getting details of the corporation's expenses. Nevertheless, it is my belief that to give the corporation funds on which to operate for five years at a time is a denial of democracy and a mockery of parliament.

Why should we give the C.B.C. its operating budget on a five-year basis and not do the same for the department of defence? We could give the department of defence the money for a unified force in five year grants. We could do the same for the Department of Agriculture. We could give the Department of Trade and Commerce the funds it requires for five years. Then, parliament would not have to meet more than once every five years. I have already pointed out, however, that the annual meeting of parliament is something which dates back into history as far as the passage of the Bill of Rights in 1689, and indications are even further back than that. But in 1968 we find a cabinet in Canada which says it is not necessary to vote funds once a year on an annual basis; the C.B.C. would like to be treated in the same way as the Canada Council and allowed to ask for its appropriation only once every five years.

Do you realize, under the five year plan which is mentioned in this bill, that if the St. Laurent government in say, April, 1957, had given the C.B.C. its funds for five years' operating expenses the Diefenbaker administration, in its term of office from June, 1957, to March, 1958, could have done nothing with the C.B.C., even though it had been elected by the voters of Canada in June, 1957? There is a five year idea behind this suggestion in the bill. I have heard some hon. members

state that they cannot go for the five year plan but that they would go for a three year plan. They think a three year plan would be better than a five year plan. But the three year plan would also have covered the entire first administration of the Diefenbaker government, and it would have been unable to do anything with the C.B.C. during its ten months' tenure of office, because the St. Laurent government would have provided five year or three year grants in April 1957.

The first Pearson administration lasted from April, 1963, to November, 1965, a little better than two and a half years. If the three year plan, as suggested, had been in effect it might have been possible for the Diefenbaker administration, in February or March of 1963, to have voted three year's operating appropriations to the C.B.C. and the Pearson administration, in its first term, from April, 1963, to November, 1965, would not have been able to do anything with the expenses of the C.B.C. because the defeated Diefenbaker administration had voted them their three year's funds in, say, March, 1963, prior to the general election when the Diefenbaker administration was turned out of office. How ridiculous can you get?

The three year plan is not satisfactory, but let me give you the most glaring example that would have occurred under this proposed five year operating budget scheme. Under the five year budget operating scheme if the St. Laurent administration in, say, May of 1957 had voted five years' funds to the C.B.C. then the C.B.C. would have been carried from May of 1957 to May of 1962, and we had the first Diefenbaker administration taking office in June, 1957. It would not have been able to do anything with the C.B.C. expenses because the C.B.C. would have been granted five years' appropriation by the St. Laurent administration prior to its defeat in June, 1957.

But worse than that, under the five year proposal contained in this bill, when the hon. Mr. Diefenbaker went to the country in March, 1958, he came back with the largest number of supporters that any party or any prime minister has ever received in the history of Canada—208 Conservative members. In a house of 265 members he had 208 seats. Now, he was in power from March, 1958 until June, 1962, with his second administration, a four year term. Do you realize that if the St. Laurent government under the proposed scheme had given the C.B.C. its five year appropriation, then from June of 1957, when Mr. Diefenbaker formed his first administration, right up to May of 1962, about which time his second administration was expiring, he would never have been able to do a thing with the C.B.C. appropriations despite the fact that in March, 1958, he came into this house with the largest number of supporters in the history of Canada, 208? With a five year appropriation for the C.B.C. passed by the St. Laurent government in May, 1957, the prime minister of Canada and his cabinet would not have been able to do anything with the expenses of the C.B.C. during his first administration from June, 1957, to March, 1958, and for the next four years in his second administration when he had 208 supporters.

What would be the use of holding elections to the House of Commons if the men elected were going to be denied the opportunity of administering the affairs of state? We are told when the budget is brought to us each year that we are in control of only a certain proportion of the total funds. We have a statement made to us that something like 35 per cent of the budget is covered by long-term debt on which we have to pay the interest and some sinking fund payments. Then, we have statutory payments set by law, such as the salaries of judges. All this comes pretty close to 50 per cent of the annual budget which the houses of parliament, the House of Commons and the Senate, cannot touch because those expenditures have been fixed for some time into the future by parliaments of the past. These are expenditures which parliaments have seen fit to take upon their shoulders, knowing them to be right, legal and above board.

If we agree to give the individual arms of government five year budget appropriations, the day will come when the annual budget will not control a single, solitary cent. The C.B.C. will say, "We have got our money for five years." The Department of Trade and Commerce will be wanting similar treatment. The C.N.R. will want similar treatment, and in no time at all the annual budget of parliament will mean nothing because we have committed ourselves to five year grants for spending the funds. This is a situation that cannot be allowed to occur, and this clause in the bill should be changed.

During the consideration of this clause of the bill in the committee on broadcasting, films and assistance to the arts, I moved that we should retain the existing section 35 of the Broadcast Act of 1958 which calls for

annual appropriations and, as I have said earlier today and I repeat again, the absence of responsibility is the mother of extravagance.

If the C.B.C. is not going to be required to come to us at least once a year and explain their actions, and explain what they hope to do in the coming 12 months, then parliament should not be meeting at all except on a once in five years basis. It makes an entire mockery of the election of members to parliament if we are not going to have the expenses of the various departments of government submitted to us annually, as has been the practice in Britain since 1689 when the Bill of Rights was passed, a practice which has been adopted in Canada.

When I expressed my opposition to this proposed five year budgetary plan in the House of Commons committee on broadcasting, films and assistance to the arts, a member of the committee gave me the very fast answer that what one parliament has done another parliament can undo, the idea being that if one parliament made a mistake the nex parliament could change it. Now, that is a very nice, glib phrase, that what one parliament has done another parliament can undo.

I would remind you, Mr. Chairman, and members of the committee, that in 1890 the British parliament ceded Heligoland to Germany by an act of parliament in exchange for the island of Zanzibar. I ask, do you think that any British parliament is going to reverse that act of 1890 and regain Heligoland for the British people once more and, in fact, give Zanzibar back to Germany? Anybody can see that glibness is the major characteristic of the phrase "What one parliament has done another parliament can undo." The ceding of Heligoland in 1890 is a good case in point.

Another one is the acknowledgement of the independence of the United States of America. The United States of America rebelled against British control in 1776. The American revolution was settled by the Treaty of Versailles of 1783. Of course the Treaty of Versailles of 1783 had to be ratified by the British parliament. Of course it was ratified by the British parliament, and is on the statute books of the British House of Commons to this day. Are you going to tell me what one parliament has done another parliament can undo, because I ask you how are we going to reverse the action of the British parliament that acknowledged the independence of the United States of America when it approved the Treaty of Versailles of 1783, after the American revolution?

We cannot undo in one parliament many things that might have been done by a prior parliament. It would be best if the members of this parliament would bear in mind that parliament can undo what another parliament has done, with limitations, but it would be much, much better if members bore in mind the statement that one parliament cannot bind another parliament. If one parliament could bind the next, why have parliament met annually? Why have parliament elected every four or five years, because if one parliament can bind the next we might as well pass all the necessary laws for the rest of time this winter and never have to come back again to consider changes in the method of living in this country. We can pass laws which we can say will be in effect for the next 75 years. I say to you that no parliament can bind a succeeding parliament. We should not be so puerile as to suggest that any branch of government should be given five years' operating expenses in five year grabs. This is simply an effort on the part of the creature of the federal parliament to get out from under the control of those people who are responsible for taxing the public of Canada in order to maintain the necessary services, of which we consider the C.B.C. to be one.

• (9:10 p.m.)

I emphasize as broadly as I can that it is ridiculous to ask parliament to bind the parliaments over the next four years to a C.B.C. operating budget. I have already explained how, if this had been in effect in May 1957, the hands of the newly elected Diefenbaker government in June 1957 would have been tied and how the hands of the second Diefenbaker administration in March 31, 1958 would have been tied. What would be the use of holding elections at all? Why ask the people to vote if when the elected representatives get to Ottawa they cannot do anything about the expenses of the government agencies because it has already been agreed that the C.B.C. shall have its money in five year grabs.

I cannot speak against this five year financing of the C.B.C. in any stronger terms without losing my temper. I cannot see how a Liberal cabinet could sensibly and knowingly propose such a denial of democracy as this proposal for a five year operating budget. A five year capital expense budget would be all well and good; that is normal practice. But to

propose a five year operating budget and asking the parliament of Canada to approve it, thus binding succeeding four year parliaments, is something which is more than human nature can stand. I cannot believe the cabinet has given this matter the consideration it deserves. I sincerely ask that this matter be reconsidered by the cabinet and that a much more sensible proposal be brought in regarding the manner of financing the C.B.C.

When this bill was being considered by the standing committee on broadcasting, films and assistance to the arts the member for Saskatoon but his finger on a troublesome point which I think should be drawn to the attention of the House of Commons at this time so that this matter may be given consideration before the clause by clause study of the bill commences. The member for Saskatoon, Dr. Brand, was discussing clause 19, and his remarks are reported at page 138 of the minutes of proceedings and evidence of the committee on broadcasting, films and assistance to the arts for November 23. He expressed a lot of concern about the amount of power that can be delegated by the executive committee of the proposed council to one permanent member and one non-permanent member to hold a public hearing and still have all the rights and privileges as pointed out in subclause (7), that are vested in a superior court of record.

The member for Saskatoon went on to say:

> It concerns me a little that you are going to have a public hearing held by just two individuals who have these powers which are quasi judicial powers; perhaps even judicial without the quasi, I do not know.

The member for Saskatoon pointed out that he had the impression that the powers were altogether too great to be given to some organization outside of a court of law. He quoted a section and pointed out that the members so designated have, and may exercise for the purpose of such hearing, the powers of the commission set out in subsection (7) which includes all such powers, rights and privileges as are vested in a superior court of record. He went on to say that this includes such things as the enforcement of its orders, the entry of and inspection of property. The hon. member said, "This is the sort of thing which concerns me".

He went on:

> Then, if you turn to clause 26 which refers to appeals from such orders, there is reference only to the Commission itself. There seems to be a distinct difference between the Commission and a two-member committee set up by the Commission.
>
> [Mr. Cowan.]
>
> The appeal lies only from a decision of the Commission and not necessarily from a decision of any subcommittee of the Commission that may be set up.

As the hon. member went on to point out, these people have the authority, if this bill is passed in its present form, of a superior court of record. It would appear that they can enter upon property upon their own verdict, having been given powers the same as a superior court of record. This is giving the C.B.C. carte blanche with a vengeance. This is a clause in the bill which should be reconsidered and reworded because there is no reason for confering such powers upon them when the courts of law are established and have been established in this country for many many years.

I have no desire to enter into a discussion of the question of the programming of the C.B.C., as this discussion has been handled by abler persons than myself. I certainly would like to refer, however, to the millions of dollars which are being spent unnecessarily by the C.B.C. in maintaining a national newsgathering organization of its own. I know of no reason that the taxpayers of Canada should be expected to pay for the operation of a national newsgathering organization, not only throughout Canada but also in various parts of the world. This matter was brought before the broadcasting committee where, of course, there was a majority of Liberal members, and we are considering a bill here which has been introduced by a Liberal cabinet.

At that time I pointed out that for something over 65 years we have had in Canada a marvellous newsgathering organization, namely, the Canadian Press. This is a cooperative newsgathering organization consisting primarily of the daily newspapers of Canada from coast to coast. It covers the news as it develops in all quarters of the Dominion of Canada and, through its arrangement with such organizations as the Associated Press in the United States and Reuters in Europe, has a world-wide newsgathering facility. I mentioned that this is a newsgathering service which is adequate for the daily newspapers of Canada. The daily newspapers of Canada have been accepted by the people of this country for almost 100 years as a satisfactory news service, but the C.B.C. cannot be satisfied with such a news service; it must build a news service of its own. Why cannot the C.B.C., in its broadcasting of news, rely on the same service as the daily and weekly newspapers, namely the Canadian Press.

The C.B.C. spends millions of dollars building up a newsgathering organization. They have bragged that they would build up a competitive service against the Canadian Press. As I said in the committee and repeat now, the Canadian Press does not buy any news from the C.B.C., but the C.B.C. subscribes to the Canadian Press. That should indicate which is the superior of the two. I cannot express adequately my disgust at the fact that the Canadian taxpayers are being asked to pay, and that taxes are being levied against them to pay, for a competing news service. When I brought the matter before the broadcasting committee I received the smart answer that no doubt when Reuters began to compete with Wolffe and Havas, other newsgathering organizations in Europe, they were protested by the old established organizations. I have no doubt that if someone started up a newsgathering service in Europe in the past both Reuters and Wolffe would have objected.

• (9:20 p.m.)

I have not the slightest doubt but that Wolffe, Havas and Reuters objected one about the other as these newsgathering services came on the scene, but the difference is that they were privately operated organizations battling on even terms. I know of no reason Canadian Press should be asked to compete with a government subsidized and operated newsgathering organization.

I can give many instances of extravagant expenditures by the C.B.C., the worst of course being the recent coverage of the Pan-American games in Winnipeg. The best information that newspaper people in Canada could obtain is that the C.B.C spent millions of dollars covering this event as compared with the $18,000 spent by the Canadian Press. The expenditure of the C.B.C. newsgathering service in opposition to C.T.V. in Winnipeg would bring tears to the eyes of any taxpayer aware of the tremendous and excessive expenditure by the C.B.C.

I have told you about this in the past but I think it is a wonderful example of the extravagance of the C.B.C. When his Holiness the Pope visited Israel some years ago, the Canadian Press did not send anyone from Canada to cover this historical event. It very satisfactorily relied on the detailed coverage made available by the Associated Press and by Reuters from Europe. Very fine coverage was given in the Canadian press of this visit by His Holiness to Israel. What did the C.B.C. do? They flew two crews to Israel; one French camera crew and one English camera crew as well as English and French commentators. I have asked this question on many occasions but have yet to receive an answer. What difference could there be in the scenery of Israel at the time the Pope visited the holy land as disclosed by a French camera or an English camera, both owned by the C.B.C.? One will have an idea, when he learns that the Canadian Press did not send anyone to Israel at that time but that the C.B.C. sent two camera crews and two crews of commentators, just what little regard the C.B.C. pays to expenses.

Another classic example relates to the uproar that developed in Panama when some Panamanians took some pot shots at some Americans in the canal zone. The Canadian Press thought an adequate coverage of the Panamanian zone uprising would be provided by world wide news organizations and Canadian Press relied on them. The C.B.C. flew people down to New Orleans and to Panama. I ask you what in the name of heaven could the Canadian C.B.C. crew see in the Panama Canal zone that was not adequately reported by the Associated Press people.

I cannot for one moment understand why the Canadian Broadcasting Corporation is supposed to be covering all facets of the world scene. As mentioned by the hon. member for Villeneuve during his remarks, I believe, the Canadian Broadcasting Policy should be confined to Canada. If we have some newsgathering we want from all four corners of the world, let us subscribe to the newsgathering services which have covered those corners of the world for members of the fourth estate for a long time, and covered them satisfactorily. We are not adding anything to the enlightenment of the world by sending C.B.C. correspondents to Saigon and South and North Viet Nam, particularly when they come back here and attack the methods of the United States government in conducting that war.

The C.B.C. has been engendering international incidents by flying junior help to Viet Nam who come back and make off-the-cuff statements, embarrassing to the Canadian government and provocative to the United States government, with whom we should at all times be on the friendliest of terms. I know no proper reason for the Canadian broadcasting corporation to send representatives or correspondents to Viet Nam to cover a scene

that is adequately covered by other newsgathering organizations. The Canadian Press service covers this scene adequately by gathering news from the organizations with which it co-operates.

I hope I made myself clear when I said I could not support a five year operating budget for the C.B.C. I could not care less who introduced the bill in parliament. It will not have my support because of this clause alone.

Mr. Otto: Mr. Chairman, I have been moved to take part in this debate by the remarks of the hon. member for York-Humber. I have never known so many people to be moved by that hon. member's speeches. Let me set straight a fairy story that has been told here during the past two or three hours. It has to do with the suggestion that this house has control over the spending estimates of any department. Where is the hon. member of this house who can remember a time when the estimates of a department have been reduced in this house? I suggest this has never happened in modern history. Surely, this is a fairy story or a myth.

This myth, as described by the hon. member for York Humber, is to the effect that the elective representatives have some control over the government and the C.B.C. As I have mentioned, and as the minister could explain if she were so inclined, the fact of the matter is that the department heads and the president of the C.B.C. decide how much money they need, be it $114 million or more. The estimates then go to the cabinet and to the treasury board. Usually, the treasury board cuts the estimates by perhaps 25 per cent. These department heads and the C.B.C. officials are smart enough to add 30 per cent to their budget needs and they end up better than even.

These estimates then come to the house and are the subject of votes of non-confidence. The rules are such that when the estimates are before the house hon. members can talk about the lumber industry in British Columbia, the fishing and coal industries in the maritimes or anything else they wish. The fact of the matter is that no one talks about the estimates. Finally a member, like that gentleman who is now a feature writer, Mr. Douglas Fisher, moves that the estimates be reduced from $114 million, or whatever they might be, to $1. That usually is the final vote. At no time does it seem that anyone ever questions why the C.B.C. or any other department needs the money it has requested. This whole thing is nothing more than a myth or an exercise.

[Mr. Cowan.]

About the fall of 1964 the committee on parliamentary procedure made a report. At about that time the Prime Minister said in this house he thought it would be a very good idea if departmental estimates were taken out of the house and put into committee. He said that this would give the backbencher and parliamentary committees a certain sense of representative power. He said they could examine these departmental estimates, make recommendations and determine the amounts of money to be made available.

This all sounded very reasonable, because members of parliament could then question the officials of the department as to their money needs. They could also reduce the amounts available to the civil service to carry out these many ventures. If members of parliament had these powers, I am sure a great deal of attention would be paid to what the members had to say. When the amended rules were presented it was obvious that the estimates of the departments may be referred to committees for examination only. The committees can not determine the amount of estimates nor even make recommendations that are likely to be accepted. That is the fact in our parliamentary system.

These criticisms have been placed on the record for the past 25, 30 or 40 years, and I refer to the fact that this house has absolutely no control over departmental spending. We are now asked to approve five year budgeting.

• (9:30 p.m.)

I can see nothing at all wrong with that. In fact, most businesses and enterprises today find it necessary, in order to conduct a good endeavour, to plan five years ahead. I can see nothing wrong with the Department of Finance doing the same thing. In fact, we should be giving very serious attention to making plans over a longer period, say between three and five years, so that business in this nation will know what it is facing, agriculture will know what it is facing and the C.B.C. will know what it is facing. Let us forget this myth, this fairy story about parliamentary control over spending.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I only wish to put a short question to the Secretary of State

(Miss LaMarsh) before the vote on my amendment to clause 2 paragraph (b). Could the minister say what she means by:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians—

Secondly, what does this mean from a financial or investment point of view?

Those are the only two questions I should like to put to the Secretary of State and then I will be ready for the vote on my amendment. Can the Secretary of State answer my questions?

Miss LaMarsh: Mr. Chairman, it is perfectly clear.

Mr. Grégoire: Then can I put a supplementary question to the Secretary of State? In her view, are the Quebec television stations included in this category of television stations effectively controlled by Canadians?

Miss LaMarsh: Yes, Mr. Chairman.

[*English*]

Some hon. Members: Question.

Amendment (Mr. Grégoire) negatived: Yeas, 5; nays, 47.

The Chairman: I declare the amendment lost. Perhaps I should point out to the committee now that last evening there was a measure of agreement that we should proceed with clause 2 in order of the subclauses. Is it the wish of the committee that we now proceed in that way?

Some hon. Members: Agreed.

The Chairman: Shall subclause (a) of clause 2 carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I wish to say something concerning subclause (a) of clause 2, which reads as follows:

It is hereby declared that

(a) broadcasting undertakings in Canada make use of radio frequencies that are public property and such undertakings constitute a single system, herein referred to as the Canadian broadcasting system, comprising public and private elements;

This subclause recognizes that any company or person operating or owning a television or radio station in fact uses public waves or, as they are called here, frequencies.

No Canadian citizen can operate a radio or t.v. station without the authorization of the Canadian Transport Commission. Why? Precisely because he uses airwaves which are public property. That is something everyone admits.

Secondly, it is obvious that radio wave lengths are limited and that t.v. channels are even more so. This field of radio and television broadcasting is therefore very limited.

First of all, it belongs to the public. That we have seen. Secondly, it is something that has limits.

I wonder why, in revising its Broadcasting Act, the government did not think of giving the council which will deal with broadcasting in the future the right to have a say concerning the prices charged by these radio and television stations. If, for instance, the Bell Telephone Company wants to increase their rates, they have to prove to the Transport and Communications Board that an increase in prices is necessary. Without such a proof, they will have to maintain the current rates.

The same applies to trucking or railway or air transport companies operating in exclusive fields and wishing to increase their rates.

The trucking company must apply to the Transport Board, railroad or airline companies have to do the same because they are involved in exclusive fields.

Telephone, for instance, is an exclusive field. In front of my house or in front of anybody's house, there is only one telephone line. There are not two. The subscriber has no choice. He is forced to use such and such a line. Other companies are prohibited from coming into the territory of another company. Services are exclusive. In order to protect the subscriber and prevent his being exploited by just one company, such companies, when they want to increase their rates and prices, are required to come before the Transport and Communications Board and prove the necessity of the increase applied for.

[*English*]

The Chairman: Order, please. There has been agreement in the committee that we should now discuss clause 2 in the order of the subclauses. I think that implicit in that agreement is the fact that we must confine our comments to, in this particular case, subclause (a) of clause 2. I am going to ask the hon. member for Lapointe to confine his remarks carefully to the discussion of subclause (a) of clause 2.

• (9:40 p.m.)

[*Translation*]

Mr. Grégoire: Yes, Mr. Chairman. I did not want to deal with this problem under general

provisions, because I felt that it referred precisely to clause 2 (a), and here is why. In clause 2 (a), it is provided that:

> Broadcasting undertakings in Canada make use of radio frequencies that are public property—

Precisely because these frequencies are public property, I suggest that this should normally come under a board, just as transport companies. Such a body would ensure that undertakings operating frequencies that are public property may not increase their rates without seeking approval of the Canadian radio council.

That, Mr. Chairman, is the reason why I thought that this point was relevant to clause 2 (a). I could have brought it up during the general debate, but I wanted to talk about it on subclause (a), thinking that it was more specifically relevant to this provision in the bill.

I think my point is relevant to subclause (a), and my suggestion deals with the fact mentioned in clause 2 (a), that broadcasting companies make use of radio frequencies that are public property.

Because these frequencies are public property, I ask the hon. Secretary of State (Miss LaMarsh) to see to it that the Canadian Radio-Television Council also has control over the tariffs and prices charged these companies which operate on frequencies that are public property.

Mr. Chairman, in the circumstances, I think that my remarks are entirely relevant and in order.

I wonder then whether the Secretary of State could not take that suggestion into consideration and see to it that the new council control at the same time prices and rates of radio stations, since frequencies are of the public field.

Mr. Béchard: Mr. Chairman, I rise on a point of order. We are now dealing with subclause (a) of clause 2, and not of the Canadian radio and television council. When we come to that clause, the hon. member will be able to express his views on that subject, and not make comparisons with the Transport Commission and the Bell Telephone Company of Canada.

[*English*]

The Chairman: Order, please. I think the point of order raised by the parliamentary secretary is well taken. Since the committee has agreed to consider clause 2 in the order of the subclauses, the Chair must insist on the speakers confining their remarks to the subclause before the committee. Again, I would ask the hon. member for Lapointe to co-operate with the Chair and to confine his remarks to clause 2(a) which is now before the committee for consideration.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I am willing to accept that, all the more so because I have just noticed that clause 16 explains the powers of the Canadian Radio Council, and I will be able to come back to that point and then repeat this same argument.

I believe just the same that my remarks dealt not with the orders and definite regulations but with general principles broader than the powers of a council. I was only trying to have admitted as a general principle something that flows normally from clause 2(a). Since the airwaves are in the public domain, I feel that a council must control not only the issuance of licences but also set the rates.

I will come back again to clause 16 since I am forced to do it and I will then express my views on that matter.

[*English*]

The Chairman: Shall clause 2(a) carry?

Some hon. Members: Carried.

The Chairman: We are now on clause 2, subclause (b) as amended by the committee on broadcasting, films and assistance to the arts.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I should like to make a few remarks on subclause (c) of clause 2, unless subclause (b) is still being considered.

An hon. Member: We are on subclause (b).

[*English*]

The Chairman: Perhaps I should advise the hon. member for Compton-Frontenac that the committee is now on clause 2(b) as amended by the committee. Shall clause 2(b) carry?

Some hon. Members: Carried.

The Chairman: We are now on clause 2, subclause (c).

[*Translation*]

Mr. Latulippe: Mr. Chairman, I have some remarks to make with regard to subclause (c) of clause 2.

I feel that a group of citizens are being penalized for operating closed radio and

television circuits through cables. They are merely picking up the programs of broadcasting stations and retransmitting them by closed circuit.

On can read in subclause (c) the following:

All persons licensed to carry on broadcasting undertakings have a responsibility for the public effects of the programs they broadcast—

So, Mr. Chairman, those who operate those closed circuits do not produce programs but, under the terms of subclause (c), they are responsible for the programs that are broadcast.

Therefore, I believe that a change should be made there, and that is why I wish to introduce an amendment to subclause (c).

In my opinion, Mr. Chairman, it is unfair to hold responsible certain groups which merely retransmit programs broadcast by other stations. All these organizations broadcast programs of existing stations. Consequently these people do not produce programs. It should be clearly stipulated that these people should not be held responsible for abuses that might be committed by private or public stations.

Mr. Chairman, I should like to move an amendment to clause 2 which reads as follows:

All persons licensed to carry on broadcasting undertakings have a responsibility for the public effects of the programs they broadcast but the right to freedom of expression, subject only to generally applicable statutes and regulations, is unquestioned;

We should strike out the words:

...subject only to generally applicable statutes and regulations, is unquestioned;

and insert the following:

...the right, for all Canadians, to receive, by any means whatsoever, all the programs broadcast and available, subject only to generally applicable statutes and regulations, is unquestioned;

That is the reason why I come up with this amendment and ask the minister to consider this matter seriously, because it involves people who are not responsible.

Moreover, it should be stipulated that, in such a bill as this one, those citizens are not held responsible.

That is the reason why this amendment must be made in order to protect the citizens who broadcast on the air in closed circuit and who do not give any programming, because they should not be held responsible for the abuses that might be committed by others.

I would therefore ask the hon. minister for her support in this matter. I think it is clear that we should stipulate that we will not hold responsible a certain class of society which operates various systems and which broadcasts programs on a closed circuit.

I thank the hon. minister and I ask her to give serious consideration to this matter. I ask her once again to accept this amendment which, in my opinion, is logical.

[*English*]

Miss LaMarsh: Mr. Chairman, if my hon. friend is dealing exclusively with a closed circuit which does not pick programs off the air and which operates exclusively within one province, then he should be aware that the government of Canada through this parliament does not, according to the law officers of the crown, have the authority to legislate.

• (9:50 p.m.)

In this bill, and in this clause of the bill in particular, no reference is made to closed circuit broadcasting that is wholly within a province; that is, within the provincial domain. If this is the subject of the amendment then the amendment is completely unnecessary, since the matter is not covered.

If, on the other hand, my hon. friend is talking about C.A.T.V. systems and is hoping to exclude those operators from the bill, then I would have to disagree with him completely. Someone suggested that my hon. friend owns a cable system in his home town, and if he does he would certainly know what he is talking about. However, anyone who for gain operates such a system must be just as responsible as the person who actually broadcasts the program. He is just as responsible in the first instance for what is sent out over the airwaves.

As a result, I would disagree with the purpose of the amendment, in the event that the chairman found it in order. As I say, Mr. Chairman, if it is directed only to closed circuit television there is no need for such amendment, because the Broadcasting Act does not apply to such situation.

[*Translation*]

Mr. Latulippe: Mr. Chairman, only closed circuits and community antennas are involved.

So, I thank the Secretary of State for giving us her opinion.

[*English*]

Miss LaMarsh: Mr. Chairman, I think that many of us would be grateful to see a copy of this amendment. I say that because if the translation I heard was correct, it would appear to me there may be some argument whether it is in order.

Mr. McCleave: Mr. Chairman, I wonder whether the amendment could be put. We on this side also suffered the disability of not really understanding its purport.

The Chairman: I wonder whether the committee would agree to let clause 2 (c) stand until a translation of the amendment is available and proceed for the moment with clause 2 (d)?

Mr. McCleave: That is agreeable to this side, Mr. Chairman.

Some hon. Members: Agreed.

The Chairman: Then clause 2 (c) stands and the committee will pass on to clause 2 (d).

Mr. Thompson: Mr. Chairman, if we look at the closing words of clause 2 (c) which introduce the subsequent subclause, we find these words:

—subject only to generally applicable statutes and regulations—

It is my opinion that the bill could be strengthened in a number of areas by adding a few words to several of the clauses, and clause 2 (d) is one of those clauses. These words will give much more authority to the administrators of the C.B.C. and would also make clause 2 (d) much more specific. It would in no way alter the meaning of the wording of clause 2 (d) that is in the bill, but I do believe the wording would be strengthened and make the legislation more specific.

I would therefore move:

That clause 2 (d) be amended by inserting after the words "public controversy" in line 5 the following:

"while ensuring that the most broadly held opinions receive appropriate consideration";

—and adding after the words "other resources" the words:

"while alert and responsive to public preferences in this and other aspects of programming".

Clause 2 (d) would then read as follows, Mr. Chairman.

"The programming provided by the Canadian Broadcasting system should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy, while ensuring that the most broadly held opinions receive appropriate consideration, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources, while alert and responsive to public preferences in this and other aspects of programming".

I urge the minister to give consideration to these additions to clause 2 (d) because I believe they add strength to the clause and would be most acceptable to those who are responsible for the management and supervision of programming. I also trust that other members of the committee recognize their apparent value to this particular part of the clause.

Through error I find I have insufficient copies of the amendment to pass to the various party representatives; I am sending to the table two copies and I have a third here.

Mr. McCleave: Mr. Chairman, since we do not have sufficient copies to enable us to study the amendment this evening this might be a very good point to call it ten o'clock. We will take a fresh look at the matter tomorrow afternoon.

The Assistant Deputy Chairman: Is it agreed that this question be held over until the next sitting of the house?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall I call it ten o'clock?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: It being ten o'clock shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

PUBLIC SERVICE—PENSIONS OF RETIRED CIVIL SERVANTS—REQUEST FOR RECONSIDERATION OF INCREASE REFUSAL

Hon. R. A. Bell (Carleton): Mr. Speaker, few subjects have been discussed in this parliament so regularly, although recently with an appalling sense of frustration, indeed dismay, as increases in pensions for retired public servants, including the armed forces and

the R.C.M.P. Upon no subject has the government been so evasive, so dilatory, so ready to talk out of both sides of its mouth. On the one hand, some members of the government have sought to pay lip service to the needs of justice for these dedicated men and women who gave of their best for Canada. On the other hand, the government has victimized them, required them to be the principal sufferers of the government's austerity program, an austerity program for which the cabinet's own unconquerable urge to extravagance is solely responsible.

Yes, Mr. Speaker, I believe that a selective cutback in expenditure is necessary as a technique of battling inflation; but I emphasize the word "selective".

• (10:00 p.m.)

Why the principal victims of inflation should be made further victims by a refusal of adjustment in pensions passes my understanding. The very people who need the adjustment most are those to whom this government has first denied it. The issue is as simple as that.

No spokesman for the government, Mr. Speaker, has ever answered one simple question. Why have all other countries in the western world been able to adjust the pensions of their retired public servants, without harming their economies or violating any contractual principle? Canada alone has refused to adjust the pensions of its retired public servants.

Mr. Churchill: That is right.

Mr. Bell (Carleton): There was one exception in this country, for which the hon. member for Prince Albert (Mr. Diefenbaker) and the former minister of finance, Hon. Donald M. Fleming, with a little prodding from the member for Carleton, were responsible, namely, the pension adjustment act of 1958. If that could be done in 1958, it can be done in 1968. If Britain, the United States, France, Italy, the Scandinavian countries, Australia, New Zealand and most of our provinces can make adjustments and give justice and equity to their retired public servants why, Mr. Speaker, must our government place only roadblocks in the way of the adoption of a unanimous report of a committee of both houses of this parliament, a report which was in favour of increases? I submit that the government has proved itself guilty of contempt of parliament by ignoring a unanimous joint report. Equally, it is guilty of a gross betrayal of the men and women who gave the best years of their lives in dedicated service to Canada.

The government has refused to say even whether it accepts the principle of a pension increase. Every question that has been asked on this subject has been turned aside with double talk.

There is a fabulous balance, practically and actuarially, in the various superannuation funds. Personally, I should prefer to have increases paid directly from the consolidated revenue fund. I point out that merely by adjusting the out of date interest rate of 4 per cent, which is allowed to the funds, to a rate of 6 per cent, which the government now pays for other borrowed money, the government could pay for the increases many times over. I resent that the government is borrowing today, from public servants present and retired, at 2 per cent less than it is borrowing from insurance companies, trust companies and others from whom it is borrowing.

Sir, is there a real problem, or was the joint committee merely fanning the air on this subject. I wish that the Prime Minister (Mr. Pearson) or the President of the Treasury Board (Mr. Benson) would read the letters that I receive. Is this a problem, sir? Ah, sir, it is desperation for many.

Examine the tables which appear on page 5253 of *Hansard* for December 11. Does the house realize that 3,719 widows receive less than $30 a month, that 5,741 widows receive less than $40 a month and that 7,412 widows receive less than $50 a month? It is all very well for those who are comfortably fixed to say that these pension figures represent short term services by deceased husbands. The truth is that these statistics represent the hardships which the widows of men who served Canada well are now undergoing, largely because of inflationary trends in the nation.

Rather unfortunately, I thought, the Prime Minister gave renewed hope for retired civil servants; but he mixed that up with pensions for Members of Parliament. Of two issues which are less connected I cannot think. I mention the matter to express the hope that further delay to retired public servants will not be occasioned by this unfortunate juxtaposition of totally incomparable issues.

Sir, the austerity program is no excuse for lack of action, much overdue action, to bring about equality and fair play for those dedicated Canadians of whom I speak. Once again,

as I have done so many times in the past, I plead with the government for immediate and effective action.

Mr. Churchill: Hear, hear.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, since the questions of the hon. members for Carleton and Winnipeg North Centre are almost identical, I ask the indulgence of the house to answer both questions at the same time.

Mr. Knowles: Mr. Speaker, I prefer to hear the minister first. I have the right to ask my question separately.

Mr. Benson: If this is the case, if my hon. friend insists, I shall refrain from making any reply at this time.

Mr. Douglas: That is arrogance personified.

Mr. Benson: I shall answer both questions together. They are the same question.

Mr. Douglas: The minister does not know that the questions will be the same.

Mr. Benson: Well, look at them.

Mr. Bell (Carleton): I am entitled to an answer from the minister. The minister's refusal to answer is undoubtedly the most arrogant attitude I have ever seen in this house.

Mr. Benson: Mr. Speaker, these are identical questions and they have been brought up in this house on ten or 12 occasions. I will answer them both at the same time, and if the hon. member says they are not identical I would ask him to read *Hansard* and see for himself that they are.

Mr. Douglas: That does not mean they will be approached in the same way.

The Acting Speaker (Mr. Tardif): Order. There is no rule which obliges the minister to reply if he does not wish to reply. If the minister gives an undertaking to reply to both questions at once it is his prerogative to do so.

PUBLIC SERVICE—PENSIONS OF RETIRED CIVIL SERVANTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I thought I had seen and heard just about everything on the part of this government with respect to its attitude toward retired civil servants, but we have had another chapter tonight.

[Mr. Bell (Carleton).]

The minister's statement that he is prepared to answer both the hon. member for Carleton (Mr. Bell) and myself at the same time is just hogwash and he knows it.

Mr. Benson: I will take six minutes if the house will give them to me.

Mr. Knowles: The minister does not have six minutes in which to answer both questions. He has three minutes to answer each one, if he wishes to do so. His attitude demonstrates that the President of the Treasury Board (Mr. Benson) and the government he represents have no heart, no feeling for those on whose behalf we are speaking when we raise this issue.

We have had a long series of promises and statements which have built up the hopes of these people. There have been promises made on the floor of this house, promises in the committee, promises made privately. Yet the government goes on ignoring these people and putting off action on this important issue. I really did not think there could be another piece of arrogance added to what we have already seen, but we have had it tonight.

Mr. Speaker, the story is a long one. You, sir, must be aware of it because of the nature of the constituency you have the honour to represent. Let me repeat what the hon. member for Carleton (Mr. Bell) has said. A joint committee of both houses recommended unanimously that there should be immediate increases in the pensions of retired civil servants, retired R.C.M.P. personnel and retired armed forces personnel. This recommendation was not only unanimous, it called for action to be taken immediately. We were promised throughout May and June last year that the matter was under active consideration and that something would be done. When, on July 7, I protested vigorously against the house recessing for the summer without anything being done, we were assured action would be taken in the fall. The fall came, and the issue was dragged on and on. Then came the so-called economy drive and the minister's speech on the night of December 7 in which he listed these increases among the things which had to be postponed because of the so-called need for economy.

I do not think this is the reason at all. I think the reason is that there are ministers in this cabinet who simply do not believe in the idea of escalating pensions. They are afraid that if they do so in the case of retired civil servants a precedent will be established which private industry will have to follow.

The day will come, Mr. Speaker, when all pensions will have to be escalated after they have been put into pay, or our whole pension structure will collapse.

The day after the President of Treasury Board announced that these increases would be delayed the hon. member for Carleton and I both put a question to the Prime Minister (Mr. Pearson). It was a simple one: would this matter be reconsidered. The Prime Minister replied to both of us on December 8, expressing the hope that it would soon be possible to reconsider this decision.

• (10:10 p.m.)

A few days later, on December 15, I put the question to the Prime Minister again, and I did so on that occasion just after he had announced that he was going to resign as prime minister of Canada. I asked my question very pointedly, asking him if he would do his best to see to it that this reconsideration would take place before he leaves office as Prime Minister. His answer, as recorded at page 5474 of *Hansard* for that date, was very clear, and I quote:

—I think I have stated that we hope the situation will be such that we will be able to reconsider sympathetically this very difficult problem. I hope the situation will so improve during the remainder of my period on this side as Prime Minister that this may be possible.

The Prime Minister added a sentence to which, if possible, I take stronger exception than was taken by the hon. member for Carleton (Mr. Bell), but that need not be repeated to muddy the waters. The fact is that the Prime Minister, who is the head of the government, was asked that this matter be dealt with before his term of office ends. That is now only two or three months away, and we know in this parliament what happens when this government stalls. I say that unless we get a firm answer from the President of the Treasury Board tonight that this reconsideration is being given and that something will be done before the Prime Minister retires, then all we have is another case of downright betrayal on the part of the government of the retired civil servants of this country.

When the government betrays the retired civil servants by denying them an increase in their pensions, an increase necessary because of rises in the cost of living and rises in the standard of living, it is saying it does not believe in this principle, and it is torpedoing the effectiveness and the value of our whole pension system. The issue immediately at stake is the need of the retired civil servants themselves. But there is a much broader one that I call on the President of the Treasury Board to recognize. It is that we can no longer expect people to live in retirement ten, 20, or 30 years on fixed pensions.

We have found a way to do many things. We have to find a way to increase pensions of retired civil servants, and I call on the President of the Treasury Board for a decent, responsible, honest answer tonight.

Hon. E. J. Benson (President of Treasury Board): Mr. Speaker, I am very willing to give a decent, honourable and respectable answer. This and the previous question are identical, and I regret that hon. members opposite would not give me the six minutes I requested to answer the question fully.

First of all, Mr. Speaker, I philosophically support a variation in pensions based on changes in the cost of living.

Mr. Bell (Carleton): Does the government?

Mr. Benson: And the government does too. This is the first government in the western world that has recognized this philosophical point of view, as proven by the Canada Pension Plan and supplementary old age pensions.

Second, I would like to point out to my hon. friend, who talks about variation in pensions, that only one or two industries in Canada—and I have been searching for support in this regard—have ever varied pensions from the fixed amount involved, but no labour union in this country has ever done it.

I would also like to say that every person in this country—and here I am concerned with statements as to how much individuals get—whether he be a retired civil servant, a retired steel worker, or a retired worker who swept the streets is entitled, because of the action of this government, to a minimum income when he is entitled to an old age pension of $105 a month attached to the cost of living index. So, the statistics which prove people get $30 a month or $40 a month do not mean very much because this government has instituted a guaranteed annual income for people who are retired and who are entitled to old age pensions, which is moving down to age 65.

I would also like to say that every country in the world has not adjusted its pensions. Further, I would like to tell the hon. member for Carleton (Mr. Bell) that the position in Canada is different from what it was in 1958

when retired people were entitled to a flat rate old age pension of $55 a month. Every retired person in Canada now who is entitled to an old age pension, is entitled to a minimum of $105 a month attached to the cost of living index, something which was brought forward by this government.

Some hon. Members: Hear, hear.

Mr. Benson: I have been accused of being disrespectful and of being arrogant. With respect to the report of the committee I have indicated that I believe in this on a philosophical basis, but I should like to point out to the hon. member for Winnipeg North Centre (Mr. Knowles) that the government is responsible for its actions. Committees cannot dictate to government what the government must do. The government must accept responsibility to the people of Canada for its actions.

I would also like to say that there is no balance actuarially in the old age pension fund. As a matter of fact the previous government of which the hon. member for Carleton (Mr. Bell) was a member let a huge deficit build up in this fund which civil servants complained about across this whole country. This was one of the reasons that government was defeated. We have made up the actuarial deficit in the civil service pension fund.

The Acting Speaker (Mr. Tardif): Order—

Mr. Benson: Mr. Speaker, may I have the other three minutes.

Mr. Knowles: Mr. Speaker, on a point of order, may I request that the minister be given the other three minutes on the condition that he answer the question which both of us asked; the question was: is the matter closed or is it still under consideration?

Mr. Benson: Mr. Speaker, if I have the unanimous consent which my arrogant friends opposite refused to give earlier I will carry on.

The Acting Speaker (Mr. Tardif): Order, please. The hon. President of the Treasury Board would have to have unanimous consent. I doubt that a condition should be imposed upon him concerning what he should say. If the house gives unanimous consent, I think he should have freedom in answering.

Mr. Knowles: Mr. Speaker, I will give my consent and hope that he will answer.

[Mr. Benson.]

The Acting Speaker (Mr. Tardif): Does the hon. member have the unanimous consent of the house to continue?

Some hon. Members: Agreed.

Mr. Benson: It is very nice to know that hon. members opposite are not now as arrogant as they were five minutes ago in respect of my answering their questions. The hon. member for Carleton said that the government fans the air. I assure everyone in this house that no one fans the air on this matter more than he does in trying to justify the position taken by his government when the retired people of this country had $55 a month guaranteed income and now have $105 a month.

Mr. Churchill: What did they get before we came in? You are the six buck boys.

Mr. Benson: We may have been the six buck boys when we went from $45 to $51, but I would like to remind my hon. friend from Winnipeg South Centre (Mr. Churchill) that since we became a government in 1963 we have gone from $65 to $105 guaranteed income for the retired people of Canada.

Mr. Churchill: You put in the means test.

Mr. Benson: I would simply like to say in respect to the matter of promises which has been raised by the hon. member for Winnipeg North Centre (Mr. Knowles), for whom I have the greatest respect, that I do not think he can ever find in anything I have said in this house any promises of the government. In respect of the specific question he wishes to have answered I should like to say that so long as I am a member of this government this question will never be out of mind and will be continuously under consideration because I philosophically believe—which I am not sure my hon. friend does—that pensions in Canada should be attached to an index so that the income of retired people does not decrease because of any increase in the cost of living. I philosophically believe in this, and I am not sure that the member for Carleton would agree with me.

Mr. Bell (Carleton): You cannot eat philosophy.

Mr. Benson: Would my hon. friend admit he agrees that pension funds should be attached to the cost of living or the wage index?

Mr. Knowles: To the wage index, yes.

Mr. Bell (Carleton): I have advocated that for years.

Mr. Benson: I would simply like to assure my hon. friends from Winnipeg North Centre and Carleton—and I hope the hon. member for Carleton can carry the Tory party on this—that I believe in this philosophically and the question will never be dropped so long as I am a member of this government.

Mr. Knowles: Still no answer.

• (10:20 p.m.)

[*Translation*]

HEALTH AND WELFARE—SUGGESTED INITIATION OF CAMPAIGN AGAINST ALCOHOLISM

Mr. Gérard Laprise (Chapleau): Mr. Speaker, on November 20 last I put the following question to the Prime Minister (Mr. Pearson):

Could he tell the house whether the government intends to finance a publicity campaign from the proceeds of liquor taxes to inform the public of the dangers of alcoholism?

Mr. Speaker, I did not obtain an answer to my question then, because it was ruled out of order. This is why I have asked to discuss it at ten o'clock and, this evening, I hope that I will obtain a satisfactory answer from the representative of the minister, because I think that every member of the house is aware of the harmful effects of alcoholism in Canada.

In 1955, the number of alcoholics in Canada was estimated at approximately 158,000, and according to the figures released for 1965, their number has reached 350,000. This points to an alarming outbreak of alcoholism which has disastrous effects for Canada, first through a lost of efficiency at work and a decrease in the professional output of alcoholics and a general laxity in social conduct.

We also know that excessive drinking largely contributes to traffic accidents resulting every year in many deaths and disabilities. We are aware that it causes considerable loss of time, and what affects everybody, I believe, both alcoholics and abstainers, is the increase in insurance for the protection of motorists. This increase affects everyone and we are indirectly victims of alcoholism in Canada.

On the other hand, we also know that alcoholism brings on all kinds of illnesses filling up our hospitals and our sanatoriums. We also know that, in a large measure, our jails are filled with alcoholic subjects.

So, Mr. Speaker, for all these reasons, together with the president general of the Association Lacordaire du Canada, I am asking the government to help the groups and organizations fighting alcoholism in Canada.

We know that in 1965 revenue from the sale of alcoholic beverages yielded $281 million to the federal government, and we also know that the same year the federal government had not spent a single cent to fight alcoholism or inform the people on the problems of alcoholism in Canada.

At this stage, I would now like to quote the remarks made by Dr. Charland, president of the Association Lacordaire du Canada, during the national anti-alcoholism week held from November 12 to 18, 1967, as reported in the newspapers:

The time has come for our governments, federal as well as provincial, to ponder the seriousness of the problem of alcoholism in order to draw up a real balance-sheet, that is to say establish clearly what the sale of alcoholic beverages brings in taxes, etc. and, on the other hand, what it costs in medical care, social benefits, loss of time, energy, health, etc. The time has come also for the governments to dip into the millions of dollars they get from the sale of alcoholic beverages to rectify and offset through objective information the noisy campaign now under way to sell those beverages, without neglecting at the same time to bring that advertising back within the limits of common sense and the common good.

Mr. Chairman, these remarks made by Dr. Charland are sensible and I think the government should draw from revenues derived from the sale of alcoholic beverages sums which could be made available to organizations which, everywhere in Canada, are fighting against alcoholism and informing the people on the ill effects of alcohol.

I think that the government should consider favourably representations made by associations, such as Lacordaire and others, requesting grants to help them fight more effectively the harmful results of alcoholism and have people better informed against the use of alcoholic beverages.

We know that distillers and brewers take advantage of advertising to show the bright side of drinking, but we must also show the dark side of the picture so that the public will be well informed.

Therefore, I hope that the government and the officials of the Department of National Health and Welfare will give favourable consideration to this request made by our anti-alcoholic associations.

Proceedings on Adjournment Motion

[*English*]

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare has no specific program on this subject but it has assisted provinces in a variety of ways for many years. This assistance has included grants for services, for training of personnel and for research studies related to the problem of alcoholism. In addition to this support, and in keeping with the modern attitude which considers alcoholism as a disease and a personality defect, the mental health division has given the subject continuing attention over the years in the following ways:

(a) Public education. The division has produced a ten page pamphlet entitled "Alcoholism", in both English and French. This pamphlet has been issued for use by the provinces through the health educator and has had rather wide distribution.

(b) A film, "Profile of a Problem Drinker", sponsored by the Ontario department of health was produced a few years ago through mental health grant funds and professional co-ordination of the mental health division.

(c) A survey, "Government Programs on Alcoholism", a 90-page study of the activities in some foreign countries, sponsored by the mental health division and prepared by an international authority, the late Dr. E. M. Jellinek.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, January 24, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. HAIDASZ—ALLEGED INACCURACY OF STATEMENT IN DEBATE

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, yesterday the hon. member for Peace River (Mr. Baldwin) referred to me as having proposed a resolution at the western Liberal conference in Winnipeg on a certain issue. As I was not present in Winnipeg at that time, he referred to me in error.

PENITENTIARIES

ESTABLISHMENT OF JOINT COMMITTEE

On the order: Government notices of motion:

January 22, 1968—The Solicitor General—That a joint committee of the Senate and House of Commons be appointed to consider the state of penitentiaries under the control of the government of Canada and the plans of the government in relation thereto with powers to report from time to time its observations and opinions thereon; send for persons, papers and records; adjourn from place to place; sit during sittings of the house; and print from day to day such papers and evidence as may be ordered by the committee, and that standing order 66 be suspended in relation thereto;

That 15 members of the House of Commons, to be designated at a later date, act on behalf of the house as members of the said committee; and

That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deem advisable, some of their members to act on the proposed joint committee.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MANITOBA—UNIDENTIFIED FLYING OBJECTS

Question No. 627—**Mr. Schreyer:**

1. With reference to the reported sightings of unidentified flying objects in eastern Manitoba during the months of May and June 1967, how many such reports were received by various departments of the government of Canada and by the Department of National Defence in particular?

2. How many of these reported or alleged sightings were investigated?

3. Will the reports and findings of these investigations be made public?

4. What are the reasons for not making public any such reports now in the possession of the Department of National Defence?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the departments of National Defence and Solicitor General as follows: 1. Four by the Department of National Defence. One by the Department of the Solicitor General.

2. Two; the other reports did not contain sufficient information and detail to warrant further investigation.

3 and 4. The actual reports received by the Department of National Defence have not been made public as some observers did not wish their names made public; and, in attempting to analyse reports, investigators have commented on the likely accuracy of observations. The description of sightings and the results of investigations are not classified information, however, any persons who send reports to the department do so on their own volition and are not asked to suppress the release of information to any other person or persons. The report in 2 above refers to a sighting on 20 May 67 by a person in the Falcon Lake area which was widely publicized in the press. The Department of National Defence investigation, which has now been completed, could not explain the sighting.

As a result of recent discussions between the Department of National Defence and the National Research Council, reports on sightings received through Canadian armed forces channels will be passed in future to the National Research Council to determine whether there are scientific reasons for further investigation.

Questions

UNIVERSITY OF MANITOBA RESEARCH COSTS

Question No. 648—**Mr. Schreyer:**

1. Has the federal department of agriculture or any other department or agency of the federal government made any grants to the University of Manitoba for the purpose of research and measurement of radiation emitted by microwave, telecommunication facilities and the effects thereof on livestock and crops?

2. If so, what were the amounts of such grants?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by several departments and agencies as follows: 1. No.

2. Not applicable.

MAINTENANCE COSTS IN PENAL INSTITUTIONS

Question No. 666—**Mr. Orlikow:**

What was the average cost of maintaining one inmate during the years 1964, 1965 and 1966 in (a) federal institutions of all types (b) maximum security institutions (c) minimum security institutions, and (d) farm and work camps?

Hon. L. T. Pennell (Solicitor General): The average cost of maintaining one inmate during the fiscal years 1964-65, 1965-66 and 1966-67 is as follows:

Type of institution	1964-65	1965-66	1966-67
All types	$3,074.51	$3,430.11	$4,900.76
Maximum	2,964.67	3,172.49	4,334.25
Medium	3,464.15	3,545.01	5,538.50
Minimum	3,019.92	3,307.05	3,776.43
Work Camps	2,595.78	2,832.97	3,674.58

Note: The statistics with reference to farm camps are not available since the operation and maintenance costs of these camps are absorbed in the expenditures of the parent institution.

CANADA PENSION PLAN—EMPLOYER OVERPAYMENTS

Questions No. 747—**Mr. Hales:**

1. What is the amount of the employers' overpayment to the Canada pension plan since the inception of the plan?

2. How many employers are involved?

3. What arrangements are being made to have this overpayment returned to the employers?

4. How much money was collected in overpayment by employees since the Canada pension plan was started?

5. How many employees were involved?

6. How much money was returned to the employees?

[Miss LaMarsh.]

Hon. Jean Chrétien (Minister of National Revenue): 1. Where an employer makes a contribution on behalf of his employee that is in excess of the amount required to be contributed under the provisions of the Canada Pension Plan, he may deduct the amount of such overpayment from subsequent remittances or apply for a refund of such amount which will be made if in accordance with the provisions of the plan.

2. No information is available of the number of or amounts of such overpayments.

3. Arrangements as set out above in Parts 1 and 2 have been made.

4. Overpayments are calculated annually on the basis of applications made by employees when filing their income tax returns. Refunds for the 1966 year based on applications reviewed now total approximately $8,-800,000.

5. 813,652 at December 1, 1967.

6. $8,804,302.58 at December 1, 1967.

CANADA PENSION PLAN PAY-ROLL DEDUCTIONS

Question No. 815—**Mr. Howe (Wellington-Huron):**

1. Is there to be an increase in pay-roll deductions for the Canada Pension Plan in the near future?

2. If there is such an increase, how much is it and why is it being applied?

Hon. Jean Chrétien (Minister of National Revenue): 1. Commencing January 1, 1968, the Canada Pension Plan contributions for employees who earn more than $5,000 salaries or wages have been increased.

2. The maximum Canada Pension Plan contributions for 1968 by an employee earning $5,100 or more has been increased from $79.20 to $81. This increase in contributions is due to a rise in the pension index which is calculated in accordance with a formula provided for in the act to adjust contributions in relation to the rise in the consumer price index.

FEED GRAIN SHIPMENTS TO PRINCE EDWARD ISLAND

Question No. 831—**Mr. MacLean (Queens):**

1. What is the total tonnage of Western feed grain shipped to Prince Edward Island for each of the last ten years, for which figures are available?

2. What was the total subsidy paid on these amounts for each of the years specified?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Agriculture as follows: Western feed grains shipped to Prince Edward Island, fiscal years 1957-58 to 1966-67:

Year	Tons	Feed freight assistance
		$
1957-58	21,012	306,775
1958-59	25,715	387,246
1959-60	31,723	549,221
1960-61	28,332	433,867
1961-62	27,530	386,480
1962-63	18,503	265,282
1963-64	23,558	336,060
1964-65	28,073	409,066
1965-66	32,203	471,612
1966-67	32,116	505,762

INCOME TAX DEDUCTIONS FOR DONATIONS TO CHARITABLE ORGANIZATIONS

Question No. 833—**Mr. Ballard:**

In order that charitable organizations be registered with the Minister so that donation receipts to qualify as deductions from income for income tax purposes (a) is it a requirement that receipts issued after January 1, 1967, bear the registration number to qualify for deduction (b) what was the first date on which the Department was able to process applications received (c) has there been any undue delay in issuing certificates to applicants (d) will the Minister give consideration to accepting receipts without serial number issued by organizations whose application was received and approved after date shown on receipt (e) has an application been received from the Janz Brothers Gospel Association (of Calgary) and has approval been given?

Hon. Jean Chrétien (Minister of National Revenue): (a) Yes; (b) December 5th, 1966; (c) No; (d) No, unless in any particular case the circumstances at the time the 1967 returns are required to be filed warrant such consideration; (e) This information is confidential and cannot be divulged.

ROYAL CANADIAN NAVY ESTABLISHMENT STRENGTHS

Question No. 840—**Mr. Lambert:**

1. What are the establishment strengths in (a) officers, and (b) N.C.O.'s and ratings of each of the ships of the R.C.N. classified as on active duty, e.g., aircraft carrier, supply ship, destroyer escorts, submarines?

2. What was the actual strength of each such ship as of November 30, 1967?

Hon. Léo Cadieux (Minister of National Defence): It is not departmental policy to release individual unit strengths. However, as of 30 November 1967 there were 381 officers and 5,129 N.C.O.'s and men serving in one aircraft carrier, one supply ship, one fleet support ship, 19 destroyer escorts and two submarines. The total establishment for these ships is 325 officers and 5,158 N.C.O.'s and men.

QUEBEC—INDUSTRIAL DEVELOPMENT BANK INVESTMENTS

Question No. 845—**Mr. Isabelle:**

1. How much has the Industrial Development Bank invested in the Province of Quebec in the last five years?

2. To what industries has it made loans?

3. What are the sums involved and who are the presidents of each borrowing company?

Hon. Mitchell Sharp (Minister of Finance): 1. Loan approvals—province of Quebec (thousands of dollars) year ending September 30th

		Number
1967	$20,780	404
1966	31,935	450
1965	25,479	485
1964	24,994	440
1963	22,535	396

2. The Annual Report of the Industrial Development Bank for the year ended September 30, 1967 contains information regarding the number and amount of loans by size, by province and by type of business. Information on the classification of loans by industry by province is not published.

3. It has not been the practice nor is it considered appropriate for the I.D.B. to make information publicly available relating to the affairs of a particular applicant or borrower.

PAYMENTS UNDER FISHING VESSEL ASSISTANCE PROGRAM

Question No. 848—**Mr. Tucker:**

1. What was the total amount paid by the Department of Fisheries under the Fishing Vessel Assistance Programme to each of the Atlantic Provinces and Quebec for the years ending March 31, 1960, 1961, 1962, 1963, 1964, 1965, 1966 and 1967?

2. What was the amount paid to each of the Atlantic Provinces since April 1, 1967, and what is the estimated amount to become due between now and March 31, 1968?

3. What was the amount paid to the Province of Quebec since April 1, 1967, and what is the estimated amount to become due between now and March 31, 1968?

Hon. H.-J. Robichaud (Minister of Fisheries):

1.

	Newfoundland	Nova Scotia	New Brunswick	Prince Edward Island	Quebec
1959-60	$ 34,013.10	$ 136,174.50	$110,335.50	$ 28,937.70	$165,051.15
1960-61	19,169.70	117,682.95	36,832.95	49,226.10	122,976.15
1961-62	66,157.00	97,158.70	110,083.95	28,731.30	—
1962-63	36,397.50	167,659.50	121,775.25	—	174,167.75
1963-64	42,850.00	150,302.50	80,285.00	—	226,562.50
1964-65	247,422.30	298,516.00	75,233.20	2,828.00	176,000.50
1965-66	119,008.44	1,183,700.07	296,729.74	6,733.16	165,044.10
1966-67	302,744.36	1,559,903.13	59,793.82	14,809.33	212,749.36
2 and 3.					
Paid April 1 to Dec. 31/67	624,456.20	2,189,197.01	705,032.40	116,749.53	349,111.70
Estimated amt. to become due Jan. 1 to March 31/68	387,327.81	1,109,386.92	356,904.70	36,063.25	185,000.00

CANADIAN DONATIONS TO ENGLAND

Question No. 865—**Mr. Grégoire:**

1. What amounts of money have been given to England by Canada since 1938?

2. In what year was each of these amounts given?

Hon. Mitchell Sharp (Minister of Finance): 1 and 2. The Public Accounts of Canada for the years 1943-4 to 1945-6 show expenditure items under the War Appropriation (United Kingdom Financing) Act of 1942 and the War Appropriation (UN Mutual Aid) Act of 1943. These expendiutres covered the supply to the United Kingdom of Canadian war supplies for use by the United Kingdom and other allied powers. These expenditures are therefore included in the answer to question No. 864.

SASKATCHEWAN—INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 869—**Mr. Southam:**

1. How much money has the Industrial Development Bank loaned in the Province of Saskatchewan in the years 1963, 1964, 1965, 1966 and to November 1, 1967?

2. To what industries were these loans made and in what amounts?

Hon. Mitchell Sharp (Minister of Finance):

1. Loan approvals—province of Saskatchewan
(thousands of dollars)
year ending September 30th

		Number
1963	$2,404	79
1964	3,801	122
1965	4,742	153
1966	6,447	150
1967	4,962	111

[Mr. Robichaud.]

2. The Annual Report of the Industrial Development Bank for the year ended September 30, 1967 contains information regarding the number and amount of loans by size, by province and by type of business. Information on the classification of loans by industries by province is not published.

IMPLEMENTATION OF CANADA LABOUR CODE

Question No. 875—**Mr. Caouette:**

1. In connection with what Crown corporations, did the Minister of Labour postpone the application of the Canada Labour Code?

2. In connection with these exempted corporations, when did or when will the Minister make the Canada Labour Code applicable?

3. What Crown corporations or Crown corporation employees were excluded from the provisions of Part I of the Industrial Relations and Disputes Investigation Act?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. (a) By deferment order issued under Section 51: Canadian National Railways for North Sydney Longshoremen, Eldorado Aviation Limited; (b) by suspension order issued under Section 51: Canadian National Railway Company—Newfoundland Steamship Service (Newfoundland Shipping Hours of Work Order); Canadian National Railway Company and Canadian National Steamship Company Limited (Navigation and Shipping Hours of Work Order); Northern Transportation Company Limited.

Questions

2. Name	Part I of code effective on
Canadian National Railways for North Sydney longshoremen	April 2, 1967
Eldorado Aviation Limited	January 1, 1968
Canadian National Railway Company—Newfoundland Steamship Service	January 1, 1974*
Canadian National Railway Company and Canadian National Steamship Co. Ltd.	January 1, 1969
Northern Transportation Co. Ltd.	January 1, 1969

*Under P.C. 1967-2260, November 30, 1967, pursuant to Section 51 (2) of the Code, phased from January 1, 1968 until full implementation at January 1, 1974.

3. The Canadian Livestock Feed Board and The National Research Council.

*CONSERVERIE SAINT-DENIS-SUR-RICHELIEU—DESTRUCTION OF BUTTER

Question No. 885—**Mr. Ricard:**

Was any loss sustained by the federal government as a result of the fire which on November 5, 1965, destroyed large quantities of butter stored at the Conserverie Saint-Denis-sur-Richelieu and, if so, what was the amount?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, starred question 885 refers to a fire in 1965. The answer to the question is as follows. A fire occurred at the cold storage warehouse of the St. Denis Canning Company, St. Denis sur Richelieu, Quebec, on November 5, 1963, and not in 1965. A loss of $1,885,861.99, calculated at market value of the product, was suffered by the Agricultural Stabilization Board as a result of this fire.

HOMES FOR INDIANS IN MACKENZIE CONSTITUENCY

Question No. 886—**Mr. Korchinski:**

1. What were the localities where homes were constructed for Indians in the Constituency of Mackenzie during 1967?

2. How many homes were constructed in each location?

3. In what localities will the homes be constructed in 1968, and how many will be constructed in each location?

4. How many homes were constructed in Saskatchewan during 1967?

5. How many homes will be constructed in 1968?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1, 2 and 3. The following table shows the number of homes which the department proposes to build on the reserves located in the constituency of Mackenzie during the fiscal years 1967-68 and 1968-69:

Reserve	Proposed Number of Homes 1967-68	1968-69
Southend No. 200	6	6
Pelican Narrows No. 184B	5	4
Carrot River No. 29A	5	3
Shoal Lake No. 28A	—	5
Nut Lake No. 90	10	8
Fishing Lake No. 89	5	3
The Key No. 65	5	4
Keeseekoose No. 66	10	7
Total	46	40

4. During the fiscal year 1967-68 it is proposed to construct 429 houses in Saskatchewan.

5. During the fiscal year 1968-69 it is proposed to construct 386 houses in Saskatchewan.

EXPENDITURES BY ETHNIC PRESS SECTION OF DEPARTMENT

Question No. 890—**Mr. Starr:**

1. What was the expenditure in respect of the Ethnic Press Section of the Department of the Secretary of State for 1967-68?

2. What is the estimated expenditure for the Ethnic Press Section for 1968-69? Has it been reduced recently?

3. How many persons are on the staff of the Ethnic Press Section?

4. What are the staff requirements for 1968-69? Has there been a reduction in staff requirements?

5. Is there an incumbent in the position of head of the section? If so, what is the name of the head of the section? If not, how long has the position been vacant?

6. What is the present salary of the head of the section? Is any change contemplated in the salary?

Questions

7. What is the number of publications analysts according to the establishment for 1967-68? For 1968-69?

8. How many persons have been promoted in this section in the past four years?

9. Are any further reductions in staff anticipated? For what reason?

Hon. Judy V. LaMarsh (Secretary of State): 1. Within the citizenship branch, responsibility for reading and analysing publications in languages other than French or English was assigned to the publications and information division until 1966. This division had until then, an ethnic press section. In that year, this responsibility was transferred to the newly formed immigrant integration division and integrated with its multi-ethnic activities section. At the same time, related documentation functions were transferred to the research and documentation division. Hence there has not been an ethnic press section in the citizenship branch since 1966.

By the creation of this new division and its multi-ethnic-activities section, the branch increased its ability to keep informed about the needs of ethnic groups and to meet those needs.

The present establishment of the division is 10 positions, compared with eight in 1966-67, and further increases will be authorized as soon as positions become available.

Meanwhile, the analysis of non-French, non-English language publications is performed through service contracts; thus freeing the full-time staff for direct services to ethnic organizations.

The expenditures of the immigrant integration division are expected to reach $690,000. this year and $820,000. next year.

In view of the answer to question 1:

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Not applicable.

6. Not applicable.

7. Not applicable.

8. Effective October 1, 1965, the publications analysts positions were reclassified to administrative services positions. As a result of this reclassification, the incumbent in each position affected received an increase.

9. Not applicable.

[Mr. Starr.]

QUESTION PASSED AS ORDER FOR RETURN

INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 776—**Mr. Caouette:**

1. For each year since its inception, how much has the Industrial Development Bank loaned in each of the provinces of Canada?

2. How many applications for loans has the bank received, by provinces, each year since its inception?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notice of motion for the production of papers No. 45 is acceptable to the government.

Would Your Honour be kind enough to call notice of motion No. 40?

Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

[*English*]

NEWFOUNDLAND—DAMAGE TO COD TRAPS

Motion No. 45—**Mr. Tucker:**

That an Order of the House do issue for a copy of all correspondence exchanged between the Minister of Fisheries and the owners of trawlers in Newfoundland involved in damaging cod traps or other net gear owned by inshore fishermen.

Motion agreed to.

CORRESPONDENCE WITH COL. CHURCHILL ON NORTHUMBERLAND CAUSEWAY

Motion No. 40—**Mr. McQuaid:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all documents, correspondence or communications relating to the Northumberland Causeway and exchanged between Colonel Edward Churchill, the Government of Prince Edward Island or the Government of Canada or any department, commission or agency of either of the said Governments.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, this motion calls for the production of correspondence between an employee of the Department of Public Works and the government of Prince Edward Island, and between that employee and the government of Canada, his employer. It has never been the practice to produce papers passing between a departmental employee and his own departmental officials or other officials of

the government, and this part of the motion is objectionable. There is no objection, of course, to producing any correspondence or papers which pass between a public works employee and the provincial government of Prince Edward Island, and these can be produced subject to the reservation that we would ask the permission of the province to publish them. I would be glad to agree to this part of the motion, subject to that reservation.

Mr. Speaker: Subject to the reservation expressed by the minister is it the pleasure of the house that notice of motion No. 40 be deemed to be adopted?

Some hon. Members: Agreed.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ANNOUNCEMENT FOLLOWING PROVINCIAL REPRESENTATIONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Acting Prime Minister. In view of the statement by the Prime Minister last week indicating that the government was considering representations made by the provinces on the subject of medical health services, and in view of the importance, to the country as a whole, of the government's decision on this matter, and particularly in view of its importance to provincial governments which are now trying to assemble their budgets for the coming fiscal year, for presentation to the legislatures, can the acting Prime Minister today tell the house when the government will announce the results of the review following the representations made by provincial governments on this subject?

Hon. Paul Martin (Acting Prime Minister): The Prime Minister, as the hon. gentleman knows, continues to be ill. I expect him back tomorrow. This question was asked yesterday, and I replied to it.

MEDICARE—COST TO BRITISH COLUMBIA—REQUEST FOR ANSWER TO QUESTION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Secretary of State whether she would be good enough to look at question 727 on the order paper and do what she can to see that an answer is provided in the immediate future. This question has been on the order paper for over two months and I believe the information must be in the possession of the government without requiring any great research. I also make this request because I have another question which will be appearing on the order paper very soon, and I should like to preserve my record of having only one question on the order paper at a time.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I do not know about this particular question, although I can see certain difficulties in obtaining an answer in the next few days. I should like to say that those who work in the parliamentary returns branch advise me that some 90.9 per cent of all the questions asked to date have been answered. I shall be very happy to have this question answered as quickly as I can.

MEDICARE—INQUIRY AS TO PORTABILITY

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Acting Prime Minister. Yesterday, with reference to the medicare measure the Acting Prime Minister said it is permissive legislation and that its implementation is a matter for the provinces. Would he tell the house whether or not this indicates abandonment of the requirement in the medical care bill that the medical care plan should be portable from province to province?

Hon. Paul Martin (Acting Prime Minister): I do not think so.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): It would perhaps be more precise to say "of course not".

Mr. Brand: A supplementary question, Mr. Speaker. I wonder whether the Acting Prime Minister could explain to the house how, unless all the provinces are going to be in this scheme, it will be portable from province to province.

NATIONAL DEFENCE

EMERGENCY LANDING FIELDS USED IN STRATEGIC AIR COMMAND OVERFLIGHTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of National Defence regarding the crashing of a United States plane near Thule, Greenland. The aircraft was carrying four thermonuclear bombs, each with an explosive

equivalent of one million tons of T.N.T. I want to ask the minister whether Resolute Bay or any other northern Canadian base is being used as an emergency landing field for planes of the strategic air command and, if so, what measures is the government taking to ensure the safety of Canadian territory and territorial waters in the event of a similar accident.

Hon. Leo Cadieux (Minister of National Defence): I think, first of all, I should say that there is an agreement between the governments of Canada and the United States for the overflight of planes from strategic air command.

There is no arrangement for landing. Of course if there were an emergency we would allow these planes to land. In the particular case we are concerned with, and the hypothetical case that something similar to this would happen in Canada, I am sure we have trained personnel who could intervene and act in accordance with the necessary precautions that would have to be taken in such a case.

Mr. Douglas: As a supplementary question may I ask the minister whether any arrangements have been made with the government of the United States regarding the state of nuclear bombs in these aircraft when they fly over Canadian territory, and what precautions would be applicable in the event of a forced landing at a Canadian emergency base?

Mr. Cadieux (Terrebonne): I assume, Mr. Speaker, and I say "assume" because I have not gone into that particular aspect of the question, we would find ourselves in the same situation as they now face in Thule, that the weapons would be de-armed and defused, and therefore the danger of an explosion would not really exist.

Mr. Douglas: What about the danger from the dispersal of toxic fissionable material which could also have a serious effect on Canadian lives and territory?

Mr. Cadieux (Terrebonne): With due respect I would again call this a hypothetical question. In a case like that we would act according to the normal procedures, and people are trained how to act in such circumstances.

Mr. Andrew Brewin (Greenwood): As a supplementary question, Mr. Speaker, may I ask the minister whether the Canadian government is in any way in consultation with the government of Denmark which, I understand, is carefully looking into the problem of the risk involved in the incident mentioned by my leader?

Mr. Cadieux (Terrebonne): My understanding of the basic difference between Denmark and Canada is that Denmark does not have the arrangement with the United States government that the Canadian government has.

[*Translation*]

AGRICULTURE

MILK—PRODUCTION PROGRAM FOR 1968

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I realize that the Minister of Agriculture has just left, so I shall address my question to his parliamentary secretary.

Could the parliamentary secretary to the Minister of Agriculture tell us whether talks have been held with representatives of the Quebec and Ontario industrial milk producers to prepare the next subsidy program for industrial milk producers in 1968?

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the minister, who was in the house a minute ago, may be back shortly and I will bring this question to his attention.

GREENHOUSE PRODUCTS—REQUEST FOR PROTECTION AGAINST LOW COST IMPORTS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I would have liked to address my question to the Minister of Agriculture but he is not in the house at the present moment. However, because of its importance perhaps I can address it to the minister's parliamentary secretary in the hope we may have an answer tomorrow.

An hon. Member: The minister is away campaigning.

Mr. Danforth: In view of the fact that Ontario greenhouse produce will begin entering our markets within a week, can the government indicate its decision regarding the recent representations made by this industry in regard to protection against low cost imports?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I should like to take the question as notice.

TRANSPORT

BELL TELEPHONE COMPANY—DECISION BY COMMISSION TO MAINTAIN RATES

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the decision by the transport commission not to ask the Bell Telephone Company to reduce its rates in spite of its increased profits, will the minister's department be instituting a review of profits and rates in public utilities with a view to more iron clad directives in the future?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I do not think I would wish to comment on this decision until I have had a chance to read it and the reasons given for it.

Mr. Thomas M. Bell (Saint John-Albert): As a supplementary question, does the minister feel action is necessary on behalf of the government in view of the fact that this appears to be a violation—

Mr. Speaker: Order, please.

Mr. Bell (Saint John-Albert): —of the formula—

Mr. Speaker: Order, please. The question being asked by the hon. member is argumentative.

Mr. Bell (Saint John-Albert): To rephrase my question, Mr. Speaker, will the minister make an announcement in the house about this matter, since it has a direct bearing on the Bell Telephone bill and the permissive earnings formula now being considered in committee?

Mr. Hellyer: Mr. Speaker, I will read the decision and the reasons for it as quickly as I can, and then decide whether a statement would be warranted.

Mr. David Lewis (York South): As a further supplementary question, in view of the fact that this situation has been repeated for a number of years, when he has read the decision would the minister consider using the applicable section of the act and bring this matter to the governor in council for review and action immediately?

Mr. Hellyer: Mr. Speaker, as I said, I would not want to prejudge what view I might have after reading the decision of the commission and its reasons for the decision it has taken.

Inquiries of the Ministry

ALLEGED IRREGULARITY IN RAIL LINE ABANDONMENT—REPLY BY MINISTER

On the orders of the day:

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I should like to reply to the question asked yesterday of my parliamentary secretary by the hon. member for Brandon-Souris. The hon. member asked whether I was aware that the Canadian Transport Commission had given notice of a rail line abandonment hearing under old order 123994, contrary to the minister's assurance given to the house on December 18 last to the effect that any further hearings would be free of any previous orders or preconceptions. May I say in reply that I have checked with the Canadian Transport Commission and am assured that there has been no notice given of any rail line abandonment hearing under order 123994.

The hon. member may be referring to the costing hearings before the railway transport committee, but I have been assured that there has been no abandonment under this order.

STARVATION OF PONIES ON SABLE ISLAND

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I have a question for the Minister of Transport, the answer to which will help him sharpen up and make more green his image as a humanitarian. Would he look into the report on the Max Ferguson show that the ponies on Sable island are starving because of the recent severe winter storms?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker, I will because I think this has happened once or twice before, and when it happened food has been flown in.

CANADIAN CONSTITUTION

INQUIRY AS TO FURTHER CORRESPONDENCE ON PROPOSED CONFERENCE

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I direct this question to the Acting Prime Minister. On December 15, in reply to a question of mine, the Prime Minister indicated that he would seek the consent of the provinces to lay on the table the correspondence with the provinces relating to the forthcoming dominion-provincial conference and would do so with a view to laying it on the table before the recess. Would the Acting Prime Minister make inquiries concerning whether those consents have been secured

and whether the correspondence can now be laid on the table? If all the consents have not been secured, would the Acting Prime Minister arrange to lay on the table the correspondence for which consents have been secured.

Hon. Paul Martin (Acting Prime Minister): I will make these inquiries. I think the suggestion made with regard to the replies already made could be accepted.

PARLIAMENTARY WORK DURING PERIOD OF CONFERENCE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the government house leader on this matter. I should like to ask him what plans the government has in respect of parliamentary work during the period of the constitutional conference.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would prefer to wait for the return of the Prime Minister to the house before making any comment on that point.

EXTERNAL AFFAIRS

NORTH KOREA—STATEMENT ON INTERCEPTION OF USS "PUEBLO"

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is for the Secretary of State for External Affairs. Is he in a position to give a statement to the house concerning the very dangerous situation which has arisen in North Korea vis-à-vis the United States of America?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the United States authorities have stated categorically that the *Pueblo*, the ship in question, was in international waters at the time it was intercepted.

With regard to the part that Canada plays in this matter, it is clear that we are not directly involved in a matter which is essentially one between the United States and North Korea. There would in this situation be no precise role for us to play. However, we are concerned about the seriousness of the incident and are following it closely.

REPORTED ASSISTANCE BY FRANCE TO CANADIAN NEWSPAPER

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the fact that the President of France has announced that his government will be subsidizing the Moncton newspaper *L'Evangeline* in order to help in its "modernization, growth and means", would the Acting Prime Minister inform the house whether the government does not regard such policy as contravening the Income Tax Act as amended by Bill No. C-118 in 1965, which is to assure that Canadian newspapers do not fall under foreign control?

Mr. Speaker: Order, please. The hon. member is asking the minister to express an opinion as to the interpretation of a statute, and that is not in order.

[*Translation*]

SHIPPING

REPORTED DELAY IN ICEBREAKING OPERATIONS ON ST.LAWRENCE RIVER

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Transport. Has he received complaints from maritime agents in Montreal to the effect that they had not been warned that ice-jams were forming in the St. Lawrence, that the icebreakers had not moved for the two days, in short, that they had started their work only after the ice-jams had really become difficult to break.

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am not sure whether or not any complaints have been received. I will have to take the question as notice.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I ask a supplementary question?

In view of the responsibility of the Department of Transport in this field, does the government intend to compensate the property owners on the banks of the St. Lawrence for the damage caused by these floods?

[*English*]

Mr. Hellyer: Mr. Speaker, it is the intention of the government of Canada to use the excellent icebreakers and their crews to open the river and let the ice flow down the channel. I understand they have been doing a magnificently effective job, in view of the extreme cold weather we had a few days ago. Now the heart of the problem has been broken and they are working on the upper river stretch which is more difficult, but they hope to have that under control shortly.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I ask a last supplementary question?

Would the Minister of Transport bring this problem to the attention of a parliamentary committee, so that we may know for sure whether it is true that the icebreakers have not done their job or whether the authorities responsible for shipping on the St. Lawrence river have been remiss in their duty when those ice-jams formed?

[*English*]

Mr. Hellyer: I think they are doing their duty very well. When the main estimates of my department are being considered, if there are any questions which my hon. friend would like to address to me I would be pleased to deal with them.

Mr. Thomas M. Bell (Saint John-Albert): I have a supplementary question, Mr. Speaker. Will the minister investigate the complaints to the effect that this year the excessive ice-breaking may in itself cause extra flooding this spring?

Mr. Speaker: Order, please.

BRITISH COLUMBIA—CONSTRUCTION OF RESEARCH AND COASTGUARD VESSELS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Transport. In view of the serious lay-offs of shipyard workers in Vancouver and Victoria, and the consequent loss of skilled workers to the United States, will the minister give immediate reconsideration to expediting the construction of research and coastguard vessels planned for British Columbia shipyards?

Hon. Paul Hellyer (Minister of Transport): Of course, Mr. Speaker, we will always be willing to reconsider questions related to the shipbuilding program. But unless the amount of money available is more substantial than it was at the time we prepared our estimates, it is not likely that there will be any change in the program in so far as the immediate future is concerned. I am sorry about that, but these are the facts of life.

Inquiries of the Ministry

[*Translation*]

TRADE

TOBACCO—IMPORTS FROM SOUTH AFRICA AND RHODESIA

On the orders of the day:

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, on Monday, the hon. member for Oxford (Mr. Nesbitt) and, yesterday, the hon. member for Middlesex East (Mr. Thomas) asked questions with regard to the importation of tobacco from South Africa.

Here is the answer: Statistics on trade show that a tobacco shipment was imported from South Africa on May 24, 1967. That shipment consisted of leaves, stems and leaf ends which all have different values. My department has instituted an inquiry concerning those values in South Africa and that information from South Africa is expected by the end of the month. There is no indication, in the meantime, that other shipments have been made from South Africa or that the imported tobacco came from Rhodesia.

[*English*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wonder whether the minister could give us an idea as to the amount of tobacco which has been imported from the southern part of Africa in the last six months.

Mr. Speaker: Order, please. The question asked by the hon. member seeks statistical information and is not in order.

FINANCE

POSSIBLE IMPOSITION BY UNITED STATES OF IMPORT SURCHARGES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask the Minister of Finance whether he or the government has been advised either directly or indirectly that the United States government is considering import surcharges to offset its deficiency in external payments and, if so, could he indicate what consideration is being given in this regard by the Canadian government?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I became aware of this I think in the same way as the hon. gentleman, by reading the newspaper this morning. Until then I was not aware of any such intention.

Inquiries of the Ministry

REFUSAL BY BANKS TO MAKE FARM IMPROVEMENT LOANS

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I have a question for the Minister of Finance. Since the removal of the ceiling on interest rates the chartered banks in many instances are refusing to grant farm improvement loans and the impression is growing that the government has discontinued this program. Will the minister clarify this situation for the farmers of this country.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been aware of some decline in the volume of farm improvement loans in recent months. Although reports as to the decline have in general been exaggerated, I know that it has existed. There is no doubt that this relates to the maximum rate of 5 per cent interest contained in the act. It has been in that act since 1944. I have received representations from the bankers associations and I now have under consideration recommendations in respect of amendments to the Farm Improvement Loans Act which would permit some flexibility in the rate of interest. I have expressed—

Some hon. Members: Oh, oh.

Mr. Sharp: I have expressed the hope to the bankers, and I am sure they will comply, that in the meantime the banks will continue to give their customary support to this program.

HIGHWAY SAFETY

RECOMMENDATIONS RESPECTING DEATHS AND INJURIES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, some time before the Christmas recess the Minister of Transport informed us that he would report soon in respect of recommendations by the legal and justice committee in the field of highway deaths and injuries. Is the minister ready to make such report?

Hon. Paul Hellyer (Minister of Transport): Not as yet, Mr. Speaker, but I hope I will be able to do so very soon.

HOUSING

C.M.H.C.—STATEMENT BY MINISTER RESPECTING SPECULATIVE LOANS

On the orders of the day:

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, yesterday the hon. member for Chapleau (Mr. Laprise) asked whether Central Mortgage and Housing Corporation would be engaged in a program of making speculative loans to builders. As previously indicated by my colleague, the Minister of Labour (Mr. Nicholson), it is not the intention to have C.M.H.C. undertake a program of speculative loans to builders this spring, but rather that we concentrate our resources on loans for low rental housing. We believe that the approved lenders will look after builders' requirements for speculative loans.

CLARIFICATION OF LOANS REGULATIONS—REPLY BY MINISTER

On the orders of the day:

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, again yesterday the hon. member for Okanagan-Revelstoke (Mr. Johnston) asked a question relating to the policy of C.M.H.C. in making loans in areas not built up but approved for development, when sewage disposal is by way of septic tank. In newly developing residential areas, C.M.H.C. has, since 1960, declined to approve or make loans where sewage disposal is by way of septic tank. This policy has been followed, notwithstanding that individual lots might be approved for septic tank use by the local health authorities. Experience has shown that the effect of the use of septic tanks in developing areas is cumulative in the pollution of soil and ground water, and therefore is prejudicial to all concerned in the area.

Mr. Speaker: Order, please. I regret to interrupt the hon. minister, but I suggest his answer is going beyond the terms of the question itself.

EXTERNAL AID

ALLEGED INACCURACY IN INFORMATION GIVEN BY MINISTER

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs and relates to an answer printed in *Hansard* for Monday at page 5768 in reply to a question asked about the total external aid given by Canada to various countries in the fiscal year 1966-67. I ask the minister to investigate the answer, which I state is incomplete and therefore misleading. Also, will he show in a subsequent answer that the country of Tanzania, in addition to receiving $2.3 million under grants and loans for the fiscal year

1966-67, also received $5¼ million of Canadian tax money for a defence program in that country?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I do not believe that the answer was inaccurate. I will look at it. But if the charge of inaccuracy arises out of the facts involved in the last part of my hon. friend's question, then I believe it was not inaccurate because the assistance given militarily to Tanzania does not constitute external aid. It is the same kind of assistance that the government of which my hon. friend was a member gave to Ghana. This is military assistance given to commonwealth countries, I think quite justifiably, for military purposes only.

Some hon. Members: Hear, hear.

Mr. Churchill: I have a supplementary question, Mr. Speaker, now that the minister is getting so definite in his answers.

Some hon. Members: Oh, oh.

Mr. Churchill: I ask the minister this question. When an hon. member asks for the total amount of external aid given to a country, should the minister not include in that moneys that are given to that country under the heading of external affairs estimates of defence support assistance, to cover direct expenditures on behalf of countries not members of NATO?

Mr. Martin (Essex East): Mr. Speaker, "external aid" is defined by the members of the O.E.C.D. as including assistance to assist in the elevation of the standard of living of the recipient countries. Military assistance given by any country in the O.E.C.D. is not regarded as external aid and is certainly not so regarded in Canada.

Mr. Churchill: A final—

Mr. Speaker: Order, please. I wonder whether the hon. member for Winnipeg South Centre wants to pursue the matter further. This seems to be an argument between the hon. member and the Secretary of State for External Affairs.

Mr. Churchill: I thought I would do it this way, Mr. Speaker, instead of raising a question of privilege, which would have prolonged the proceedings today. May I ask as a final supplementary question to the minister, whether it is not unwise for Canada to be expending amounts over $5 million per year to Tanzania by way of military assistance? Would that money not be better spent in Canada?

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Does my hon. friend not believe—

Mr. Speaker: Order, please.

Mr. Martin (Essex East): My hon. friend does not believe in the commonwealth.

Mr. Speaker: Order, please. The hon. member for Vancouver East.

Mr. Winch: Mr. Speaker, my question was for the Minister of Public Works, but he seems to have disappeared.

FISHERIES

NUCLEAR CONTAMINATION OF CANADIAN WATERS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Fisheries. I would like to ask him whether any request has been made of the Fisheries Research Board of Canada to investigate whether there is any present or future danger of harm to the fisheries off our northeastern coasts from radioactivity as a result of the entry into the waters of that area of nuclear bombs near Thule, Greenland.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, this incident occurred only some 48 hours ago and I do not believe the Fisheries Research Board have had any opportunity to look into the matter. But if it affects Canadian fisheries, I want to assure the hon. member that all information possible will be provided.

Mr. Barnett: Mr. Speaker, will the minister say that he will ask the Fisheries Research Board to look into the matter? I realize they have not yet had time to make a report.

Mr. Robichaud: What I said was that if there was any danger that it will affect our Canadian fisheries, the Fisheries Research Board will certainly look into it.

TELEVISION

EDMONTON—REQUEST FOR ANSWER TO META PROPOSAL

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Secretary of State. Would she advise us whether the government's decision with regard to E.T.V. is sufficiently far advanced to

allow her to give a positive answer on the META proposal from the city of Edmonton so that that organization, which has been standing by for the last 18 months, may not see all its work go down the drain?

Hon. Judy V. LaMarsh (Secretary of State): I am sure the latter will not be allowed to happen in any event. That work has been far too efficiently done and is far too enthusiastically supported. I think the hon. member realizes that the whole subject matter has been placed before the standing committee on broadcasting, which I understand is to resume its hearings on the subject as soon as the committee of the whole has disposed of the matter which is now before it.

Mr. Lambert: I have a supplementary question, Mr. Speaker. I think the minister understands that I meant the alternate or intermediate proposal which this organization put forward and which is awaiting the government's decision in due course.

PUBLIC BUILDINGS

OTTAWA, ONT.—ERECTION OF HIGH-RISE STRUCTURE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Public Works may I address my question to his parliamentary secretary. Will the government, on behalf of the parliament of Canada, be making known its views with regard to the proposal to erect a 39 storey structure only a few blocks from parliament hill?

Mr. Speaker: I doubt whether the matter is of immediate urgency. Perhaps the question might be put on the order paper.

Mr. Knowles: Perhaps the parliamentary secretary would bring it to the attention of his minister.

• (3:20 p.m.)

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Tuesday, January 23, consideration in committee of Bill No. C-163 to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss La Marsh—Mr. Batten in the chair.

The Chairman: When the committee rose last evening clause 2(d), with an amendment proposed by the hon. member for Red Deer, was under consideration. Clause 2(c) was allowed to stand, with an amendment proposed by the hon. member for Compton-Frontenac. I should like to suggest to the committee that perhaps the more orderly procedure now would be to revert to subclause (c) and to deal with the amendment proposed by the hon. member for Compton-Frontenac, and thereafter proceed to subclause 2(d) and the amendment proposed by the hon. member for Red Deer. Would the committee so agree?

Some hon. Members: Agreed.

The Chairman: We are now on clause 2 subclause (c). The hon. member for Compton-Frontenac moved that the words:

—subject only to generally applicable statutes and regulations, is unquestioned;

be deleted from lines 19 and 20 of clause 2 and that the following be inserted therefor:

—the right, for all Canadians, to receive, by any means whatsoever, all the programs broadcast and available, subject only to generally applicable statutes and regulations, is unquestioned;

Subclause 2 (c) would then read as follows:

All persons licensed to carry on broadcasting undertakings have a responsibility for the public effects of the programs they broadcast but the right to freedom of expression, the right, for all Canadians, to receive, by any means whatsoever, all the programs broadcast and available, subject only to generally applicable statutes and regulations, is unquestioned;

[*Translation*]

Mr. Latulippe: Mr. Chairman, the amendment which I introduced yesterday concerned cablevision and not closed circuits directly, as the minister has said.

I did not understand very well what the minister said yesterday with regard to closed circuits, but in my opinion this amendment does not concern closed circuits only, but also cablevision and CATV.

I think that the bill is not very clear in this respect, and that subclause (c) should be amended as suggested in the amendment which I introduced, in order to be fair towards those who provide cablevision services.

The Secretary of State (Miss LaMarsh) said yesterday that I owned a cable system; that is true. But there are many other cable systems in the province and that is why I think that all citizens and all companies who own and operate cable systems should be free to pick up programs and retransmit them through

their cables, by closed circuit. In fact, they should be free to retransmit programs which they pick off the air without being liable to penalization as mentioned in clause 2 (c). It is for that reason I moved this amendment.

I am convinced that the hon. members will consider and support it.

It would not be fair to penalize those who operate a television or radio service through cables, because they merely retransmit programs broadcast by other stations.

The minister should consider these factors, because they constitute the basis of my amendment.

[*English*]

The Chairman: Perhaps I should point out to the hon. member for Compton-Frontenac and to the committee that it is the opinion of the Chair that the amendment moved by the hon. member is irrevelant to subclause 2 (c) in that it introduces different methods of reception while the clause deals only with broadcasting in the sense to which the Broadcasting Act applies.

Second, it appears to the Chair that the phrase "by any means whatsoever" might well be interpreted as including methods of broadcasting not covered by this clause, or even by the bill or the act itself.

Third, it also seems to the Chair that the amendment is redundant with respect to subclause (e) of clause 2.

It is for these reasons and with regret that I must rule the amendment moved by the hon. member for Compton-Frontenac out of order. Shall clause 2 (c) carry?

Mr. Nugent: Mr. Chairman, I had not expected the amendment to be ruled out of order. However, the objection of the Chair that the introduction of new means of broadcasting is too wide perhaps fits in with the suggestion that I was going to make to the hon. member who moved the amendment, namely that the purpose of the amendment, as I see it, is to reassure the people of Canada, and to emphasize in the Broadcasting Act itself, that while it is necessary to regulate broadcasting and even to bring distribution systems under the Broadcasting Act, we in this house are very cognizant of the right of individual citizens to hear and see the programs that are available.

I was going to suggest to the hon. member that he delete the phrase "by any means whatsoever" from his amendment. I think this would have the effect of meeting the objection that the Chair found to the introduction of extraneous matter. The objection of the Chair that this is already covered in subclause (e) would not apply, and there would then simply be added to the freedom of expression enunciated in subclause (c) the declaration of freedom to receive the broadcast programs that are available.

I would point out that this clause is already subject to the general regulations made under the act. If my suggestion were adopted there would simply be added to the right to freedom of expression, the right to freedom to receive.

I suggest that here we are coming up tight against what is a fundamental concern to a great many Canadians in this country. I think we should consider that concern at this point, and I suggest this type of amendment provides a good vehicle to decide whether or not the government should be in the position to impose a kind of censorship on the programs people may see or hear.

It has been said by many that we can buy magazines from the United States and read what we like, that we can listen to the radio broadcasts from Moscow or somewhere else, and so on. Even though some attempts are made to jam certain programs, nevertheless anyone who has the necessary equipment can listen to any radio program he wants.

I suggest the same sort of reasoning applies to television sets. If the signal is in the airwaves and people can receive it, then they should be permitted to do so. In this connection it is cogently argued that, situated as we are close to the United States, the citizens of Canada are able to receive and enjoy powerful transmissions which emanate from that country. On the other hand, some parts of Canada farther away from the United States are not reached by these transmissions and the people in those areas are unable to view the programs.

It is also argued that by regulating cable networks we are discriminating against certain Canadians. In effect we are preventing one segment of the population from receiving programs they might like to receive whereas another segment—the largest segment of the population—has perfect freedom in this regard.

Certainly the question whether or not there is any attempt to inhibit people in their choice of program must be approached most carefully. I think generally speaking all members of the house would agree that there is no

such thing as protecting people from propaganda, or trying to see they are not seduced by one or other kind of propaganda from foreign parts. Therefore any resort to an artificial means of controlling what may be seen and heard is so undesirable that the subject hardly need be discussed in the house.

One difficulty which arises here is this. The parliament of Canada controls the taxpayers' money, many millions of which is used for the purpose of advancing and protecting Canadianism—Canadian culture. Therefore, if we do not have some means to control broadcasting there is a distinct possibility that regulations made so loosely as to permit by any means whatsoever the distribution of United States programs could completely nullify the efforts of parliament in this regard. We do not want to spend the taxpayers' money for nothing, Mr. Chairman. Neither do we want to see parliament or the regulatory body passing regulations which would prevent people from using equipment that is available to receive programming. Nevertheless electronic equipment is available which could completely defeat what we are trying to do.

I am not sure that we are yet in a position to foresee what will happen when the whole of Canada is covered by satellite t.v. transmissions and there is no need for cablevision or for booster stations. The only way the people could be prevented from receiving these transmissions would be to try to jam the satellite broadcasts. I do not think anyone would argue with the proposition that it should be within the legislative ambit of the parliament of Canada to control the airwaves above this country and to regulate what may enter them. But it is a different matter when we ask whether we want to regulate what enters our airwaves; and if there is some proclivity in this direction it will be difficult to decide how we do this and to what extent.

I think that what is necessary at the moment is to put into the act simply a reminder that while the arguments for regulation are many, and while there is some concern about using in the best possible way money spent by the C.B.C. on the preservation of Canadianism, there is an overriding concern for the right of every citizen of this country to hear and see whatever programs he or she wishes.

When I put it in that way, Mr. Chairman, I have not forgotten that there does exist in our criminal legislation provisions in connection with certain types of seditious propaganda. For example we can regulate certain

kinds of questionable programs on the airwaves. Nevertheless, regulation of cablevision or other broadcasting systems should be for the primary purpose of preserving Canadian sovereignty over the means of communication in this country and to maintain an orderly use of airwaves and channels. In addition, its purpose should be the broadening of the possibilities of Canadians to see what can be seen in the best way possible and for the least money possible. Also, we should bear in mind that the money we are spending should have some effect in promoting Canadianism.

• (3:30 p.m.)

Though Your Honour has just ruled one amendment out of order I wish to move another amendment which is almost identical to it except that my amendment would leave out certain words that the Chair considered objectionable. The amendment I propose would add between the words "expression" and "subject" in line 19 thereof the following: "and the right of Canadians to receive all broadcasting programs available to them." That amendment would apply to subclause (c). The clause as amended would then read:

(c) all persons licensed to carry on broadcasting undertakings have a responsibility for the public effects of the programs they broadcast but the right to freedom of expression and the right of Canadians to receive all broadcasting programs available to them, subject only to generally applicable statutes and regulations, is unquestioned;

May I move that amendment, Mr. Chairman? I apologize to the minister for my lack of courtesy in not having advised her of the amendment. Yesterday I thought it would be some time before we would reach this clause and I was caught unprepared. The minister is entitled to notice of the amendment and I regret that I did not give her that notice.

Miss LaMarsh: May I ask my hon. friend to stand this matter? Obviously he is reading from the wrong copy of the bill. His amended clause contains the words "public effects". Bill C-163, as reported back by the committee, did not contain that wording. If my hon. friend would stand his amendment perhaps he might refer to the new reprint of the bill and deal with the matter then. I have no objection to standing this matter for the time being.

Mr. Nugent: I thank the minister. May I ask the committee to give me time to consider?

The Chairman: Does the committee agree to stand clause 2(c)?

Some hon. Members: Agreed.

The Chairman: The committee will proceed with discussion of subclause 2(d) and the amendment proposed by the hon. member for Red Deer.

Mr. Thomas (Middlesex West): Mr. Chairman, before we proceed with the next clause I wish to say that I am somewhat confused by the statement concerning the revised version of the bill. I presume that some hon. members have it.

Mr. Fairweather: We all have it. There has been a new printing.

Mr. Thomas (Middlesex West): Well, I do not have a copy. It is not in my file of bills. I should like to obtain a new copy.

The Chairman: Order, please. The committee will now proceed to clause 2(d). The hon. member for Red Deer moved an amendment to subclause (d). His amendment sought to insert after the words "public controversy" in line 5 of the bill the following:

"while ensuring that the most broadly held opinions receive appropriate consideration";

His amendment also sought to add, after the words "other resources", the words:

"while alert and responsive to public preferences in this and other aspects of programming".

Clause 2(d) would then read as follows:

"The programming provided by the Canadian Broadcasting system should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy, while ensuring that the most broadly held opinions receive appropriate consideration, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources, while alert and responsive to public preferences in this and other aspects of programming".

Mr. Thompson: Mr. Chairman, I shall not repeat my remarks of last night. The purpose of the amendment is to strengthen the bill and it is intended to do nothing else. The amendment seeks to make it clear to management that they have a responsibility for program content. I believe it is just as necessary for this bill to provide management with guide lines for carrying out its responsibilities with respect to programming content as with respect to the technical side of broadcasting. These remarks apply to both the C.B.C. and the private sectors of broadcasting. I commend this amendment to the minister and to the committee. I trust that the amendment is acceptable and that members of the committee will support it.

Miss LaMarsh: I regret that I cannot lend my support to the amendment. I am sympathetic toward the hon. member's intentions. We all hope what he hopes with respect to program content. I think that any manager worth his salt would feel that it is his responsibility to broadcast conflicting views on matters of public controversy. He would broadcast those views particularly that are reflected by large segments of the public. Nevertheless, I am afraid that what the hon. member seeks to do by way of amendment cannot be legislated.

During the committee proceedings members of my hon. friend's group came forward with amendments which in themselves were unobjectionable. Various amendments dealt with matters such as good taste. The wording of such amendments, or the spirit of such amendments, would be acceptable to anyone. But that spirit cannot appear in a piece of legislation.

I do not think that anyone should be required to decide, as a matter of statute law, what a broadly held opinion is. Those who are in this chamber or in public life know that broadly held opinions in this country may vary almost daily or almost hourly. To ask some individual to determine what a broadly held opinion is, is to place on that individual an unsupportable burden.

To require broadcasters to remain alert and responsive to public preference "in this and other aspects of programming" is placing great difficulties in their way. Though that wording may seem innocuous, it imposes a frightening stricture on those whom it may affect. For instance, they may be left open to charges that they are not alert and not responsive to public preferences. Public preferences change from time to time and they change sharply, as we all know. Though I may agree with my hon. friend's sentiment I cannot, on behalf of the government, agree to enshrine it in legislation. I must therefore inform my hon. friend, reluctantly, that I am not prepared to accept the amendment.

Mr. Sherman: Mr. Chairman, I support the essence and theme of the amendment that the hon. member for Red Deer has moved. In common with the hon. lady I admit that I am not satisfied with the precise wording of the amendment.

On December 21 I served notice to the minister and the committee when I was speaking in the general debate and taking an umbrella approach to the legislation that I intended to

move an amendment to subclause 2(d). I shall move amendments at subsequent stages of the bill dealing with other matters.

• (3:40 p.m.)

I find that in essence the approach taken by the hon. member for Red Deer has presaged my own. He has moved an amendment which I intend to support, but should that amendment fail to pass I shall move an amendment of my own which is worded somewhat differently but which is also calculated to provide the degree of responsibility and objectivity in the national broadcasting service that he and I, together with a good many other Canadians, desire and feel has been lacking in the public affairs sector of the C.B.C., particularly in television, in recent months if not in recent years. I cannot accept the position the minister takes with respect to the amendment moved by the hon. member for Red Deer. With all due respect I submit that no undue restriction would be placed on management by the acceptance of an amendment worded in the form put forward by the hon. member for Red Deer. Nor would undue restriction be caused by an amendment such as I intend to advance should the amendment put forward by the hon. member for Red Deer fail.

I believe Canadians have a right to expect of those in positions of authority in both public and private broadcasting that a high degree of responsibility implying conscientiousness in terms of objectivity of presentation will be striven for, achieved and maintained. This does not impose an undue restriction upon our broadcasters. In fact, it would constitute an important guide line which should in any case be provided for administrators in what, after all, is a relatively new industry, a relatively new profession. I for my part would be satisfied with an amendment which simply suggested that programming be planned and devised in such a way as to guarantee responsible and balanced treatment of subjects of public controversy. As I say, the wording I favour differs from that adopted by the hon. member for Red Deer. However, we share the same view as to the need for responsibility in broadcasting, a view which has been advanced by other members of the committee including, for example, the hon. member for Elgin and the hon. member for Leeds, during the debates which have taken place in this chamber in recent months.

We share the view that some set of guide lines in connection with objectivity in public affairs broadcasting in this country is overdue. We share a measure of concern about the one-sided partisan approach which has been taken all too often in public affairs broadcasting, particularly by C.B.C. television. A great many Canadians are similarly concerned. The amendment moved by the hon. member for Red Deer is intended, as is my own, to be fair both to broadcasters and to the listening public. All it is intended to do is to place the onus for ensuring balanced presentation upon the management and operators of individual stations—I use the word "operators" not in a technical but in a literary sense. The intention is to place the onus upon these people to maintain a posture of concern with regard to program schedules in public affairs programming, for instance, an attitude which would ensure that where one viewpoint is presented to a substantial extent over a period of time an opportunity will then not only be provided but will be guaranteed for other points of view to be expressed.

This does not constitute a rigid stricture imposed on the management of radio or television stations. All management has to do is keep an eye on the programming schedule or else delegate others to do so, to "vet" the program schedule as a responsible authority in a profession which we all hope is rapidly becoming a responsible one. The least one can ask is that management maintain vigilance over the programming schedule and meet their responsibilities as persons in a position to shape public opinion and attitudes in Canada toward controversial issues of the day, making sure that the public affairs department balances off one set of opinions with another. I really do not think this is an unreasonable stricture to place upon the responsible authorities. For this reason I rise now to say, with respect, that the minister appeared in her answer to be tilting at windmills which do not exist. I take my stand in support of the amendment moved by the hon. member for Red Deer.

Mr. Johnston: Mr. Chairman, I should like to change the metaphor just used by the hon. member for Winnipeg South. A few weeks ago the minister ran up a brave set of colours on the ship of broadcasting. It disturbed me this afternoon to see those colours run down at the first wisp of semantic gunpowder.

The problem, and the minister knows it, is that if subclause (d) is unamended by a further set of safeguards, it will become the Magna Carta of extremism. Forces wishing to present views held by few Canadians, if any,

will justify their actions by using subclause (d) and telling us they are taking advantage of the reasonable opportunity afforded for expressing conflicting views on matters of public controversy.

• (3:50 p.m.)

I think even the hon. member for York South would agree that some months ago there was no necessity for the C.B.C. to bring a neo-nazi all the way from Germany to appear on one of its programs. But having decided not to bring him to Canada, the C.B.C. televised an interview with him. There should have been some responsibility to see that a measure of expression was given to the more generally held view in Canada regarding that menace to democratic life.

Unamended this bill will become the bill of rights for biased broadcasting. If we can interpret what "reasonable opportunity for the expression of conflicting views" means, it seems to me we can equally well interpret what the expression "broadly held opinions" means so that those in charge may be alert to them. The C.B.C. has been dramatically unresponsive to public outcry on matters of public controversy. I believe it important that this bill spell out means whereby the public of Canada can call their creation, the C.B.C., to account.

Mr. Thompson: Mr. Chairman, I wish to make one more comment in answer to the minister's remarks. After all the good lady has gone through during the last couple of years with regard to broadcasting and the C.B.C., it seems to me she should have more sympathy with the intent of this amendment. Management control of C.B.C. broadcasting during the past few years has not been satisfactory either to her or to the public. I do not know what she meant when she referred to rotten management, but if she was referring to the type of control management has had over programs then I agree it has been rotten management.

As has been mentioned, this legislation will become a bill of rights for both the public and the broadcasters. We are attempting to make it an adequate bill. It is our responsibility to put teeth and backbone in it in so far as we can legislate on these matters. I agree we cannot spell them out in detail, but I believe this amendment would strengthen the hand of management with respect to programming.

This amendment is a very legitimate and reasonable one. It is intended to do nothing more than strengthen the bill so far as management is concerned so that it will be able to provide the control which I was pleased to hear the hon. lady say she believed management must have over programming as well as over the technical and financial aspects of broadcasting. We are dealing with this bill in a nonpartisan manner, and again I urge members of the committee to support this amendment. In its present form the bill does not provide anything better than what we have had in the past so far as broadcasting is concerned. Unless we put a little more starch in the bill we will not have anything better than what we have had. It is with this intent that I appeal for support for the amendment.

Mr. Fairweather: Mr. Chairman, I wish I had the felicity of language to say how much I oppose the amendment moved by the hon. member for Red Deer. Sometimes it troubles me to think that the democratic fabric of this country cannot stand a little bit of abrasion once in a while. I do not always want to know what the broadly held views of the people of this country are. I think it is dangerous just to pay lip service to the most broadly held views. We should be hearing other views.

In my opinion it was a very good thing for this country—I am not talking about the mechanics of management because that is none of my business—to see the neo-nazi, von Thadden, and to have him exposed just as Rockwell was exposed. It brought back to memory the horror and the evil that were in the world in the decade prior to the second world war. Did the fabric of this country wither because von Thadden had a few minutes on the public broadcasting system? Of course it did not. We saw this man and the evil he represented. I do not want to hear only broadly held views. The broadly held views of this country have a thousand media, a thousand ways to be heard in newspapers, magazines and other publications. I think it is time that we heard other views in this country and I shudder to think of parliament exercising that type of control over our public media.

I am going to vote against this amendment. From his speech the other day I can only take it that the hon. member does not know what satire is. The other night the C.B.C. ran a little bit of satire on Noah, Moses and other interesting figures in the Old Testament. Can we not laugh any more in this country? It was amusing. Is our Christian belief to those who have it—there are many who do not

have it—so fragile that we cannot talk about Noah and the ark? I think it must have been quite tough for Noah to spend all that time in the ark. That is all that young man was saying, but apparently the whole fabric of Christianity is supposed to have been placed in jeopardy in those few minutes. I think it is very dangerous for the public broadcasting system to have to spend all its time showing the broadly held opinions of Canadians. Those broadly held opinions have ample protection.

Mr. Thompson: You did not feel that way when von Thadden was to appear.

Mr. Fairweather: I never said a word about von Thadden.

Mr. Thomas (Middlesex West): Mr. Chairman, I wish I had the verbal facility of the hon. member for Royal to express my feelings about the subject of public broadcasting. Time and time again in this chamber I have seen members rise to protest vehemently against certain types of programs which sometimes appear on our national broadcasting system, over it or through it, or however the programs are transmitted. But over the years it seems it has been impossible for the majority in this parliament, representing the majority of the Canadian people, to get it across to the people responsible for preparing programs that there is a certain type of program which is generally unacceptable to the people of this nation.

• (4:00 p.m.)

Some people like classical music, some like drama, some like public affairs programs. These are all good. Before I go further I would like to say that the C.B.C. has done a wonderful job in some respects and that I am all for the C.B.C. We in Canada need the C.B.C., but somewhere in the works there are producers who are able to put out programs which are unacceptable. In looking over the record it would seem that there are always some producers who keep on probing and probing the line of acceptability. Sometimes they are on the one side and sometimes on the other. Sometimes they go too far and sometimes they stay within the limits of acceptability. However, they seem to be forever probing that line, trying to get away with everything they can get away with.

I intend to support the amendment proposed by the hon. member for Red Deer. It may not completely cover the situation. It is very difficult to take care of a situation of this kind in a legislative way, but at least the amendment is an attempt to put more teeth in our broadcasting rules and regulations for the sake of control and keeping within the limits of general public acceptability the programs which are put out over our national system.

We can be proud of our national system. It belongs to all the Canadian people. Because it is a public system we have a public image to uphold, the image of the Canadian government. Whenever these unacceptable programs are put on the air we tend to destroy the image of the government, the identity of Canada, the image of Canada. That is what we do when we put these unacceptable programs on the air. Anything that can be done to strengthen the hand of the C.B.C. management so that they can control and manage these apparently uncontrollable and unmanageable producers within the organization will be an improvement. The more strength we can put in the hands of the management of the C.B.C. the better.

I am glad, therefore, to support this amendment and any other amendment which will tend to strengthen the hand of management. The C.B.C. is a great institution. Let us maintain the honour and integrity of that institution.

Mr. Brewin: Mr. Chairman, I wish to intervene briefly in this discussion because I think a fundamental difference in philosophy has been revealed between those who support this amendment and those who, like myself, oppose it. I believe we are entirely wrong in thinking it is useful to attempt by legislation to deal with matters of taste and judgment or the sort of thing the hon. member for Middlesex West had in mind when he said we should not allow anything which is generally unacceptable to be put over the public broadcasting system. Who is to decide what is generally unacceptable? I suggest that if we have producers with competence and a reasonably intelligent management we must give them freedom not to decide what is generally acceptable to the public but to decide whether what is being done lives up to competent technical standards and leaves some freedom for the creative ability of the people doing the job.

If the suggestion is that the C.B.C. is to exercise censorship over these people who have to do the job and say that something is unacceptable to the public, then I would ask, what does this mean? What may be generally acceptable to one section of the public may be generally unacceptable to other sections. What does the hon. member for Red Deer

mean when he says the commission, I suppose, must be alert and respond to public preferences in this and other aspects of public programming? Of course they will be responsive in a general way in considering what public preferences may be but, as the hon. member for Royal said, it will be a sorry day when we have to wait and try to find out what is conventional, what is generally acceptable and what is the public preference before we allow creative artists and people of that ilk to deal with these matters.

May I add that the adoption of these words would be an absolute waste of time and energy. We cannot legislate by adding words. It has been suggested that we should strengthen the hand of management in dealing with these matters. I suggest that we would be doing precisely the opposite by putting in words of this sort. It has been suggested that the C.B.C. should be given the responsibility for censorship, which no sensible management would want to exercise. I believe that the principles of true liberalism—and I use the word with a small "l"—include the philosophy of freedom of thought and expression. I suggest that this type of amendment is not only illiberal but, if it has any effect at all, is also restrictive and damaging to the system we are trying to protect.

Mr. Dinsdale: Mr. Chairman, this discussion is gradually becoming a discussion on the basic right of free speech. Some of the speeches we have heard seem to be crusading speeches which go much farther than the intent of the amendment put forward by the hon. member for Red Deer. As I look at the wording of the original clause I find that the only specific reference to any particular type of programming in subclause (d) of clause 2 is the following:

—should provide reasonable opportunity for the expression of conflicting views on matters of public controversy—

I would say that without this specific reference to controversial matters the first few words of the subclause really cover everything that is required in the field of programming. It reads:

—the programming provided by the Canadian broadcasting system should be varied and comprehensive—

That covers everything. I assume that the hon. member for Red Deer and others who have supported the amendment, such as the hon. member for Winnipeg South and a few others who have spoken, object that the only specific reference is the statement that controversial matters should be considered. It goes without saying that if there is wide and varied programming everything is covered. Yet it is stressed that we should emphasize controversial matters. The crusaders for freedom have criticized the amendment which I believe is quite mild in form. The amendment makes specific reference to another aspect of public communication in the following words:

—while ensuring that the most broadly held opinions receive appropriate consideration—

In other words, if we refer specifically to ensuring that there shall be controversy we must make sure also that non-controversial matters shall be taken into consideration. I see some of my friends in the New Democratic party smiling. If we are going to mention specifically that there must be controversy, then there is just as much reason to mention in addition the fact that the broader opinions accepted by the Canadian public should also be given consideration. If we go on in this way we can make this clause as long as an arm and deal with all items of communication which might be mentioned.

In my opinion all we need in Canada is a good Hyde Park corner such as there is in London where a person can go on any evening of the week or on any Sunday and talk about anything under the sun without restriction. You can shout into the breeze to your heart's content. A similar place in New York is called Bug House square. We do not have a Hyde Park corner in Canada and neither do we have a Bug House square. As a result we have tended in the past to turn our national broadcasting system into a Hyde Park corner and we emphasize the controversial aspects without emphasizing those things which are part of public opinion and of the body politic in Canada. I think such an institution might well be established in Canada. There is no attack on freedom in the words of the amendments, any more than there is an attack on freedom when you emphasize controversial matters. I support the amendment.

• (4:10 p.m.)

Mr. Martin (Timmins): Mr. Chairman, I should like to make a very brief observation in relation to the amendment which appears to me to reflect the fear of censorship about which we hear a great deal. It seems to suggest again our often expressed concern about protecting our misguided people.

Mr. Dinsdale: Judge not lest ye be judged, Murdo.

Mr. Martin (Timmins): I have discovered from past experience that very often people are not afraid that they will be corrupted but that someone else will be corrupted by these things if we do not censor them to keep other people from hearing or seeing them.

Mr. Thompson: Would the hon. member permit a question? Does he not realize we are not talking about censorship but rather about a clear channel of responsibility?

Mr. Martin (Timmins) Censorship by any name is still censorship so far as I am concerned. I think we might do well if we all stopped for a moment and thought about this situation. We already have censorship of television programs. I have yet to see a television set that does not have a switch to shut off the set if you do not like a program. Perhaps we should pass an amendment requiring the manufacturer to put an extra large button on each set or something to remind people that if they do not like a program they have a switch to turn the set off.

I do not believe I am better equipped than anyone else to judge what my fellow Canadians should or should not see. I think they are perfectly capable of making that decision for themselves. I hope they in turn feel I am capable of deciding which programs I want to watch. We tend to get carried away sometimes by our attitude of protection for our fellow Canadians. They are perfectly capable of protecting themselves and they have ample opportunity to do so at the present time.

Mr. Churchill: Mr. Chairman, I think the attitude which ought to have been taken by the hon. member for Greenwood when he spoke with some heat but not much light a little while ago should have been to strike out the whole clause. We have included in the bill under the general title of a broadcasting policy for Canada a clause which deals with programming. I have been told by people active in the television and radio fields that we should keep away from this area because there is such a variety of opinion in respect of programming. In any event the government has introduced this clause. For that reason it is important that members have something to say about it.

We start from the premise that there will be a wide variety of opinion as to what is suitable, interesting, desirable or undesirable. This is also true of ordinary theatrical productions as well as movies and art. What is agreeable to one person may be disagreeable to another. Having had this matter put before us in respect of television we are entitled to express our opinions on programming. Unless we express those opinions there will be no guidance for those who are in charge; yet the government has proposed a guiding clause.

The government suggests that programming should be varied and comprehensive, that there should be an element of public controversy, or at least that it should not be avoided, and that it should be of high standard, using predominantly Canadian creative and other resources. Those are four guide lines for C.B.C. management. They are a bit reminiscent of the guide lines laid down by the Prime Minister for his cabinet colleagues a couple of years ago and similar to the type of guide lines he should now produce for the candidates for leadership of the Liberal party.

People need guidance and the government is now suggesting that the directorate of the C.B.C. should have some guidance with regard to programming because it is in the area of programming that troubles have occurred in the past. We would not have had the many discussions here or investigations by committees unless there had been some public discontent about the nature of certain C.B.C. programs. The C.B.C. got itself into a great deal of difficulty over the years by attempting to go too far.

When I do not like a program, and particularly if it is a speech by a member of the N.D.P., I turn the set off. The hon. member for Timmins can rest happy in that regard. I am not an ardent t.v. fan. I prefer to read a newspaper, a book or *Hansard*. Nevertheless, I do watch a certain amount and I am able to form an opinion on whether or not I like a program. The C.B.C. has got itself into needless difficulty because of carelessness in respect of programming. I have never phoned a T.V. station to object to a program, nor have I written a letter to a station or to the management of the C.B.C.

I have not spoken frequently in the house on this subject. However, I am invited to do so now because this bill directs our attention to programming. I want the directorate of the C.B.C. to know what the members of this house think about programming, in addition to what they will read in these four guide lines to which I have referred. If we are going to have guide lines as suggested here I see no reason for rejecting the amendment proposed by the hon. member for Red Deer or any other similar amendment. The directorate of the C.B.C. will then know precisely

what the members of parliament think about programming.

Mr. Prittie: The amendment is directed to all broadcasting.

Mr. Churchill: I am glad the hon. member mentioned that because it does relate to all broadcasting, private stations as well, and to anything in connection with broadcasting.

As the hon. member for Brandon-Souris so wisely asked, why draw particular attention to the expression of conflicting views on matters of public controversy? Why at this stage do we have to draw to the attention of broadcasters that this is what we think they should be doing? They have been doing this for years. Why do we specifically have to mention that, and who decides what is public controversy?

• (4:20 p.m.)

There are certain people within the broadcasting field who make these decisions in some smoke-filled room. Talk about politicians making decisions in smoked-filled rooms! This is done by a handful of people in the broadcasting business in some smoke-filled room. They ask, I am sure, "What will be the subject for our discussion on the program next Sunday night? Let us see. There is a mysterious drug that somebody on some island in the Pacific ocean has taken and has died from it. Let us give that information to the public so that some of the students in our universities will get their hands on this drug and try it out as well." That is the type of program to which I object. These decisions are made by a handful of people sitting in some smoke-filled room.

Miss LaMarsh: Dalton Camp?

Mr. Churchill: They come to a decision as to some subject of public controversy that they would like to bring before the people. Then there are the other manipulators who say they want to waken us up. They want people to engage in discussion. They want to alert us to the facts of life. A lot of this is such arrant and silly nonsense. There are quite a number of people here who have had a fair amount of experience of all facets of life and we do not need any more exhilarating ideas with regard to what we should experiment with and what we should do.

Mr. Fairweather: Speak for yourself on that point.

Mr. Churchill: There is a handfull of people somewhere deciding whether this would be good. They say, "We will stir things up and then we will get letters, some objecting and some approving. We will count them up and see how many approve. If there are not enough people who approve, we will write to our friends and ask them to get a letter in quickly because we are on the short end of letters approving our program." I have been in politics long enough to know how some of these things are arranged.

I see no objection to the rather mild amendment moved by the hon. member. It has been years since I have been able to approve of anything put forward by the hon. member for Red Deer. Mellowing as the years pass by, like the Secretary of State for External Affairs, and becoming very positive in my statements, I would like to say that for once I approve of the amendment put forward by the hon. member for Red Deer. I hope it will be incorporated in the guide lines for the directors of broadcasting so they will realize that in addition to matters of public controversy we would like some attention paid to opinions that are broadly held. We think that those opinions should also receive appropriate consideration. There is nothing wrong with that at all. If we must listen to opinions that are held by only a small segment of the population, can we not also have programs that will be viewed with interest by a broad section of the population? That is all this amendment is suggesting. Consequently, sir, I shall support the amendment.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I shall be brief.

I merely want to say that our group wishes to support the amendment moved by the hon. member for Red Deer (Mr. Thompson). It is an amendment which does not ask much, which is very simple, and which may mean a lot because it asks, for once in this house, to take into consideration the preferences of the general public and make an effort to give it a small service since it is the public that foots the bill.

I always considered the C.B.C. as an impenetrable place, in every sense, for serious people and those who want to keep a moral sense to their life. I think it is at the programming level that the difficulty arises. Some producers take advantage of television on the pretext that they have the right to express controversial ideas and, in fact, they express these ideas all year round to a population which wants sound programming, in keeping with its faith and its social condition.

In fact, we are not in Africa, we are in Canada, in a democratic country and I believe it is time for the government, if it intends to act—and I am not sure that such is its intention—to clean up this stable of the C.B.C.

Too often, we find producers like Mr. Keable on the program "Tirez au Clair" or others who, ever so often, present the best atheists, the best unbelievers and the best free-thinkers, when it is not homosexuals or lesbians. Those programs are presented and we have to look at them, because there is only one channel in our area.

I was listening to the member for Timmins (Mr. Martin) saying: Turn off your television set. That is easy to say, but it seems that the members of the New Democratic party have taken the pledge to wallow in all these questions. It seems that this is their role in the house and when it is a question of protecting a bandit, defending an atheist, we can be sure they will be there.

Mr. Chairman, I say it is time to defend the general public whose business this is because, after all, they are footing the $100 million deficit that the C.B.C. accumulates, to poison, soil and corrupt our youth.

Mr. Chairman, I think that if the government wants to do something, the bill under consideration at the present time provides a unique opportunity. It is time—I have said it many times—to do a clean-up job at the C.B.C. It is time to stop using any kind of language and boldly going even as far as to say: if you are not satisfied, turn off your television set. No, Mr. Chairman, we will not turn off our television sets, we will close some C.B.C. offices, because they are too dirty. That is what must be closed. The time has come for Christians in Canada, who still have an ounce of morality, to wake up and protest.

We are happy and we thank the hon. member for Red Deer for moving that amendment which is quite simple. I would have liked it to be even more categorical but I am satisfied in view of its consistency and we shall be happy to support it.

We ask the government to make a special effort in that direction, without waiting for the clause by clause consideration of the bill, and to bring in any amendments as required, so that the bill will be more conformable and adapted to the people which it is intended to serve.

[*English*]

Mr. MacDonald (Prince): Mr. Chairman, I want to speak to two or three matters which relate to the discussion we have been having this afternoon. It has been a very interesting discussion. It seems to me, however, that we are missing two or three important points in the discussion of this amendment. The first one seems to be an assumption made by those who support the amendment, or at least support it in speaking to it, that we will in some way be able to exalt and preserve mediocrity.

• (4:30 p.m.)

I for one am not one of those who believe that the broadcasting system which is operated in the public service is meant only to perpetuate ideas commonly and publicly held. When we deal with something as important to the lifeblood of the nation's mentality as the broadcasting system, it seems to me that what we should expect to receive from it from time to time are things which are disturbing to our minds and to our consciences. If we are not going to require that we receive such things from time to time from the broadcasting system, then we are simply paying for amplified mediocrity. I feel there is an element in the amendment as it is proposed that would merely preserve for all of us a kind of bland public opinion which would do little for the edification of the Canadian people generally. It would be sad to see the public broadcasting system descend to this kind of performance.

May I point out also that I believe there is an incipient or subtle anti-Canadianism in this amendment which disturbs me greatly. In the second part of the amendment, following the words "Canadian creative and other resources" it is suggested we add the words "While alert and responsive to public preferences in this and other aspects of programming". All of us in this chamber know, I think, that we have created, almost against the stream of public opinion, a broadcasting system in this country in order to preserve some kind of cultural identity in the great sea of communications and propaganda which washes over us on a regular hour by hour and day by day basis from the great nation to the south of us. If the subject and the content of broadcasting were left purely to the majority of public opinion we would have no effective Canadian broadcasting in this country, and we should face that fact. By supporting this kind of amendment we would be chipping away a little bit here and a little bit there at the concept of truly worth-while broadcasting in this country.

I for one do not plan to support the amendment. Hon. members have suggested in the debate this afternoon that freedom is not

being attacked in these two amendments. On the surface they seem to be rather innocuous and inoffensive, but I would remind hon. members that freedom is not usually destroyed by frontal attacks. Freedoms do not disappear simply because someone suddenly stands up and says: I move we do away with this or that freedom. Freedom disappears by being chipped away a little bit at a time. If we allow this to happen in this way this afternoon, similar chipping away will take place tomorrow and henceforth until we will find we have deprived ourselves of a valuable instrument of freedom in this country, namely broadcasting. I urge all hon. members on both sides of the house to realize that in supporting this kind of amendment we are supporting a very real reduction in the concept of freedom of speech as we have allowed it in our institutions.

[*Translation*]

Mr. Pelletier: Mr. Chairman, I only want to answer, as briefly as possible, certain remarks just made by the hon. member for Roberval (Mr. Gauthier), in a much less gentle tone than I intend to take.

I wish to say first what seems obvious to me, namely that the hon. member for Roberval has spoken without being fully informed.

It is very easy to watch television one hour or two every week, and suddenly to come across a program that one finds shocking, that offends one's prejudices, one's opinions, even one's tastes, that are quite peculiar, and then to infer that all television or radio programs are steeped in corruption and lies.

I submit, Mr. Chairman, that the hon. member for Roberval has not quoted any statistics, that everything he has said may very well be only a few exceptions, because if he were able to draw up those statistics himself, he would then have to watch television seven or eight hours a day and, therefore, he certainly could not perform his duties as a member of parliament. I would rather think that the member for Roberval denies himself television and does his work as a member. This means that his attack is certainly, presumably, based on very doubtful facts, at any rate, extremely incomplete facts.

Another indication that the member for Roberval does not know the facts is his attack against the moderator of a program, in this case, Mr. Keable. This moderator expressed views which displeased me; indeed, he probably displeased everybody. But if the member for Roberval was familiar with the question, if only he had followed the work of the parliamentary committee on broadcasting, films and assistance to the arts, he would know that the moderator is not responsible for the text but that the producer is. He would know moreover that the moderator does not choose the participants, and that Mr. Keable could not therefore impose, deliberately and maliciously, atheistic participants or whatever other epithets the member for Roberval used. Even if people of that caliber were imposed, which I doubt, in any case it is certainly not Mr. Keable who is responsible but, again, the producer of the program, whose own work was controlled by a supervisor.

With rgeard to the amendment as a whole, Mr. Chairman, I would like to say that I feel I must vote against it, because if I had to qualify it, I would call it a conformist amendment. Unless the mover of this amendment is a conformist himself, I think he would be extremely disappointed in the effect which this amendment might have on the production of radio and television broadcasts. For radio and television, like all other creative arts, are stifled by conformism and are only truly creative if there is freedom of artistic expression and if they force the audience itself to get out of its intellectual rut.

Some hon. Members: Hear, hear.

Mr. Pelletier: When the hon. member for Roberval speaks of doing a clean-up job and calls the C.B.C. a stable, I think that he is using language not only unworthy of the C.B.C. but also unworthy of this house. Furthermore, I will say that it is unworthy of himself. He was certainly carried away by his own feelings and his own views.

It is agreed—I think that it is unavoidable—and everybody—

Mr. Grégoire: Mr. Chairman, may I put a question to the hon. member? I would like to take this opportunity to ask him a question.

Mr. Pelletier: Excuse me, Mr. Chairman, if the hon. member—

Mr. Grégoire: Has he not himself used the word "trash-can" with reference to the Liberal party?

The Assistant Deputy Chairman: The hon. parliamentary secretary has the floor.

Mr. Pelletier: If the hon. member for Lapointe (Mr. Grégoire) were kind enough to wait until I finish my remarks, I would be glad to answer his question.

At any rate, Mr. Chairman, I come to the end of my remarks, and I would say in concluding that the factors included in that amendment are restrictive and could seriously fail to attain the objectives expected by the mover—that is the elimination of certain abuses, of certain persons and of certain errors which nobody contests, and a large part of which are inevitable—but reduce to nothing an art and a means of communication living on creative spirit, by imposing the law of conformism on them.

I am now ready to answer the question of the hon. member for Lapointe, if he wishes.

• (4:40 p.m.)

Mr. Grégoire: Mr. Chairman, I only wanted to amuse myself at the expense of the member for Hochelaga. I noticed he thought it was peculiar to use the word "stables"; I was going to ask him whether he was not himself saying a bit more than he intended when he used the expression "trash-can of the Liberal party"?

Mr. Pelletier: I am very pleased to answer that question which shows that the member for Lapointe is as poorly informed as the member for Roberval (Mr. Gauthier). It was stated here—the member for Lapointe would remember it, had he been in the house that evening—that I did not use that expression. The former leader of the opposition already accused me then of using the expression "Liberal trash-can" and I rose on a question of privilege to tell him that I was not the author of that expression, but that Mr. Claude Ryan was, and that I respected Mr. Claude Ryan's property.

The member for Lapointe was probably sailing then on waters calmer than parliamentary waters, and he missed that. His question is therefore pointless, since I am not the one who coined that phrase.

Mr. Gauthier: Mr. Chairman, I rise on a question of privilege.

I cannot ignore the preposterous assertions of the hon. member for Hochelaga (Mr. Pelletier), when he says that I am not qualified to discuss television matters, because I do not watch television ten hours a day. I readily admit that I do not have time to watch television ten hours a day and, besides, no single member is able to watch programs—

The Assistant Deputy Chairman: Order. Would the hon. member state his question of privilege?

Mr. Gauthier: Mr. Chairman, my question of privilege is to the effect that the hon. member for Hochelaga has suggested that I am not competent enough to discuss television, and I wish to show the house that perhaps I know more about it than he does, because I belong to a different social circle and I am defending my milieu. I believe that he does not even belong to any social circle.

The Assistant Deputy Chairman: Order. I would suggest to the hon. member that there is no question of privilege, but rather that this is a question of interpretation. The hon. member for Hochelaga is entitled to his opinion; he has expressed an opinion, and I must say that the question of privilege raised by the hon. member for Roberval is unfounded.

Mr. Gauthier: Mr. Chairman, is it not a question of privilege when I am told that I am not competent because I have not watched television?

In my remarks I simply indicated that some programs were blameworthy, which the member for Hochelaga admitted.

The member for Hochelaga has misrepresented my speech. I did not say that all programs were bad; I said that some programs were. This involves two or three programs which are bad. There is possibly one program out of 10,000 which is bad, 1/100 of one per cent, but it is bad nevertheless and this does not involve the whole of Canada. Let the member for Hochelaga stop his nonsense. Let him start by sitting in the house and contribute to the public whatever he has to offer.

The Assistant Deputy Chairman: Order, please.

[*English*]

Mr. Nowlan: Thank you, Mr. Chairman. I do not intend to say too much on this subclause. I think that the discussion we have had this afternoon indicates very clearly to the minister the difficulty of keeping a provision such as subclause (d) relating to programming in the bill. The hon. member for Winnipeg South Centre, with whom I do not always agree, was in a felicitous and good Christmas mood when he agreed with the hon. member for Red Deer but, as I say, I do not always agree with the hon. member for Winnipeg South Centre and he obviously does not agree with me in this instance. This is the way that parliament works. In this case, I think he had a very valid point, and before I conclude my remarks I want to ask the minister a question.

I am wondering why subclause (d) is in the bill at all, because in the matter of programming one is bound to run into the difficulty of subjective interpretations of the kind given here which cover a whole range of moods, thoughts, emotions and opinions. I cannot see the need for subclause (d) in view of subclause (g). Here I take exception to what was said by the hon. member for Prince who spoke eloquently, though to my mind misguidedly, on subclause (d). He suggested that this amendment, which I am sure leaves much to be desired though it is trying to express thoughts that many of us have, infringes upon other matters. The minister and the hon. member for Royal, both renowned lawyers, realize that when you start to set out specific provisions you must continue to set them out; otherwise things are left up in the air. I do not think that parliament should become involved in setting up terms of references in regard to programming. This is a matter that should be left to those employed by the corporation and by private television companies.

The hon. member for Greenwood, who spoke as a liberal in the true sense—whatever that may mean in these days—really did not go far enough. I suggest he should not lambaste those who propose other terms of reference. The hon. member for Winnipeg South Centre suggested there were four; I find six, and they are "varied", "comprehensive", "public controversy", "high standard", "Canadian creative" and "other resources". Obviously other hon. members can suggest additional terms of reference, but I think that the hon. member for Greenwood would agree with me—I hope the minister will consider this—when I say we do not need subclause (d) because parliament should not become involved in setting out terms of reference in the matter of programming.

So far as my hon. friend from Prince is concerned, since we are talking about freedom of speech and Canadianism and the amendment moved by the hon. member for Red Deer would impinge upon these two sacred cows, I would ask him to read the wording contained in subclause (g) which in my opinion takes care of the problem we find in subclause (d). Subclause (g) talks about the national broadcasting service and says it should be certain things. For example, it should be a balanced service of information. If this is mediocrity then it has committed the sin referred to by the hon. member for Prince. Obviously if information is given on both sides of a question controversy will be involved. I suggest that information runs right through the middle of subclause (d). Then subclause (g) says the national broadcasting service should provide enlightenment and entertainment, and this is part of programming.

On the matter of Canadianism subclause (g) (iv) says that the national broadcasting service should:

> —contribute to the development of national unity and provide for a continuing expression of Canadian identity;

I suggest that parliament should steer clear of anything having to do with programming and that it should leave it up to the people who are appointed to decide on programming, to the producers and those in the C.B.C. who have the necessary creative talent. There are bound to be reactions from time to time when a program goes too far.

At this point I should like to ask the minister a question, though I have not yet finished my remarks. Is there any section in any act in England which refers specifically to programming?

Mr. MacDonald (Prince): This is Canada, not England.

Mr. Nowlan: I appreciate that, but you are worrying about censorship. A big red herring has been dragged through this debate in connection with the curtailment of the freedom of speech and censorship. Therefore I should like to know, on a point of information, whether the minister is aware of any statute on the books in England which specifically relates to programming?

Miss LaMarsh: I am not certain of that, Mr. Chairman. Had the hon. member been a member of the broadcasting committee which dealt with this bill for some five weeks on the understanding that when it came back to the chamber we would spend two days on it, he would be aware that the B.B.C. is an entity set up under charter by the postmaster general of England. The P.M.G. can give this body directions. It is set up differently from the way the C.B.C. has been set up heretofore.

While I have no desire to interrupt my hon. friend in the full flood of his rhetoric, I think he should be aware of something that may have escaped those who are not committee members, as is apparent from some of the speeches I have heard, namely that two matters are dealt with in this subclause. The subclause deals with the Canadian broadcasting system, which is public, and also with private

broadcasting. What is dealt with in subclause (g) is the national broadcasting service that is provided purely by the C.B.C.

• (4:50 p.m.)

Mr. Nowlan: Then, am I interpreting the minister's remarks correctly when I take it that she cannot say that there is anything in the English law that specifically refers to programming? Is that correct?

Speaking of the suggestion that (d) and (g) have different purposes, I still say that (d) refers specifically to programming, public and private. We have been speaking this afternoon of the C.B.C. which is supported by the taxpayer's money. Certainly, to my way of thinking, (d) is encompassed by (g).

I am afraid I was not a member of the committee; I wish I had been because I should not take so much time now. I submit that the C.B.C. is causing concern to parliament because the C.B.C. is a creature of parliament. The terms of reference which are set out in (g) take care, I submit of the arguments or red herrings which have been raised by the hon. member for Prince.

In the legal sense, certainly, there is nothing inherently wrong with parliament becoming involved with programming. Obviously, if you list terms of reference you will run into opposition; someone will oppose some of those terms of reference. The answer is to remove (d). Let competition take care of the C.T.V. people. Let the good judgment of managers determine what constitutes good programming content. Let the people in the C.B.C. have a free hand so far as programming is concerned. If you do that you can remove (d) because that subclause tries to define or to legislate good taste. Remove (d) and parliament need not define good taste.

Miss LaMarsh: I am afraid that I must disagree with my hon. friend on a number of points. I, too, wish that he had been a member of the committee. I hope he will forgive my making a reference to his father, the distinguished member who was the predecessor in his seat. The hon. member's father enjoyed perhaps his greatest fame for the efficacious way in which he handled his responsibilities as the minister reporting for the Canadian Broadcasting Corporation.

Some hon. Members: Hear, hear.

Miss LaMarsh: I wish to say a number of things about (d). Members of the committee and members of the house generally have been as concerned as those in the performing arts

in Canada have been with respect to the use of creative talent of Canadian origin in broadcasting in Canada. This clause contains the only reference to such talent; there is no other similar reference in the bill. It will be noted particularly that the words "creative and other" were included in the subclause as a result of committee action and a brief from ACTRA.

Second, though I do not know what is incorporated in the charter of the B.B.C. with respect to programming, it seems to me that a criticism which has been levelled particularly at our 1958 broadcasting legislation, which we are seeking to replace with this legislation, is that it did not make sufficiently clear the role of C.B.C. This subclause in particular is unlike anything which appears in any Canadian legislation, save the new transport legislation. We are having difficulty at the present time because the kinds of things which are set out in this bill are not the kinds of things which Canadian legislation heretofore has dealt with.

Because the role of the C.B.C. was not clearly set out previously, particularly in the last few years some of those in management had their own ideas of what could be done. Unquestionably the responsibility of management is to manage. Nevertheless, to paraphrase some words that appeared in the Fowler report on broadcasting, the only thing that really matters in broadcasting is program; the rest is housekeeping. I submit that to spend untold thousands of dollars over several years in looking into public broadcasting in Canada, after all the reports we have received, after the travail we have gone through in bringing this bill before a committee and then to this stage, would be for us to engage in an exercise of futility. I do not say that it is easy for us to come to a decision with respect to the programming of broadcasts, both public and private, in Canada but it is our responsibility to do that.

The government and the house ask the people to contribute over $100 million in tax money for the support of the public side of broadcasting. About the same amount of money comes out of the public purse for something that is certainly not free, the private side of broadcasting.

An hon. Member: More.

Miss LaMarsh: Between $200 to $300 million of Canada's gross national product every year is spent on something that is not concrete, on something that goes out over the air. I refer to programs which are broadcast.

In the most liberal way we have tried to provide the framework for how the money spent on broadcasting by the public and private sectors shall be spent. We have tried not to dictate in matters of taste and we have tried not to circumscribe those who are hired to do the job they have to do. I say, therefore, that it is imperative that subclause (d) remain in the bill and I hope that the amendment now before the committee and any subsequent similar amendments will be defeated and that this subclause will be retained.

Mr. Nowlan: May I ask the hon. lady a question? She may wish to consider what I am about to ask. She may reflect overnight, if she likes, with her advisers on my question.

Miss LaMarsh: Well—

Mr. Nowlan: Does the hon. lady honestly believe that subclause (d), as it is now printed, gives direction to the C.B.C. which is clearer than the direction contained in subclauses (g) (i) and (g) (iv)?

An hon. Member: What are you talking about?

Mr. Nowlan: I am talking about the C.B.C.

Miss LaMarsh: Mr. Chairman, (d) and (g) deal with different matters. It will be seen that (d) says that the public and private broadcasters of this country shall air both sides of any question which deals with matters of public controversy. The standard of presentation is to be as high as possible, and predominantly Canadian creative talent is to be used. That is what it says in (d). On the other hand, (g) is a special case. Under it a mandate is being given to the C.B.C. for the first time by this parliament. For instance, (g)(i) contains new language; that subclause incorporates the C.B.C.'s idea of what its mandate should be.

Many people disagree about what the C.B.C. should show. Some say that it should show nothing but sports, that we should have N.H.L. hockey games every night of the week. Others say that the C.B.C. should show nothing but a variety of educational programs. Still others say that the C.B.C. ought to show all sorts of live drama, and others say that we should not have so much music but more religious programs.

Under this subclause parliament requires the C.B.C. to provide something for everybody in Canada, in a reasonable mix. That is specifically required of the C.B.C. and for that purpose it takes the taxpayers' money. In particular, since the C.B.C. is the instrument which is under the hand of the people of Canada through their parliament, the C.B.C. particularly is the instrument which must be wielded as the communication instrument to build national unity in Canada. Subclauses (d) and (g) are different in character and purpose.

Mr. Thomas (Middlesex West): May I ask the minister one more question?

The Assistant Deputy Chairman: Order, please. Since it is five o'clock shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

• (5:00 p.m.)

Mr. Deputy Speaker: It being five o'clock the house will now proceed to private members' business as listed on today's order paper, namely notices of motions, public bills.

EXPROPRIATION ACT

SUGGESTED AMENDMENT TO AFFORD GREATER PROTECTION AGAINST ARBITRARY INTERFERENCE

Mr. R. N. Thompson (Red Deer) moved:

That, in the opinion of this House, the government should give consideration to amending the provisions of the Expropriation Act (R.S.C. 1952, c. 106) with a view to giving greater protection to citizens against arbitrary interference with their property rights by departments of the federal government, and to the establishment of more suitable procedures for the transfer of title and possession of land expropriated under the authority of this Act.

He said: Mr. Speaker, during the last few days several members of the house have asked me what prompted me to introduce this motion, as I have done for the past four years. May I refer to an incident that occurred in January of 1964 which resulted in my becoming personally familiar with the Expropriation Act now on the statute books. At that time the Department of National Defence had expropriated a quarter section of land from a farmer in my constituency for the purpose of constructing communication towers necessary for defence installations. The department moved in to acquire the land. The farmer protested; he did not think the settlement offered was fair. He did not wish to give up his land. As a result the department made an arrangement by which he

could continue to live on the land and pasture his cattle there. The men involved in the construction of the towers repeatedly left the gates open and as a result the cattle got out on to the road allowance. The farmer became angry and an unfortunate situation developed between him, his neighbours in the community where he lived, and the Department of National Defence. Finally the Department of National Defence decided to use the Expropriation Act to take over this land forcibly.

Early in January, 1964, while the house was in recess, I received an urgent message for help. I drove out some ten miles to this property to find that a carload of R.C.M.P. and two truckloads of army personnel were already there together with another truck to haul away personal effects and a stockliner to haul away the stock. The pigs had got out of the chute and soldiers were chasing them through the snowdrifts. The officer in charge had lost his composure and had given the soldiers orders to use axes on the walls of the house and demolish it to the extent that the farmer could no longer live in it. By the time I arrived an angry crowd of neighbours had gathered and we were on the verge of a war between them and the military personnel.

The action taken on this occasion was entirely contrary to provincial laws which do not permit a man to be evicted during the winter months. Further, it was entirely contrary to the expropriation legislation of the province of Alberta which through certain provisions in the provincial legislation protects the rights of individuals when the government finds it necessary to take over private property.

Government expropriation of private property is an unfortunate necessity in the planned development of our cities and towns, but the rules which govern expropriation should require that the needs of the property owner be weighed against the needs of the state. Not only must there be the assurance of fair compensation and adequate warning to property owners that their land is to be expropriated, but public hearings must be held before a judge to determine whether the action is necessary and is in the public interest. Justice demands that no citizen should be deprived of his property without such a hearing. Expropriation powers which permit the filing of a plan to take away the ownership of a man's land when his certificate of title tells him he is still the owner are the reason I have placed this resolution before the house urging that the government amend the Expropriation Act.

[Mr. Thompson.]

Abraham Lincoln once said that when individual rights and property rights conflict, the rights of the individual must be given first place. I believe this is an important statement. When I came back to Ottawa to investigate just what were the expropriation laws of the land which permitted the Department of National Defence to take the action it did against this farmer, I was amazed to find that practically everybody in the department as well as the present Minister of Justice (Mr. Trudeau) and the former minister of justice were in agreement that the expropriation law should be amended to make it less severe. In fact, committees had been working to this effect for a number of years but seemingly they never reached the point at which their findings were incorporated into legislation and presented to the house.

As I interpret the Expropriation Act, the mere fact that we here in parliament pass an act approving the construction of any public work gives officers of the civil service down to quite junior level the right, by merely drawing up and filing a plan in the appropriate registry office, to deprive a citizen of the land he owns and upon which he lives, leaving him nothing except the right to go to a court to collect some money. There is no requirement to follow the usual provincial laws in connection with transfer of title. There is no requirement for a public hearing to find out whether the land is indeed needed for public purposes. In a nation which has placed the legislative fields of property and civil rights within the jurisdiction of the provincial legislatures, the powers granted by this act seems to border on the unconstitutional.

It might indeed be reasonable that in time of war and imminent danger to this country the federal government should have such powers. It was during such times that the present law was passed by this house. In other words, this is emergency legislation, amended in the early years of the second world war and intended to meet the demands of that emergency. It has never been amended to suit peacetime needs and to protect the rights of individual Canadians.

Powers such as these do not belong in the Expropriation Act. They belong in the War Measures Act. We already have far too much punitive federal law on our statute books. I am thinking particularly now of the Income Tax Act and of some provisions of the Excise Tax Act which are justifiable enough in times of national emergency but are an open threat to the liberty and property of citizens now

that this country has been at peace for 20 or more years.

This act has been used as a club in the hands of the National Capital Commission. I have been much interested in a case between Ethel V. Grayson and the Queen in reference to which Chief Justice Thorson of the exchequer court had this to say:

• (5:10 p.m.)

Under these provisions a man's land can be lawfully taken from him without his consent, and even without his knowledge or any notice to him, merely by the deposit of record in the proper land titles or land registry office of a duly signed plan and description of the land. This may be done whenever the minister of the department charged with the construction and maintenance of the public work for which the land is to be taken deems it advisable to do so. On such deposit the expropriation of the land is complete without any further act by anyone. Whatever right, title or interest the former owner, or any other person, had in or to the land is immediately extinguished and the land is automatically vested in Her Majesty the Queen free and clear of any claims to or encumbrances upon it. All that is left to the former owner of the land, or a person having had a claim to or an encumbrance upon it, is a claim to compensation, which by section 23 of the act is made to stand in the stead of the land. And I might add here that the settlement of claims to compensation is frequently unconscionably delayed.

I have frequently called attention to these provisions of the law and stated that Canada has the most arbitrary system of expropriation of land in the whole of the civilized world. I am not aware of any other country in the civilized world that exercises its right of eminent domain in the arbitrary manner that Canada does. And unfortunately, the example set by Canada has infected several of the Canadian provinces in which a similar system of expropriation has been adopted.

These words come from a man whose knowledge of the law is without question. He made this statement in one of the very few cases where an individual who had his land expropriated had the means to appeal to the only court available to him, the exchequer court. I know of one case of land expropriation by the National Capital Commission in which a man living within the confines of the metropolitan city of Ottawa took his case to the exchequer court but finally gave up after spending some $28,000 or $29,000 in the presentation of his case. Yet we call this justice. It is time we did something about it.

It is not good enough that we go on and on saying that this law is not the right kind of law and that we must revise it. We simply have not enacted legislation to amend it, to make it as just as it should be and as just as every citizen of our country expects it to be. I believe it would be very easy and proper to provide that before any land is taken for a public purpose by expropriation, except in time of war, a public hearing should be held before a judge so that everyone can be satisfied that it is in the public interest for that land to be taken. No citizen, I believe, should ever be deprived of his property without at least having the privilege of his day in court.

Second, I believe the exact method of expropriation should be spelled out, such as a certain number of days' notice, and disclosure of the intent of the authority. In addition, a safeguard should be provided so that no land would be expropriated unnecessarily or by mistake. I can cite a number of cases of expropriation by the National Capital Commission where this actually was the case, but the land was never returned to the owners from whom it was expropriated after the N.C.C. did not carry out the purpose for which it stated it required the land at the time of expropriation.

I suggest that a clause be inserted elsewhere in the statutes of Canada guaranteeing Canadian citizens the right to own property and that this clause should be specifically quoted in the Expropriation Act. If we did this we would be protecting the rights of Canadian citizens as they deserve to be protected.

Again I say, referring to the words of wisdom passed on to us by Abraham Lincoln, that when individual rights and property rights are in question the right of the individual must be given first place. Mr. Speaker, the expropriation laws of this country do not give the individual citizen first place. Consequently it is high time the government amended those laws in such a way that the rights of the individual Canadian citizen to property ownership are respected and guaranteed.

Mr. D. R. Tolmie (Welland): Mr. Speaker, I would like to congratulate the mover of this motion. He has brought up a most important subject. However, I do not agree with all his remarks and conclusions.

The entire matter of expropriation was brought forcibly to my attention in December, 1965, when the St. Lawrence Seaway Authority expropriated approximately 4,000 acres in the Welland area for a Welland canal bypass. This was a major land acquisition and affected the welfare of approximately 330 families. The impact on my riding was far reaching and most dramatic. It made me aware of possible injustices and possible inadequacies in our existing expropriation laws.

My remarks are neither in defence nor criticism of the present government. Our federal expropriation laws have been in existence for many years, under both Conservative and Liberal administrations, so there is no partisan blame to be assigned. I know that various governments have considered changes in these laws but, as often happens with this type of obscure legislation, with no aggressive lobby to promote changes lethargy sets in and no action is taken. However, I am happy to relate to the house that something is being done. The government is reviewing the entire situation with respect to expropriation and intends to bring in radical amendments to our expropriation laws. I do not believe this will be in this session. I hope it will be in the next session. This brings up a most important point.

The lack of review of many of our statutes indicates a real need for a continuing perusal of all our statutes to ensure their adequacy to meet changing times, conditions and circumstances. Therefore I advocate most strongly the establishment of a permanent law reform committee to appraise our statutes continually, including such ones as the federal Expropriation Act which was first enacted in 1886. This permanent committee could be comprised of government representatives, members from all parties in the house, and recognized experts in all broad fields of knowledge which affect the material and spiritual well-being of our citizens. It would be their duty to examine all existing statutes and make recommendations for change.

A prime example of this need was our divorce act. It had been in force for many years without change. It was entirely discordant with present codes of conduct, family views and marriage concepts. For years thousands of Canadians suffered under that antiquated and unjust act. Eventually the general opposition to it seeped through to parliamentarians and finally action was taken. A law reform committee could have made a study of that statute and made recommendations to the government in power perhaps years ago. In all probability the net result would have been the earlier rectification of the most unsatisfactory state of our divorce laws.

The reason I make these observations at this time is that the motion before the house, urging the government to consider changes in the law of expropriation, clearly indicates the necessity for a permanent type of law revision or reform committee to be given the responsibility of continually reviewing our statutes.

As I have indicated, the St. Lawrence Seaway Authority expropriated 4,000 acres in the Welland area. Thus it can be seen that the whole question of expropriation is most important and far reaching. At the present time another gigantic expropriation is taking place in the St. Catharines area. Expropriations are being carried out all across Canada. More will follow. I agree with the mover of this motion that a change in the laws should be made as quickly and as efficiently as possible.

Let us take a brief glimpse at the history of expropriation. In our contemporary society property right is no longer the absolute right it used to be years ago, no matter what Abraham Lincoln said about it. Ownership of real estate is now subject to all kinds of regulations concerning town planning, zoning and construction bylaws. One of the most radical encroachments on private property rights is the power to expropriate. Expropriation in Canada is governed by statutory law, and some of the statutes provide for compensation and some do not.

• (5:20 p.m.)

This is perhaps a revelation to members of the house. When dealing with existing expropriation legislation in Canada one starts off with the premise that expropriation is one case in modern life where public and private interests clash. The first important question in matters of expropriation is to find out who has the right to expropriate one's property and what this right is. The right to expropriate, being an unusual and far reaching right, must be found in the express words in the statute.

It should be observed that owing to Canada's federal constitution and the division of legislative powers between the federal and provincial governments there are two sets of expropriation laws, federal and provincial. The most important act so far as the federal government is concerned is the Expropriation Act. Under this act the minister of any federal government department charged with the construction and maintenance of any public work may take possession of any land, real property, water or stream which he judges to be necessary for the public welfare.

In addition to the Expropriation Act at least one dozen acts of parliament give expropriation powers to federal bodies including crown corporations. Some of these are the

Railway Act, the War Measures Act, the National Harbours Board Act, the Dominion Water Power Act and the Canadian Broadcasting Act. In the province of Ontario approximately 17 different acts include provisions by which the powers of expropriation can be exercised. It should be noted that expropriation proceedings are divided into two parts, the expropriation itself which results in the transfer of the owner's title to property to the expropriating body and the allocation of compensation for the land expropriated.

In practical terms—and I agree with the previous speaker—there is nothing one can do to oppose the principle of expropriation. There is no requirement that notice be given. Immediately the order is registered and title passes the expropriating authority can take possession. On the surface this would appear to be a most drastic and perhaps arbitrary procedure, but I think it should be given some consideration. I believe there is another side of the coin. If notice were given and there was a court hearing, in all probability—this has been the experience in the past—land speculators would buy up these properties. Fast sales would be made and when the actual expropriation took place the price of the land would be highly inflated. Although the idea of sudden expropriation perhaps has a traumatic effect on the owner involved, the purpose is to freeze the land values for one purpose, that the public, Canadian citizens, are not paying more for the land than they should.

Once the land is formally expropriated the next vexing question is how to arrive at the amount of compensation. In principle the compensation should place the owner in the same economic position he was in before the expropriation. Unfortunately, variations in the wording of different statutes have led the courts to apply somewhat different standards under different statutes for determining the compensation. Authorities on the matter all agree that there is a definite need for a uniform procedure in effecting expropriation, coupled with uniform compensation provisions.

The expropriating authority normally obtains an appraisal of the property. If through negotiation the two parties agree, that is the end of the matter. If there is disagreement the party which is the expropriating authority obtains another appraisal. If there is still disagreement the only recourse is to the exchequer court. So it can be seen that the expropriation procedure in Canada is drastic and final but, if due consideration is given to it, I believe it will be apparent that perhaps in the general interest of the Canadian taxpayer this type of procedure is necessary.

The principles for determining compensation are most important to the parties concerned. Some of the various statutes which authorize expropriation do not even mention the means of arriving at the amount of compensation, but the general principles can be found in the leading cases. One salient point emerges. The amount to be paid is the value to the owner, not the value to the taker. It is also the value to the owner and not simply the market value. The first thing an expropriated owner should do, if there is any sign of disagreement about price, is to hire a competent appraiser. I bring out these points in order to refute the argument to the effect that the expropriated owner is helpless. The appraiser can give the owner an honest and unbiased appraisal of the property. This enables the owner to decide whether or not he should accept the offer. Later, if necessary, that appraiser can give evidence before the court.

When a market value has been obtained the total claim in a federal expropriation should normally be computed by adding to the best market value the special value to the owner, the interest from the date the owner goes out of possession, the usual 10 per cent compulsory taking allowance—this is an important point because it shows a reasonable attitude—and, where only part of the property has been taken, a claim for severance. The losses involved for the owner are also taken into account. These include, for example, the cost to move to another location, the cost of dismantling and reassembling machinery and equipment, the loss because of increased costs in the new location, and the cost of dislocation while moving. Compensation for expropriation of course must not be exorbitant because it must be remembered that the Canadian taxpayers must be protected against paying an exorbitant price for property.

The previous speaker mentioned his experience in expropriation matters. I should like to mention mine. From personal knowledge I feel that the extensive expropriations carried out in the Welland area by the seaway authority have been carried out with efficiency and tact. No doubt there have been isolated cases of injustice, but the seaway authority working under the existing law in my opinion has interpreted it fairly and liberally. Out of

331 expropriations only one may have to be decided by the court.

However, there is one aspect of this type of expropriation which bothers me. I know this has caused hardship in my area. This hardship results from the policy of taking the appraised value at the time of the expropriation and then not making the payment until months later. When the expropriated owner finally receives his money, based on a market value of a year previously, he finds that in the interval, because of the hundreds of buyers who have been competing for adjacent property, prices of properties in which he might be interested are inflated. When the expropriated owner looks for another property he finds in some cases that he must accept a property of lesser value than the one he left. In my opinion this is an injustice. I believe the government should investigate this aspect and make recommendations in this regard immediately.

I believe the expropriating body should treat each case individually. There is a splendid example of this in the Welland area. A family with 12 children had their property expropriated. They were living in a very comfortable home. It was suitable for them. However, when they received the expropriation money it was not sufficient to buy a home which would suit their needs. This is where extra effort and compensation are required. The seaway authority went to great lengths in finding a comfortable home for these people.

I believe that all expropriating authorities should hire appraisers not only for their competence but also for their compassion and their understanding of human nature. We must never forget that we are taking someone's home which has intangible values, and an individual's dignity and self-respect must always be the prime concern of an expropriating authority. I also believe, as the previous speaker mentioned, that there should be a more expeditious and summary procedure for expropriation. The existing system involves arbitration which is cumbersome, costly and slow.

• (5:30 p.m.)

Furthermore, if the expropriating authority wishes to take possession of a property before a final award is adjudicated then that authority should pay a substantial percentage of the appraised value. This is done by the St. Lawrence Seaway Authority which pays 80 per cent of the appraised value if a person wishes to leave his premises and property to locate elsewhere.

Very often the decision to expropriate is based upon preliminary surveys before the authority goes ahead with expropriation. If any damage is caused then the owner should be compensated. Provision should be included in our expropriation laws to grant assistance to certain categories of expropriated persons. For instance, an indemnity should be given to tenants with low incomes when the buildings they live in are expropriated, and the expropriating authority should also assist such families in their efforts to find other accommodation. Provisions should be explicitly placed in the expropriation laws to assist the resettlement of small tradespeople, craftsmen and small manufacturers. Again, there should be greater uniformity in the actual expropriation procedures and principles of compensation across Canada.

One proposal which seems to have merit is that relating to the drafting of a national code of expropriation which would set forth one uniform procedure. The anomalies and diversities resulting from too large a number of different laws dealing with expropriation would disappear if we had a uniform and equitable system of expropriation described clearly, simply and in a practical manner. Again I commend the hon. member for bringing this subject before the house. With the rapid and radical evolution of state ownership for public purposes the entire question of expropriation rights is in my opinion of transcendent importance.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should first of all like to thank the hon. member for Vegreville (Mr. Fane) for his courtesy in permitting me to precede him. I think he was ahead of me and had the right to speak first. I am very glad to be able to give enthusiastic support to the motion of the hon. member for Red Deer (Mr. Thompson), and I commend him for bringing this urgent and important matter forward.

The present expropriation laws are a source of very serious injustice to quite a large number of people. We all know that expropriation is necessary because of expanding public and government needs. The public interest requires sometimes that private property rights give way. However, we have to recognize that there are highly emotional issues involved when people are asked, for the public benefit, to forgo property for which they may have worked and in which

they have deep feelings as well as their fortunes invested. The very fact that this parliament, among other legislative bodies, is constantly expanding the sphere in which expropriation takes place makes it all the more important that we should take our responsibility in seeing that there are not injustices in this field.

I want to commend to the attention of the house only two or three points in respect of the motion and the remarks of the hon. member for Red Deer. The first is the point he made that there should be some sort of a review by a tribunal and a public hearing before land is actually taken. When a public authority or department decides it requires lands it should inform the person whose property will be taken and he should have the right to a public hearing to ascertain whether that land or property is reasonably necessary for the purpose for which it is sought. A hearing of this sort would make a tremendous difference and a provision of this kind should be included in expropriation procedures.

The other main difficulty that arises relates to the question of compensation. This is a very difficult matter because we live in a complex age in which values are constantly shifting. This is not an easy matter to determine. The plain fact is that the balance is not even as between the state and the individual. The state or the public authority is armed with plenty of money, experience and expert advisers both in the legal and valuation fields. The individual often feels helpless because he has not the means to hire the necessary people if a balance of justice is to be found. Any procedures which are brought about must take account of that factor to make sure that the individual whose property is expropriated has the means of obtaining the proper expert advice in the valuation and legal fields. Without it he has no genuine bargaining power and cannot expect or hope to get complete justice. This is tremendously important because there are only a few individuals who have the means or the desire to litigate a matter in the exchequer court or other courts. I imagine that in nearly all cases there is a settlement long before they reach the courts, but a settlement will not be fair if the expropriating authority has all the power, knowledge and bargaining experience and the individual has none.

As the last speaker suggested, I believe that parliament should be foremost in setting up model legislation in this field. I suppose that our Expropriation Act and the Exchequer Court Act as well, because it comes into this, are as antiquated pieces of legislation as will be found in Canada. The province of Ontario and other provinces have moved toward a more satisfactory expropriation procedure. Even these are not satisfactory. The law reform committee of the province of Ontario has recommended further important changes.

I promised my hon. friend to be brief and I will live up to that promise by saying, with all the force I can command, to the government or any of its representatives who are here and paying attention to this debate that what the hon. member for Red Deer has suggested should have very high priority in the legislative program of the government. It should have high priority because it is not good that this parliament should be responsible for the right to interfere with the property and the lives of individual Canadians when the remedies of those Canadians are, by reason of the deficiencies of the legislation passed by this parliament, of such a nature they do not provide them with a fair chance to meet the problems with which they are suddenly faced.

I do not think we can underestimate the importance of this matter because justice is involved as well as the deep feelings of a great number of our citizens. I am not always in agreement with the hon. member for Red Deer but in this instance I think his motion is timely and deserves the greatest support possible.

Mr. F. J. W. Fane (Vegreville): Mr. Speaker, I am very pleased to have this opportunity to commend the hon. member for Red Deer (Mr. Thompson) for bringing the subject of expropriation before the house. I thank the hon. member for Greenwood (Mr. Brewin) for his assistance in promoting changes in the acts relating to expropriation. I was very pleased to hear the fine address of the hon. member for Welland (Mr. Tolmie), although I must say it will be very difficult for me to match his eloquence. His remarks were very understandable and much to the point.

• (5:40 p.m.)

Since the hon. member for Red Deer told the house how he became so very interested in the matter of expropriation, perhaps I should say a word or two about how I became so interested. My interest is not of so great a vintage as his. As hon. members know, during this session I have addressed

the house on this subject on October 4 and November 21.

The reason I became interested in expropriation was that Canadian National Railways decided to build a spur line 12½ miles in length through the Fort Saskatchewan settlement in my constituency to a government subsidized Imperial Oil fertilizer plant just south of the town of Redwater.

Canadian National Railways notified 23 farmers, without having given any previous warning, that a portion of the land on their farms had been expropriated and registered in the land titles office. This was before they received any notification that the spur line was to go through their farms. This is a most unfair and, to my mind, very wrong way to conduct this type of business. I fully realize that there are cases where summary action must be taken to expropriate land, but in this case I think it was done in a most unfair and undemocratic way.

This is not the only case in which I am interested. As I remarked on November 21 last, as reported at page 4541 of *Hansard*, a few days after I had made my first address I was telephoned by a lady in Toronto whose home, a solid brick house, had been expropriated by the city of Toronto. No settlement had been made and her house was just destroyed. This lady's land was not going to be put to any good use, but that is what happened. This matter has not been settled. The authorities eventually offered her $10,000 for property that could have been sold for somewhere around $30,000, and she had to go to court. I do not know what the result has been.

There are many other cases of this type of thing. I have been informed of similar cases in the city of Edmonton and in other parts of Canada where farmland has been most summarily expropriated without the people concerned being given any opportunity to make arrangements ahead of time. I believe this is not right and is not in accordance with our democratic principles in this country.

We have on the statute books of Canada the Bill of Rights which ensures certain civil rights to the people of this country. The Bill of Rights provides as follows:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,
>
> (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;

I very freely admit that chapter 106 of the Revised Statutes of Canada, 1952, which covers the Expropriation Act, gives certain people the right to expropriate private property. However, I think that the owner of the property should have the right and the privilege not to have his land or property expropriated until he has refused to deal with the department that wants to take over certain of his property for improvement.

Section 3 of the Expropriation Act gives the minister of whatever department is concerned the power to enter into and upon any land to whomsoever belonging, survey and take levels of the same, and make such borings, or sink such trial pits as he deems necessary for any purpose relative to the public work. This section of the act goes on for another half page. I do not have the time at my disposal to read into the record all the things the section provides.

It is high time that we in this country who are so proud of our nation, who are so proud of our democratic principles and civil rights, made it mandatory that a person affected by the act be consulted and given an opportunity to make an agreement with those who want his land. This should be done before any expropriation is effected. After land is expropriated the only recourse that an owner has, if he is not satisfied with the settlement offered, is to appeal to the Exchequer Court of Canada.

In almost every case brought before the Exchequer Court of Canada there is a minimum cost of about $20,000. Most people who have had their land expropriated do not have that kind of money to spend in an attempt to save property that is being taken away from them. I believe that of necessity these cases have to be heard in Ottawa, but it is a very expensive matter for people from my part of the country, for instance, to come here and have their case tried before the exchequer court. The $20,000 I mentioned does not cover the payment of the legal representatives of the people who are making the appeal.

• (5:50 p.m.)

I think that in cases like this the onus of proving the right to expropriate the property should be on the federal government or the government concerned, and the costs of the appeal to the exchequer court should be borne by the federal government and not by the person whose property is expropriated. It should be absolutely mandatory that the civil

rights provided in the Bill of Rights and in most of the laws of our country be adhered to. A person should not have to suffer the expropriation of his property in a manner which, in the cases to which I referred at the beginning of my remarks, practically amounts to theft because it was not necessary for Canadian National Railways to build a spur line from Fort Saskatchewan to Redwater through some of the best farming land in Canada and to cut up these farms in the way they did. The C.N.R. did not honour the commitments which were made on its behalf to build underpasses for the passage of stock when the line was built. Also the C.N.R. did not construct proper crossings over the railway line.

I believe that a time limit should be set when final settlement must take place. I know of cases where litigation has continued for years and no settlement has been reached. I definitely believe that the government should bear the cost of appeals to the Exchequer Court of Canada.

This is all I have to say on this subject. Again I wish to commend the hon. member for Red Deer for bringing this matter before the house and I thank you, Mr. Chairman, for allowing me the opportunity to make my comments.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I feel this resolution must be read carefully before going any further in the discussion.

Does the hon. member wish to put a question?

[*English*]

Mr. Fulton: Is the hon. member talking it out?

Mr. Choquette: Would the hon. member like to repeat the remark he has just made? Perhaps he should withdraw it. I know some separatists who come from British Columbia.

Mrs. MacInnis (Vancouver-Kingsway): The hon. member should withdraw that remark.

Mr. Choquette: I am sure the hon. member for Vancouver-Kingsway is not one of them. She is too charming for that.

[*Translation*]

Mr. Speaker, the resolution now before us reads as follows:

> That, in the opinion of this House, the government should give consideration to amending the provisions of the Expropriation Act (R.S.C. 1952, c. 106) with a view to giving greater protection to citizens against arbitrary interference with their property rights by departments of the federal government, and to the establishment of more suitable procedures for the transfer of title and possesison of land expropriated under the authority of this Act.

Mr. Speaker, there is no doubt that the hon. member who sponsors this resolution certainly deserves credit for bringing to the attention of the house a problem which is real. It is true that sometimes, the way in which an expropriation, is conducted, the way the negotiations are opened and carried on shows a lack of administrative flexibility and complaints may be justified. I think that the hon. member had the praiseworthy intention of pointing out that problem to the house.

No doubt that the previous speakers mentioned earlier that the Expropriation Act is being reviewed and that there is every reason to expect that, in the near future, some important amendments will be submitted to the legislators. We should not therefore advocate the abolition of that essential system if public works or others are to be performed quickly and efficiently in our common interest.

Mr. Speaker, may I call it six o'clock? I could continue my remarks at the next session when we will reconsider that resolution.

[*English*]

Mr. Deputy Speaker: The hour for the consideration of private members' business has expired. It being six o'clock this house stands adjourned until 2.30 p.m. tomorrow afternoon.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, January 25, 1968

The house met at 2.30 p.m.

CANADIAN CONSTITUTION

CORRESPONDENCE RESPECTING DOMINION-PROVINCIAL CONFERENCE

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, yesterday several members were inquiring about copies of correspondence between the Prime Minister and various provincial premiers in respect of the forthcoming federal-provincial conference. I am now in a position to table these.

Hon. R. A. Bell (Carleton): Mr. Speaker, the practice in respect of correspondence with the provinces has been to have the letters printed as an appendix to *Hansard*. I think in view of the importance of the forthcoming conference, this practice should be followed.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Then, with the consent of the house I should like to table copies of certain correspondence between the Prime Minister and various provincial premiers in respect of the conference.

Mr. Starr: And they should be made an appendix to *Hansard*.

Mr. Macdonald (Rosedale): I should like to have them printed as an appendix to *Hansard*.

[*Editor's Note: For correspondence above referred to, see Appendix.*]

EXTERNAL AFFAIRS

NORTH KOREA—POSITION OF CANADIAN GOVERNMENT IN LIGHT OF INTERCEPTION OF USS "PUEBLO"

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question I should like to direct to the Acting Prime Minister. Is it a fact that by a declaration made on August 7, 1953, all 16 allied countries involved in the Korean war are pledged to resist unprovoked aggression promptly and in unison? If so, what position is now being taken by the Canadian government with respect to the armed seizure on the high seas of the United States ship *Pueblo* by units of the North Korean navy?

Hon. Paul Hellyer (Acting Prime Minister): I am not in a position to answer the specific question raised by the hon. gentleman but I can say we are following with interest developments in connection with this very serious matter. Communications with our allies continue. This is a matter of great concern directly to the United States because they are the ones involved. They are exercising, I think, caution and restraint in their approach.

Mr. Nesbitt: I realize that the Minister of Transport who is acting as prime minister today might have been taken somewhat unawares by my question, though I did try to give him notice. This is a serious subject and I am wondering whether the Acting Prime Minister might not be in a position later this day to ask the house for leave to revert to motions and make a statement informing us whether or not the government is bound by this declaration, to which we are a party, to come to the aid of the United States or South Korea should further unprovoked hostilities take place, or should the United States attempt to liberate the USS *Pueblo*.

Mr. Hellyer: Even if I were able to get the information requested during the course of the afternoon I am not sure that I would be in a position to make a statement. This involves, I would suspect, a question of the interpretation of an agreement. I also believe that the allegation that this incident occurred in international waters would be relevant, and I certainly would not wish to express what would amount to a legal opinion on the subject.

Mr. Nesbitt: Is the minister telling the house that the government is not satisfied that this seizure was made in international waters?

Mr. Hellyer: No. I said the allegation was made that it was, and that is what I believe to have been the case.

Inquiries of the Ministry

Hon. Gordon Churchill (Winnipeg South Centre): As preparation for possible heavy responsibilities in the future, would the Acting Prime Minister not take this opportunity to get some additional information for the house right now before the question period is over, and let the house and the Canadian people know exactly what are the facts about the situation internationally which is, apparently, very grave?

Mr. Hellyer: I would be delighted to give to the hon. gentleman and to the house all possible information, but this is a subject of such magnitude that even if I were to attempt to spend the next few minutes seeking to amplify my own inadequate knowledge I am not sure I could satisfy the hon. gentleman.

VIET NAM—ALLEGED USE OF POISON GAS

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the hon. member for Restigouche-Madawaska in his capacity as chairman of the standing committee on external affairs. It is prompted by recent allegations made by Dr. Vennema in Viet Nam, when he was there under the auspices of the Department of External Affairs, concerning the use of poison gas by the United States military forces in Viet Nam. I should like to ask whether Dr. Vennema is being summoned as a witness before the standing committee so that this serious matter may be looked into further.

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): No, Mr. Speaker.

NATIONAL DEFENCE

NORAD—ALERT FOLLOWING INTERCEPTION OF USS "PUEBLO"

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Has the Canadian government received any official information from the United States government with regard to the call-up of some 14,000 reservists and the purposes and implications of such a move in connection with the seizure of USS *Pueblo*? Can he tell us whether any of our NORAD stations have been placed on an accelerated alert as a result of these developments?

Hon. Léo Cadieux (Minister of National Defence): To answer those questions, I may say, first of all, that as far as I am aware the Department of National Defence has not been informed of the call up of 14,000 reservists. Next, I am informed that no special alert has been declared by the NORAD stations.

TRANSFER OF MILITARY BAND FROM CAMP GAGETOWN TO DOWNSVIEW

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, my question is directed to the Minister of National Defence. I apologize to him for not having advised him of my intention to ask this question but perhaps he will take it as notice. Has the minister received representations and protests concerning the removal of the last major military band in Camp Gagetown, the Royal Canadian Dragoons band, to the Downsview air base. If so, would he be prepared to advise us of the answer he gave to these protests?

Mr. Speaker: I think this important question should be placed on the order paper.

FINANCE

REPORT OF TASK FORCE RESPECTING FOREIGN OWNERSHIP IN CANADA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the President of the Privy Council with respect to the report of the task force on foreign ownership and control of the Canadian economy. Now that the minister has received the report, and I assume this report has been discussed in cabinet, is it the minister's intention to make the report public?

Hon. Walter Gordon (President of the Privy Council): Mr. Speaker, as soon as the French translation has been obtained, the report, in both languages, will be tabled in the house.

Mr. Douglas: As a supplementary question, may I ask whether the government also intends to prepare a white paper indicating its intentions with respect to the recommendations contained in this report?

Mr. Gordon: Mr. Speaker, after reviewing the report, which is a very voluminous document, the government reached the conclusion that it would be best to table it immediately rather than to delay its publication.

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister. Was the Minister of Finance expressing government policy when he stated in Winnipeg on

Friday that Canada must welcome development capital from outside its borders to guarantee the industrialization of much of the country, particularly the west?

Hon. Paul Hellyer (Acting Prime Minister): I am certain he was speaking on behalf of the government when he said that, Mr. Speaker. I think it is agreed by everyone that we have to have additional assistance, due to our inadequate supply of development capital, but this does not mean that there cannot be room for difference of opinion as to the form the infusion of this capital should take, and that there cannot be room for reasonable argument as to what the rules of engagement should be and the terms under which those using it should be good corporate Canadian citizens.

Mr. Hees: Mr. Speaker, I wish to direct a further supplementary question to the President of the Privy Council. Does he agree with what the Acting Prime Minister has stated is government policy?

Mr. Speaker: Order, please.

Mr. Douglas: Mr. Speaker, I wish to direct a further supplementary question to the President of the Privy Council. He said that the report was to be made public but he did not answer the question as to whether or not, subsequent to making the report public, the government intends to issue a white paper setting forth its views on the matter.

Mr. Gordon: I think the government's views, Mr. Speaker, will become apparent in due course. I am not convinced myself that in addition to making the report public anything much would be gained by spending perhaps another considerable number of months in preparing a white paper. The government's intentions as to future procedure will be made known—

Some hon. Members: In due course.

Mr. Gordon: —will be made known at the time the report is tabled.

POSSIBLE IMPOSITION BY UNITED STATES OF IMPORT SURCHARGES

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, my question is for the Minister of Finance. Since learning yesterday of the report from Washington that the United States government is considering the imposition of import surcharges as a means of helping to correct its balance of payments, has the minister been in touch with the United States government to learn whether this report is true and, if it is, has he advised the United States government that any such action will immediately be matched by Canada?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have had inquiries made in Washington and I cannot ascertain that that is the intention of the United States government.

YUKON—RESTORATION OF CUT-BACKS

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct this question to the Minister of Indian Affairs and Northern Development. It arises as a result of certain assurances given by the minister on Monday last, through the commissioner of the Yukon to the legislative council of the Yukon, to the effect that he would be requesting the standing committee on Indian affairs and northern development to meet with the council to discuss constitutional changes for the Yukon.

In order to eliminate existing doubts, will the minister assure the people of the Yukon that the cut-backs, totalling approximately $13 million, of federal government money will be restored to the government of the Yukon forthwith, now that the council has passed the taxing legislation upon which the minister had insisted?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, the so-called cut-backs were the result of repudiation by council of an agreement made here with me. I told them the agreement would become effective on the date when they undertook to respect the agreement they made in Ottawa. They have now done that, so the agreement which we made in respect of funds coming forward from us will date from the day when they accepted their undertaking.

Mr. Nielsen: Mr. Speaker, I should like to ask a supplementary question which is intended for clarification. Are the people of the Yukon then to understand that all the so-called cut-backs will in fact be restored now that the necessary taxing legislation has been passed including the cost sharing program under the agreement?

Mr. Laing: Mr. Speaker, the council of the Yukon is fully aware of the undertaking I

gave and which they accepted at that time. I believe they have now agreed, with only one person objecting, that they should have lived up to the agreement they undertook when they were in Ottawa.

Mr. Nielsen: I have a further supplementary question. What I am seeking here is an assurance for the people of the territory. All I am asking the minister is whether he can assure the people of the Yukon that the so-called cut-backs, to use his own term, will be restored pursuant to the provision of the agreement, which was met, and now that the council has in fact passed the taxing legislation?

Mr. Laing: Our agreement stands. We have kept it, and it will date from the time they voted to respect the agreement they made. I believe that was on Monday. I am delighted that the impasse, which the hon. member reported to this house, in respect of our relations with the council has now been broken.

GRAND RIVER CONSERVATION PROJECT—FAILURE TO APPROVE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I have a supplementary question concerning this matter of federal cost-sharing cut-backs, and I should like to—

Mr. Speaker: Order, please. I am wondering whether this is actually a supplementary question.

Mr. Hales: It is relative to the same subject of federal cost-sharing referred to by the hon. member for Yukon, Your Honour. I address my supplementary question to the Minister of Energy, Mines and Resources. Would this federal cost-sharing cut-back arrangement be the reason the Grand River conservation project has not been approved?

Mr. Speaker: Order, please. The question is out of order.

POSSIBILITY OF AMENDMENTS TO FARM IMPROVEMENT LOANS ACT

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask him whether it is his intention in the present session of parliament to introduce amendments to the Farm Improvement Loans Act which would provide higher interest loans by the banks.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not in a position to answer that question today since I have not had an opportunity of discussing the matter with my colleagues.

Mr. Korchinski: I have a supplementary question for clarification. Could the minister explain what he meant yesterday when he expressed the hope that in the meantime banks would continue to give their customary support to this program?

Mr. Sharp: Mr. Speaker, I think I indicated clearly in my answer to the question yesterday that the government does propose to bring forward amendments to the Farm Improvement Loans Act which will help to maintain the volume, although I would like to repeat what I said yesterday that the decline has not been as great as has sometimes been represented.

CUT-BACK IN FEDERAL CONTRIBUTION TO COST-SHARING AGREEMENTS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Finance. Could he inform the house whether or not the government has intimated to the provinces that there has been or will be a cut-back in the current cost sharing agreements with the various provincial governments?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am a little uncertain as to the exact purport of the hon. gentleman's question. Would he repeat it in a more specific form?

Mr. Dinsdale: I thought my question was quite specific. I am asking whether the government has intimated to the provinces that there will be a cut-back in the federal government's contribution to the cost sharing agreements.

Mr. Sharp: Mr. Speaker, there are many cost sharing agreements. During the recent meetings that I had with provincial ministers of finance I asked for the co-operation of the provinces in controlling expenditures. That, of course, meant that where federal and provincial governments were sharing costs we hoped there would be co-operation between us.

Mr. Dinsdale: I have a supplementary question. The minister asked me to be specific. I wonder whether I could ask him to be specific. Is he saying that there has been no

cut-back in the federal contribution to these cost sharing agreements?

Mr. Speaker: Order, please. The hon. member has asked the question three times now, and I think it is time we went on to another question.

Mr. Dinsdale: Mr. Speaker, the minister asked me to be specific, and I am wondering whether he would be specific as well. Is he saying there has been no cut-back to the federal contributions in the cost sharing agreements?

Mr. Sharp: The hon. gentleman is being very mysterious. If he has a specific case in mind, I would be prepared to answer it.

Mr. Speaker: Perhaps we might go on to some different specific questions.

FISHERIES

SEALS—USE OF SHOTGUN IN SLAUGHTERING PROCEDURES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Following a study by British scientists in London of the Universities Federation for Animal Welfare, a report was issued stating that shotguns, captive bolt pistols and the use of strychnine poison in the killing of seals should be banned, and the shooting of seal pups by rifle from a boat forbidden. In view of the fact that the killing of seals should be done as humanely as possible, did the minister or his officials study the British report before authorizing tests to use a 410 gauge shotgun during the hunting season which opens in March?

Hon. H.-J. Robichaud (Minister of Fisheries): Yes, Mr. Speaker, the report made by the British scientists was studied and I was delighted to see that they are taking practically the same attitude as we are taking here in Canada. With respect to the experiment we will be carrying on during the seal season in March, the Ontario Humane Society has provided us with a different type of weapon. We have agreed to try it on a limited scale and our officials will be accompanied by a veterinarian and by a representative of the S.P.C.A. during the hunt. We will then be able to determine the effect of such a weapon.

Mr. Crouse: The minister's announcement stated that the decision to make the tests followed a recent meeting by the department with representatives of the Ontario Humane Society, the Canadian Wildlife Service, the Defence Research Board and the National Research Council. Has the minister consulted with officials of the sealing industry on this matter and will the sealing industry officials be present when the minister's shotgun policy goes into effect?

Mr. Robichaud: I do not think it would be right to call it the minister's shotgun policy because the minister is practically convinced that the use of the shotgun will not be too effective in this kind of operation. I thought, however, that it was advisable to try this new type of weapon with limited power as an experiment. The members of the sealing industry are aware of this experiment.

Mr. Crouse: Since it is necessary in the national interest that the highest value for the seal pelts be obtained, will the hit or miss methods practised by seal killers operating from private planes be stopped or regulated?

Mr. Robichaud: I think I have already made it clear that it was our intention to control or limit the operation of airplanes during the seal hunt. I would hope that this year no new licences will be issued. Also, due to the fact that the opening of the season is delayed by ten days this by itself will limit the operations by planes.

[*Translation*]

AGRICULTURE

MILK—PRODUCTION PROGRAM FOR 1968

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, yesterday I put a question to the parliamentary secretary to the Minister of Agriculture.

Is he now in a position to answer my question?

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, on behalf of the minister, who is attending the annual meeting of the Canadian Federation of Agriculture today, I may say that meetings have been held with national and provincial representatives of the milk producers and farmers organizations as well as with the provincial milk marketing authorities to discuss short and long term dairy policy.

Inquiries of the Ministry

GREENHOUSE PRODUCTS—REQUEST FOR PROTECTION AGAINST LOW COST IMPORTS

On the orders of the day:

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, while I am on my feet may I also reply to the question raised yesterday by the hon. member for Kent, (Ont.) (Mr. Danforth) regarding representations made by the greenhouse industry with regard to protection against low cost imports. Since the action that has been requested would be a matter of policy, any decision will be announced in the usual way. In the meantime the hon. member will be aware that this whole question has also been referred to the tariff board for study.

SEARCH AND RESCUE

SUGGESTION THAT PRIVATE AIRCRAFT CARRY BEACON TRANSMITTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask a question of definite national significance and of importance to people interested in saving lives and I should like to direct it to the Acting Prime Minister who is the Minister of Transport. This is of concern to people in the district, from which I come, because of the loss of private aircraft.

In view of the unfortunate loss of life in the operation of private aircraft, and the extremely high cost of search and rescue operations, has the minister given consideration to regulations which would require that all private aircraft carry a rescue beacon transmitter?

Hon. Paul Hellyer (Acting Prime Minister): This question has been considered several times, Mr. Speaker. To the best of my knowledge, and I would have to check this, no decision to make this mandatory has as yet been made. This involves the question of cost and the question also of the reliability of the instruments. However, with more recent developments they seem to be quite useful for certain types of aircraft. If my hon. friend would like a more lengthy reply I will have to take his question as notice.

Hon. George Hees (Northumberland): Mr. Speaker, in view of the obvious benefits both to those who might be lost in aircraft and those sent out to search lost aircraft, would the minister not press his colleagues to see that this measure is brought in as a government regulation?

[Mr. Beer.]

Mr. Speaker: Order, please. The hon. member is making representations to the government.

NATIONAL CAPITAL

ALLEGED DELAY IN SETTING UP JOINT COMMITTEE

On the orders of the day:

Hon. R. A. Bell (Carleton): May I direct my question to the Minister of Public Works, Mr. Speaker? Since almost four months have passed since the minister assured the house that a special joint committee on the national capital would be established very shortly, to use his own words, will the minister indicate the reason for the delay in announcing this long awaited study, and let us know what are the government's present intentions? Would the minister also indicate whether the committee will be asked to study the subject of high-rise buildings in the vicinity of these parliament buildings?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the question of setting up the committee was delayed because there was no chairman of the National Capital Commission. The chairman has now been appointed, so there is no reason for any further delay. As to the second question, I would hope that the committee would deal with the problem of the height of buildings to be built in the national capital area close to the parliament buildings. This problem is causing great concern to the government and, as the hon. member knows, the federal authority does not have direct jurisdiction over it.

Mr. Bell (Carleton): A supplementary question, Mr. Speaker. Would the minister indicate the name of the new chairman of the National Capital Commission and when he was appointed?

Mr. McIlraith: Yes, Mr. Speaker. The new chairman is Mr. A. J. Frost, and the appointment was announced today.

PUBLIC BUILDINGS

OTTAWA, ONT.—ERECTION OF HIGH-RISE STRUCTURE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. Is the minister now in position to answer my question of yesterday as to whether the government will be making a statement of its views regarding the proposal to construct a 39 storey building within two or three blocks of this building?

Hon. G. J. McIlraith (Minister of Public Works): The government has no direct control over this matter but there is a committee having jurisdiction over it—a committee of the city of Ottawa. The government has representation on this committee through the National Capital Commission, and its views will be made known in the usual way to the committee. The problem is of real concern to the government.

Mr. Knowles: A further supplementary question, Mr. Speaker. Is the minister not prepared to indicate what the views of the government are with respect to this proposed building?

Mr. McIlraith: No, Mr. Speaker. I do not think any responsible minister should give an off-the-cuff answer like that until he has the advice of the planners who are retained by the government, through the National Capital Commission, which has direct responsibility. I think the position should be stated after a thorough study of the matter by them.

SHIPPING

ICEBREAKING OPERATIONS ON ST. LAWRENCE RIVER

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Acting Prime Minister. I would remind the house, with regard to the problem of high-rise buildings, that the national capital and its buildings are welcome in Halifax. I would ask the Acting Prime Minister whether, in light of the increased activity in the middle and upper reaches of the St. Lawrence river up as far as Montreal, he would now give assurance to the ports of Halifax and Saint John that this is indeed for water control purposes and not for economic reasons involving ships of other nations.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think the events of the last few days underline the absolute essentiality of keeping the St. Lawrence river open and free from ice so that the water levels do not rise as they have, endangering public property. These are the facts. At the same time, when a channel is open it is available for use by ships that are constructed in such a way that they are capable of operating under those conditions.

Mr. Forrestall: A supplementary question, Mr. Speaker. Is it government policy that once such lanes are opened up they are maintained in an open condition for the purpose of shipping? Is this what the Acting Prime Minister is indicating?

Mr. Hellyer: I just indicated, Mr. Speaker, that as my hon. friend is probably aware, the water levels in the upper reaches of the St. Lawrence river are well above the normal level, and this endangers property to a considerable extent. It is absolutely essential that a channel be maintained in order to allow the ice to go down river and to reduce water levels to those that are safe. At the same time, when this is done it does facilitate navigation on the St. Lawrence river by ships which are constructed to operate under winter conditions.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question.

Now that the Minister of Transport is aware of the need to maintain an open channel on the St. Lawrence in wintertime, does he intend to instruct his departmental officials to make sure that this channel is really kept open instead of merely watching out for ice-jams?

[*English*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a supplementary question the purpose of which is to elicit information. Does the minister know how many hundreds of ships were stuck in the St. Lawrence this winter?

Mr. Speaker: Order, please.

[*Translation*]

[*Later:*]

Mr. Grégoire: Mr. Speaker, I wish to put a question to the hon. Minister of Transport.

In view of the increasing importance of the problem of winter navigation and icebreaking operation on the St. Lawrence, could the minister tell us whether he intends soon to make a clear and straightforward statement on the policy of his department with regard to this problem?

[*English*]

Mr. Hellyer: Mr. Speaker, I do not know whether or not there will be a clear and precise statement, but I can assure my hon. friend that we intend to open up the channel

and to do our best to keep it open so that the ice can get out to sea.

[*Translation*]

Mr. Grégoire: Mr. Speaker, a supplementary question. I notice that the minister always speaks of ice and never of ships. Could he make a clear and definite statement concerning winter navigation on the St. Lawrence, and not only on ice?

[*English*]

Mr. Hellyer: I would be glad to take that under consideration, Mr. Speaker.

[*Translaion*]

Mr. Grégoire: Mr. Speaker, I should like to put a last supplementary question.

I would like to know whether the minister will take that into consideration before or after the forthcoming Liberal convention.

[*English*]

REQUEST FOR REPORT OF COMMISSION ON PILOTAGE

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a question to the Acting Prime Minister in his capacity as the Minister of Transport. Is he able to indicate to the house when he expects the report of the commission on pilotage to be tabled?

Hon. Paul Hellyer (Minister of Transport): Very soon, Mr. Speaker. I had hoped it would be ready by now, but I will make inquiries to see when it will be available.

SYDNEY, N.S.—INQUIRY AS TO PILOTAGE STATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, approximately two days prior to the recess I asked the Minister of Transport a question regarding the department's intention with regard to the future of the pilotage station in Sydney harbour, and the employees there. At that time he took it as notice. Is he in a position now to give an answer to the question?

Hon. Paul Hellyer (Minister of Transport): I am sorry, Mr. Speaker, I do not have the answer with me today, but I will try to remember to bring it tomorrow.

[Mr. Hellyer.]

FREIGHT RATES

POTASH—SHIPMENTS FROM SASKATCHEWAN

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct a question to the Minister of Transport with regard to increased freight rates for the shipment of potash from the province of Saskatchewan to export markets. Could the minister take this matter up with the head of the Canadian Transport Commission, Hon. Mr. Pickersgill, since these freight rate increases will work to the detriment of an industry which could be the leading producer of potash in the world?

Mr. Speaker: The hon. member has made a representation to the minister.

UNIDENTIFIED FLYING OBJECTS

INQUIRY AS TO REPORTED SIGHTINGS IN QUEBEC

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct my question to the Minister of National Defence. Can the minister tell us whether his department is investigating reports that unidentified flying objects have been reported over certain areas in the eastern townships in the province of Quebec?

Mr. Starr: They are Liberal candidates in the leadership race.

Mr. Speaker: I am not certain that the matter is one of extreme urgency. In any case the hon. member has made a representation to the minister which, in all probability, will be considered.

AIR CANADA

WINNIPEG—TRANSFER OF EMPLOYEES FROM BASE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Transport and ask him whether he has as yet had discussions with officials of Air Canada regarding the base in Winnipeg. If so can he now assure the employees in Winnipeg that the base will continue to operate, as he indicated recently, and that the large scale transfer of employees from Winnipeg will stop?

Hon. Paul Hellyer (Minister of Transport): I have been working assiduously on this matter, Mr. Speaker.

TRANSPORT

MURCHISON INQUIRY—DISTRIBUTION OF REPORT

On the orders of the day:

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, in the absence of the Minister of Labour I should like to address my question to the Acting Prime Minister and ask him whether he can tell us why copies of the Murchison inquiry report have not been distributed to members of parliament while apparently they have been in the hands of the public for some time.

Hon. Paul Hellyer (Acting Prime Minister): I do not know the reason for this, Mr. Speaker, but I will take notice of the question to see if I can find out the answer.

GRAIN

ACCELERATED RATE ON FARM STORAGE

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, despite the fact that the Minister of Finance is now in full orbit, I wonder whether he has had time to decide and to announce if farmers are to be given an accelerated rate on farm storage built during the year 1967.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I will give an answer to this question tomorrow.

Mr. Nielsen: The minister will give the answer on re-entry.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

INQUIRY CONCERNING STATEMENT BY ASSISTANT DEPUTY MINISTER

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Minister of Labour, but in his understandable absence perhaps his parliamentary secretary would draw it to his attention, or even be daring enough to answer it. Was the assistant deputy minister of labour, Mr. Wilson, forecasting government policy when he suggested that an amendment to the Industrial Relations and Disputes Investigation Act might be considered?

Mr. Speaker: Order, please. The question is not in order. Whereas it is in order to ask whether statements made by ministers outside the house represent government policy, it is not my understanding that this applies to officials of departments.

[*Later:*]

Mr. McCleave: Mr. Speaker, there seems to be a bit of a log jam developing, or perhaps I should call it an ice jam. Perhaps I can rephrase my question and ask whether it is the intention of the government to bring in an amendment to the Industrial Relations and Disputes Investigation Act so that the government could halt a strike or lockout after 14 days, and take other measures to end the dispute?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, if the government has such intentions I am sure it will notify the house in the usual and appropriate manner.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR STATEMENT ON FREEDMAN REPORT

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I wanted to direct my question to the Minister of Labour, but in his absence I should like to direct it to his parliamentary secretary. When can we expect to receive the report of the task force set up by the Prime Minister to study the Freedman report, and is it the intention of the minister to delay second reading of Bill No. C-186 until this report is received and studied?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the Minister of Labour made it abundantly clear on at least three occasions last week that it is not the intention of the government to delay the passage of Bill No. C-186 for any reason.

Mr. Ballard: I have a supplementary question, Mr. Speaker. Does the minister have any prior knowledge of the recommendations of the task force, and if so, was Bill No. C-186 drafted to lessen the power of the existing bargaining units before the recommendations are made public?

HEALTH AND WELFARE

MEDICARE—STATEMENT BY PREMIER OF ONTARIO

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of Premier Robarts' statement concerning the position of

the government of Ontario with respect to medicare, will the federal government make it clear that medicare is still the law of the land and will come into effect on July 1, 1968, in those provinces that wish to accept it?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, it is the law of the land, and the position of the federal government is as set out by the Prime Minister at his press conference on January 19.

DRUGS

UNITED NATIONS—POSITION OF CANADA ON L.S.D. BAN

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I have a question for the Minister of National Health and Welfare but in his absence may I direct it to his parliamentary secretary and she may take the question as notice. Is Canada a member of the United Nations commission on narcotics and, if so, did Canada approve the resolution appealing for a world wide ban on the use of L.S.D.?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will bring this matter to the attention of the minister.

• (3:10 p.m.)

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Wednesday, January 24, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: When the committee rose last evening clause 2(d), with an amendment proposed by the hon. member for Red Deer, was under consideration. Clause 2(c) was allowed to stand in order to permit the hon. member for Edmonton-Strathcona to redraft an amendment which he had proposed during yesterday's sitting. The committee is now considering clause 2(d).

On clause 2—*Broadcasting policy for Canada.*

Mr. Crouse: Mr. Chairman, I wish to comment briefly on the amendment put forward by the hon. member for Red Deer. As the hon. member for Winnipeg South Centre said

[Mr. Knowles.]

yesterday, it has been a long time since I found myself in a position to agree with anything put forward by the hon. member for Red Deer. However, after ten years in this house I suppose one does mellow somewhat toward those who support other political groups, and after reading his amendment I am prepared to vote for it. I say this because I believe that the words "while ensuring that the most broadly held opinions receive appropriate consideration" and the words "while alert and responsive to public preferences in this and other aspects of programming" serve to strengthen the original clause of the bill.

The government apparently believed that it should include in the bill under the general title of a broadcasting policy for Canada a clause which deals with programming. To those of us who on occasion have an opportunity to watch television, and especially some of the C.B.C. programs, this is understandable. We know that there is a wide variety of opinion regarding what is desirable and acceptable and that this applies to the theatre, to motion pictures, to music and the arts. What is classed as acceptable music by this generation would certainly not have been acceptable only a decade ago. I know the minister will agree with me that Viennese waltzes seem strangely out of place alongside Beatle rhythms. It is therefore evident that tastes, habits and customs change, and a medium like television, which is catering to age groups from the cradle to the grave, is bound to find difficulty in providing a bill of fare that is satisfactory to everyone. It is for these reasons, Mr. Chairman, that I believe we are entitled and are expected to voice our opinions on programming so that those in charge of these matters will be aware of the voice of the people, as it were, expressed through their elected representatives.

• (3:20 p.m.)

The government has suggested that the programming provided by the Canadian broadcasting system should be varied and comprehensive, should provide reasonable opportunity for the expression of conflicting views on matters of public controversy, and that the programming provided by each broadcaster should be of a high standard, using predominantly Canadian creative and other resources. These are good guide lines, Mr. Chairman, and have without doubt been laid down by the government because of difficulties experienced by the C.B.C. management in arranging programs in the past. We would not have such lengthy discussions

in the house or the committee had there not been considerable public discontent about the programs which the C.B.C. has presented in the past. After reading the guide lines I see no reason for rejecting the amendment that the hon. member for Red Deer has moved. I see no reason for rejecting a similar amendment if it informs C.B.C. management what our thoughts, as members of this house, are on that important matter.

A moment ago I spoke of the differences in our society and of the difficulty that is faced by C.B.C. management in preparing a bill of fare that is suitable for everyone. It is crystal clear that we have in Canada differences in languages, customs, tastes, habits, and in age groups. Nevertheless, it is truly amazing to see how similar Canadians of all groups are to people in other parts of the world. For example, applying the golden rule of doing unto others what we would have them do unto us, if we show concern, courtesy, kindliness or anger, sympathy or compassion, each will be returned in kind. Perhaps we ought to put that on the record as a guide line for those who are responsible for the programs.

Had this rule been followed, then surely we should not have been subjected to a parody of God last Sunday evening by a group of paid performers. That type of sick comedy apparently is indicative of the rot which has set in in the C.B.C., as mentioned some time ago by the minister. This type of comedy, in my opinion, is not funny it offends the Christian teaching of thousands of years and can only arouse in those who watch it pity for the producer of sponsor of the program. Surely, Mr. Chairman, with all the political and potential political leaders in this country we could use them or others as the butt of humour. We should not use characters in the Bible.

An hon. Member: Hear, hear.

Mr. Crouse: From time to time we are told that as politicians we should not interfere with the programming of the C.B.C. We are told that the C.B.C. ought to be free from political interference and that it should remain free and uncontrolled so that it will not become the tool of the political party in power. I find no fault with that logic. But I caution those who are responsible for programming that freedom of thought and expression must not be construed as licence, licence to say, do, or portray anything and everything that comes to mind.

The estimates for the C.B.C. this year exceed $143 million, an increase of about $29 million in one year. Canadians generally, whether they are of French, English, German, Italian, Norwegian, Scottish, Irish or other origins, as a rule want good value for their money. Canadians today are asking themselves, not only with respect to expenditures by C.B.C. but with respect to many other expenditures that are made by this government, are we getting value for our money? If the C.B.C. were operating as a private concern it would have gone broke by now.

When I was first elected in 1957 the C.B.C. was spending more than $52 million a year of the taxpayers' money. I thought then that more than $1 million a week to subsidize this organization was too much to pay. Today the subsidy is almost three times as big. I caution those who are responsible for programming to ask themselves in future: Is this program entertaining, is it acceptable to the Canadian people, as well as: Is it good value for our money, and can we afford it?

I realize that we need creative minds in the C.B.C. That organization has done much that is commendable. I temper that comment with a caution that creativity does not give a programmer the right to be irresponsible, the right to deal in sensationalism or to show programs that are in bad taste. For those reasons, Mr. Chairman, I intend, when the vote is called, to support the hon. member's amendment.

Mr. Southam: Mr. Chairman, since I was not a member of the standing committee that studied this bill I have been reluctant to enter this debate. But after listening to the discussion before Christmas and recently I felt I ought to take this opportunity to make some comments about the bill.

It is apparent to me, having looked at clause 2(d) of the bill, that the minister in her wisdom has endeavoured to lay down some guide lines for the conduct of the C.B.C., particularly with respect to programming. I agree with her on that point. I am sure that the minister and other members have over the last number of years received representations, letters of criticism and so on from many people in Canada from coast to coast with respect to the calibre of some programs that have been televised. Of course, many have disagreed with the views that have been broadcast but many have complained about the standard of the programs. That is understandable, and for that reason I agree with the minister on that aspect of her argument. In that respect clause 2(d) is a good clause.

I also support the amendment of the hon. member for Red Deer. I do not always agree with the ideas of that hon. gentleman but this time I do. I think we should take a broader view than we have about something some hon. members seem to be concerned about, freedom of speech, censorship, and so on. The hon. member's amendment cannot be defined as constituting censorship or as encroaching on freedom of speech. Other mediums of communication, such as the press, radio, magazines and so on, must observe the law. The Criminal Code contains provisions regarding obscenity, pornography, etc., and those who overstep the bounds of the law can be pulled up short.

I am involved in the motion picture and theatre business in Saskatchewan and have been for 22 years. At times I come under strict surveillance by the board of censors in Winnipeg, from where our product is distributed. That board classifies the films we show and those who are on the board are extremely responsible people. They do not interfere with any freedoms, but if they find that a film does not serve the best interests of the younger generation they will in their wisdom classify it as "adult". Or if it is a far-out picture, perhaps one that has been imported from Europe, they will classify it as "restricted", and rightly so. Such classifications put us to considerable inconvenience and expense because we must advertise these films as "restricted"; we must confine attendance to adults. At other times, of course, children who are accompanied by a parent or guardian may be admitted. By obeying the censors we are allowed to exercise our privilege of providing the Canadian public with what are considered proper types of programs.

I feel that what is done with motion pictures ought to be done with films that are produced for television. After all, many films are produced in the C.B.C. studios and many others by the National Film Board. Someone in those organizations must be made responsible for the quality of the program that is to be presented. I think the minister has been quite right in introducing this clause, but I think the hon. member for Red Deer is quite right in moving his amendment. It will not infringe on the rights and prerogatives of those who are responsible for programming. Someone must be made responsible.

• (3:30 p.m.)

We might go even further and say that if and when a program of questionable quality, so far as its effect on the morals of younger people is concerned, is scheduled for broadcasting, someone in the C.B.C. sould be instructed to advertise in advance that such a program is to be produced. This requirement would resemble the one placed upon film exhibitors to indicate the nature of the programs they propose to show. It would at least give an opportunity to parents of children of tender age, who might be influenced by demoralizing programs, to tell their babysitters that these programs are not to be watched. In other words, it would give people who object strongly to the quality of some of these programs an opportunity to select and censor in their own homes.

This is a subject about which all hon. members are concerned. I am sure we have all received many criticisms and requests in connection with this aspect of the C.B.C.'s activities, and having considered the matter I am in favour of the amendment.

[*Translation*]

Mr. Choquette: Mr. Chairman, the only remark I would like to make deals with clause 2(e) which reads as follows:

—all Canadians are entitled to broadcasting services in English and French as public funds become available;

Mr. Chairman, I claim that funds are available for the installation of relay stations in order to ensure—

Some hon. Members: Order, order.

[*English*]

Mr. Churchill: What has this to do with it?

[*Translation*]

Mr. Choquette: We are considering clause 2. I am therefore speaking to that clause. There is no division since we are dealing with clause 2.

Mr. Grégoire: Mr. Chairman, on a point of order.

You stated yourself that we are studying that clause a subclause at a time. An amendment has been moved to subclause (d). Therefore, when the hon. member for Lotbinière speaks to subclause (e), he is not in order.

[*English*]

The Chairman: Perhaps I should say to the hon. member for Lotbinière that the agreement in committee was to discuss clause 2 subclause by subclause. The subclause now before us is 2(d). As I said the other evening, I believe that in line with the agreement reached, the Chair should confine speakers to the subject matter of the subclause, in this case, 2(d).

[*Translation*]

Mr. Choquette: Mr. Chairman, I was unaware of that agreement and I thank you for your comments. I will wait till the next clause to discuss the matter.

Mr. Grégoire: You only had to be here to know about it.

Mr. Choquette: I am here just as often if not more often than the hon. member.

[*English*]

Mr. Germa: Mr. Chairman, I come to this house as somewhat of a puritan because the constituency I represent has not had access to the pornography, sex and glue-sniffing which seems to have been going on in C.B.C. programs. I should like to make representations to the minister at this time to the effect that we would welcome these programs in the city of Sudbury. I say this because we are now captives of another form of dictatorship, that of a private television outlet which is proving altogether inadequate for the needs of this community. The provisions of 2 (d) would, I think, go a long way toward deterring private broadcasters from muzzling certain minority groups which have not the financial strength or power necessary to get their message over to the 200,000 people who are held captive by this one private station.

As has already been stated, the amendment will not be supported by members of this party. It implies that because an opinion is held by a majority it is necessarily a correct one and should therefore receive wide coverage. The democratic process itself shows us that a majority of the people have the right to be wrong any time they choose. Today we are faced with a situation which has arisen because a majority of the people have elected a government which you and I know does not represent the best choice which could have been made, and it does not necessarily follow that a decision of this type should be given wide publicity.

I should like to call the minister's attention to something which happened in connection with the private station in Sudbury. Representations were made to the Board of Broadcast Governors in 1965 after a union of which I am a member found its programs over this television station arbitrarily cut off by the board of directors simply because in their minds and in their minds only the union was propagating a political opinion. As a matter of fact, it turned out to be the majority opinion in the city of Sudbury though at that time the party to which I belong was in a minority position there. The directors of the television station say fit to muzzle the expression of this political opinion. However, various measures were taken to get round this roadblock and in the end it so happened that the people did elect a member of this party to represent the city of Sudbury.

I believe that subclause (d) will go a long way toward letting people know that when they are in positions of authority in the communications field it is their responsibility to see that controversial and minority opinions are not suppressed. I do not agree with anyone who says that subclause (d) should be eliminated altogether. I believe it represents a progressive step, and we certainly hope it will be retained.

It has been said, regarding the position taken by the New Democratic party, that we always jump to the forefront to protect bandits and atheists in the C.B.C. The hon. member for Roberval, who made this statement, really does not understand what the N.D.P. wishes to accomplish. Who else pursues bandits as vigorously as members of the New Democratic party? We shall pursue them on television as well as in the streets. We do not protect bandits whether they are in the C.B.C. or not. I am thinking now about bandits in business and in insurance companies. Not every bandit carries a gun. Some of them wear tuxedos but they are bandits none the less.

I would ask the minister to take my words into consideration as representing a request from the 200,000 people in Sudbury. We would welcome the type of programs provided by the C.B.C. I hope she will impress on the board that the people of Sudbury contribute to the corporation's budget and are entitled to the facilities afforded. This service is needed regardless of the extent to which other hon. members say they do not want it. Indeed, I would be glad to see the corporation dismantle one of the stations which certain hon. members say they do not want and ship it to Sudbury, because we could certainly use it there.

Mr. Nugent: Mr. Chairman, most members of the committee probably wish to say something on the clause before us. I doubt that there is a single question on which most of us have received more mail than the subject of programming both in the private and public sector of the radio and television networks. I have reviewed a number of the speeches made to see whether a pattern emerges, to find out why hon. members are in favour of

or against the amendment moved by the hon. member for Red Deer.

Many said that to their surprise they found themselves in agreement with him, although some were not quite sure of their ground on that score. I for one am naturally inclined to take a very suspicious look at any amendment moved by the hon. member because I have found his judgment has not been too much of a guide on any question that has come up in this house.

Mr. Thompson: Not to your party.

• (3:40 p.m.)

Mr. Nugent: I think a few words will indicate the general trend of some of the speakers in support of the amendment. They want to play down the emphasis on what I will call the kooky people, the far-out fringe. They want to have more emphasis placed on broad opinions generally held by the public and less on the lunatic fringe. They say that on grounds of morality we need to have more emphasis on the respectability of broadcasting and that we want to prevent the appearance of such people as nazis. Those who have been against the amendment have used such phrases as "restrictive amendment," "amounting to censorship," "trying to destroy freedom," "conformist amendment." On the one hand, we have those people who feel that the respectability of Canadian viewers and their sense of what is moral and decent are outraged too often by certain programs that are presented. On the other hand, those against the amendment have taken the stand that anyone who wants to protect people from this sort of thing is simply protectionist and is restricting freedom. Obviously, Mr. Chairman, there is a little bit of truth on both sides.

Any time we suggest that parliament should give a directive to our national broadcasting system as to the type of programming we would prefer we can say that by the weight of the opinion of parliament we are trying to censor and restrict freedom of choice to some extent. However, there is no such thing as black and white. There is, of course, a middle ground in this matter and, on the basis of the remarks made by various speakers as well as my own opinion, I really feel that what is irksome to most people is the tremendous impact made by so many far-out programs. The fact is that one or two programs have been so very unacceptable that the shock of that sort of thing has made members forget how many programs do conform to the ordinary respectability and moral sense of the citizens of Canada.

I have often thought about the line of censorship that broadcasters should use to guide themselves lest they use the airwaves in a distasteful manner. As an ordinary citizen this is my feeling on the matter. If over that medium of entertainment during the late hours of the evening there comes a program in which the subject is handled in such a way that myself, my wife and a group of rather sophisticated friends watching it would feel shocked and offended if any of our group used such language or talked in such a manner as on the television program, then in my view that program is not very fit entertainment for a group of sophisticated people. If it is too lewd or disreputable for sophisticated, broadminded people, and I think I am pretty broadminded, then we must look closely at the reasons for presenting that program. Are they crusading for something? Is it necessary public instruction? If it is necessary public instruction, is this the proper medium for that public instruction? Obviously on some of these grounds we cannot justify some of these programs.

I think one of the difficulties is that broadcasting and success in broadcasting are in some respects like politics. The more publicity you get and the greater the sensation you create the bigger your name is. This seems to be the badge of success in that medium to some extent.

I am the last one in this chamber to want to add any form of censorship. I think that the aim of this bill should not be compulsory but advisory in this regard, and I feel that the present wording of the clause goes about as far as we can in this regard when it refers to conflicting views on matters of public controversy. Surely that is not, as the mover of the amendment seems to feel a suggestion that the medium should be used to raise public controversy, to try to bring something out of an obscure dark room that nobody is thinking about and have it discussed and raised in a manner that offends the sensibilities of many Canadians.

I do not think there can be any complete directive on this matter of public controversy. As well as offering entertainment television is a news medium. If a subject is of any importance to the nation and has an impact on our economic or cultural life, television should not miss an opportunity to bring as many aspects of the situation as possible to the attention of the public. I do not think it would cost any money or offend any broadcaster's sense of duty to find a way to do this

in good taste, if it can possibly be done that way.

As a lawyer I am concerned about the concept of trying, in a statute of this kind, to direct the method in which judgment shall be used by a regulatory body. Frankly, I do not think it is possible. When we as legislators are trying to draft an act we sometimes try to do so with such preciseness that we will know in advance the way in which a court is going to interpret it so as to give full effect to what we mean, but one of our difficulties is that we are not clear in our own minds what we mean. We have only vague ideas and therefore we only convey our ideas vaguely.

However, one hon. member put his finger on a solution to the problem when he said that the people who are making these regulations and running our broadcasting systems have access to *Hansard*. They are able to read for themselves what has been said and to gain a consensus of opinion, if they can, from the remarks made in this chamber. This certainly is not a method open to the courts that can be used in trying to arrive at a strict interpretation of what parliament meant. But here, as I have suggested, we cannot give a strict interpretation to what we mean because the meaning is vague. The meaning is different for each one of us. It is different in the minister's mind and it will be different in the minds of those administering this legislation when it is passed.

By way of supplementing what their consciences dictate those in charge have a duty to find a method of using our broadcasting systems in the most satisfactory manner. This encompasses the duty to inform, to educate, to entertain, to stimulate knowledge, to activate the imagination without, if possible, offending, and to needle. If necessary, those who have the duty to regulate can get assistance by referring to the pages of *Hansard*.

• (3:50 p.m.)

I am afraid I am going to be opposed to the amendment because I feel that the subclause as drafted does give sufficient direction to the regulatory body and to the people responsible. I agree with the minister that an attempt to redefine what is in it would only point up the necessity of redefining it further. This rather generally worded subclause is all-encompassing enough to give to the people responsible the maximum of direction that we can cogently lay down, and at the same time it gives the greatest freedom that their responsibility will allow them to exercise. I feel that the speeches made in this chamber give us an opportunity, as our duty and conscience dictate, to register our protests against some of the excesses that we have seen in a great many programs. There is one aspect which I started to check. I looked at the remarks made by some hon. members to see whether there might be a sharp cleavage, as there is in the United States, between the doves and the hawks. It seemed to me we were consistently receiving criticism of the clause as it now is and also speeches by those in favour of amending it who I will call the hawks. The latter represent those who favour the United States action in Viet Nam and while listening to the news reports find criticism of the action of the United States most offensive. Then I find coming from the doves, those who criticize the action of the United States, criticism of the amendment on the ground that it is restrictive.

The line was perhaps not quite that clear-cut, but this does give one example of how those of us who feel inclined to criticize some United States programs very severely can be motivated. Here we can see very clearly that the criticism is motivated by a feeling of resentment on the part of some people that the C.B.C. should take a very critical look at the actions of the United States in Viet Nam. Perhaps there is a feeling that we should be supporting the United States and that C.B.C. criticism is one-sided and unfair. Perhaps there are others who feel that the C.B.C., because there is so much United States propaganda on the other side, should simply give us a balanced picture.

Whether or not we get a balanced picture depends on several things. There are people who feel that through broadcasting, television, radio and the United States magazines which flood this country we receive a predominantly pro-United States government point of view. Would we obtain a more balanced picture by trying to balance the pro-United States government view by means of the Canadian media presenting a very critical view of the same things? In other words, is it possible, feasible or reasonable in this country to say that in our own communications systems we must have a balance and present both sides adequately in order to comply with this bill or do we read this bill in cognizance of the fact that we will have to face the overwhelming and almost overpowering influence of the United States media and take a very one-sided view in order to try to balance to some extent the general views of the situation that are available to the Canadian public?

I am just giving a picture of the situation so that we will be aware of some of the difficulties involved in an attempt to be specific about the directions to the regulatory and managing authorities. I become more and more worried every time someone suggests an amendment which is more and more specific. I hope the position taken by the minister that the clause as it now reads is more effective than it would be should the amendment be accepted will prevail and that we will defeat the amendment.

Mr. Churchill: Mr. Chairman, would the hon. member permit a question?

Mr. Nugent: Certainly.

Mr. Churchill: Does the hon. member consider that a clause which outlines guide lines for programming is essential in the bill?

Mr. Nugent: I am neither certain that it is really essential nor that it will be very effective. I feel that the way it is worded now it will provide a better chance to achieve our objectives than we would have by encumbering the wording with the proposed amendment.

Mr. Churchill: Does the hon. member consider it to be essential that the bill should instruct management of the news media on television and radio concerning the type of programs that should be presented to the public?

Mr. Nugent: I am not sure that the meaning of programming is defined in this subclause at all. So far as I can see all it is is a reminder of a couple of guiding principles which the government would like to see kept in mind in respect of what the type of programming should be, its general coverage and the use of talent. I suggest they are no more than suggested guide lines; there is nothing directive that I can see. It does not have the preciseness of a prohibition in a criminal statute and does not have the mandatory value of the Income Tax Act which states that you shall file your return by a certain date. I believe it is admirably if not beautifully worded for the purpose of being a general reminder of what we would like to have kept in mind in the operation of our broadcasting systems.

Miss LaMarsh: Mr. Chairman, I might make a useful interjection, particularly as a result of the series of questions asked by the hon. member for Winnipeg South Centre and responded to by the hon. member for Edmonton-Strathcona. The hon. member for Digby-Annapolis-Kings posed the question of whether or not it is so difficult in a forum of this kind, the committee of the whole, to arrive at felicitous words that perhaps we should drop the question. He asked about the position of the B.B.C. and I have done a little research in this regard. Perhaps I might give this information to the committee now. I think it will lead hon. members to the conclusion that this subclause is most important and should not be dropped. Indeed, it is the clause which is the heart of the licensing authority for the B.B.G. The regulating body under the new act will have to be guided in its licensing policy by whether or not an application complies with the things set out here, being policies and instructions in respect of the kind of programming that public and private broadcasting should follow.

If I might go back, the only thing which appears in the legislation now in effect—I refer to the 1958 legislation which it is generally conceded we need to strengthen—as between regulatory policy and broadcasting policy, public and private, is section 10 which contains the objects and purposes of the current Board of Broadcast Governors. If I might read that section it reads as follows:

• (4:00 p.m.)

10. The Board shall, for the purpose of ensuring the continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive broadcasting service of a high standard that is basically Canadian in content and character, regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada, and the relationship between them and provide for the final determination of all matters and questions in relation thereto.

There is nothing else in the current Broadcasting Act which lays down the obligation of the B.B.G. in so far as the two sectors of broadcasting, public and private, are concerned.

What happens in relation to the B.B.C.? I indicated that there was something in the charter in this regard. I have now gone over this and looked at the reports of the proceedings of the committee on broadcasting, films and assistance to the arts of Thursday, February 2 and Friday, February 3, 1967. At that time Sir Hugh Greene, the director general of the B.B.C., and Sir Robert Fraser, director general of the independent television authority, appeared before the committee. The evidence of Sir Hugh Greene, in answer to questions by the hon. member for Burin-Burgeo,

appears on pages 1828 and 1829 and is in part as follows:

> Mr. Jamieson: On the structure of the B.B.C. charter, what kind of a document is it exactly? I do not ask you to give us the full details, but is there, anywhere in it, a point of reference from parliament, or from the authority which granted the charter, saying what the B.B.C. should or should not do, its aims, its objectives and that kind of thing?
>
> Sir Hugh Greene: There is a section of the charter headed "Objects of the Corporation", but the interesting thing is that that section of the charter does not contain anything about programs. The only point at which the programming activities of the B.B.C. are mentioned is in the preamble to the charter where it says:
>
> "Whereas, in view of the widespread interest which is thereby and by other evidences shown to be taken by Our Peoples in the broadcasting services, and of the great value of such services as means of disseminating information, education and entertainment. We believe it to be in the interests of Our Peoples in Our United Kingdom and elsewhere within the British Commonwealth of Nations that the corporation should continue to provide broadcasting services pursuant to such licences and agreements in that behalf as Our Postmaster General may from time to time grant to and make with the Corporation".

In the United Kingdom the postmaster general is the regulatory authority. He grants the licences and fulfils the same function as our B.B.G. does currently. Then at page 1829. Mr. Jamieson asked Sir Hugh whether or not there had been any articulation of the policy of programming of the B.B.C. Sir Hugh indicated that from time to time various senior officials of the B.B.C. had formulated policy, but otherwise the only official place where this existed was in an exchange of memoranda, which was a published document available in the library of the House of Commons, between the postmaster general and the chairman of the B.B.C., in which the chairman states in a letter to the postmaster general in very broad terms the objectives of the B.B.C. and accepts certain basic principles such as:

> —our duty on impartiality, having no editorial opinion, and treating controversial subjects with due care and so on. That is not in one of our instruments. It is in the form of an exchange of correspondence between the chairman and the Postmaster General.

That seems to be the only reference in the committee, but there is another publication to which we have referred, the B.B.C. Handbook 1967, which sets out what I think most committee members know anyway, namely, the postmaster general's power. At page 142 under the heading "The powers of the government" it states:

> Under clause 14(4) of the licence, the Postmaster General: "may from time to time by notice in writing require the Corporation to refrain at any specified time or at all times from sending any matter or matters of any class specified in such notice."

In other words, the postmaster general has, on behalf of the government and the United Kingdom parliament, the right to instruct the B.B.C. specifically with regard to its programming. However, as one reads on one will note the following:

> This clause gives the government of the day a formally absolute power of veto over B.B.C. programs, but in practice it has always been treated as a reserve power. The governors have absolute freedom in the handling of day to day matters—

So the postmaster general of the United Kingdom is in the position of giving licences and setting conditions, as the B.B.G. does here, but with that absolute power because it is a matter for the government, whereas the B.B.G. has only such powers as this parliament gives it.

It was conceded that the 1958 act was weak in that it did not set out the specific powers which the B.B.G. had and the basis upon which it was to issue licences. Accordingly this clause was drafted, and subclause (d) of the current legislation is the direction which parliament now gives to the new board or council, whatever name it has, as to what element of acceptance it will require of a licensee before granting a licence.

If you look at clause 15 on page seven of the bill you will see that it is the council's responsibility to regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy enunciated in section 2 of the act. If you look at the other subclauses in clause 2 you will find that this is the whole programming policy because there is no other place where the whole system is referred to. So in fact this is the heart of the instruction of parliament to the B.B.G. Therefore I think it will be agreed that this is extremely important and that we cannot do without it.

That answer to that part obviously does not get us out of the difficulty involved in various members drafting things they think should be done. We all know that every time the estimates on broadcasting come before the house, the C.B.C. estimates, most of the discussion is about something that none of us can do anything about. I refer to the matter of programming and protests in a general way.

What this amendment attempts to do is to draw, in quite a bit more restrictive way, a policy under which the B.B.G. would be required to insist that licensees deal only with matters which have a broad general acceptance. I think that much of the argument made by the hon. member for Royal and other members, even though there apparently is considerable conflict in respect of freedom and restrictions on broadcasting, reflects not only their personal views about avoiding censorship but also their sense of responsibility in laying down some sort of instruction to the B.B.G., because it has been demonstrated it needs to be instructed and that regulations are required. These laws are drafted by a group of 265 men and women, none of whom is an expert in this field even though a number in the chamber may be experts in one or another area of broadcasting. We are required to define narrowly what the broadcasting regulatory powers should be. I think this is almost an insuperable task. This is demonstrated by the fact that with absolute power in the United Kingdom the postmaster general there has never used those powers and they are only held in reserve.

I only make this argument, along with those I made yesterday before the committee, in the hope that the committee will use the words which are already there as the charter for the B.B.G. in respect of the issuing of licenses.

Mr. Churchill: I should like to ask the minister a question. She has drawn our attention to the statute now governing the B.B.G. and broadcasting generally. In doing so she mentioned that programming should be varied and comprehensive, of a high standard and should use Canadian talent resources. Those three points are covered in this subclause on programming but there have also been included these words that the hon. member for Red Deer is attempting to amend. Let me read them. These words have been included:

• (4:10 p.m.)

... and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy ...

I am not an opponent of public controversy. I hope no one is under any illusion in that regard. I do not shrink from controversy and I do not object to controversy being exposed in the newspapers and on television and radio. But why was it considered necessary to introduce that particular phraseology into the instructions to management? Who felt that it was essential?

[Miss LaMarsh.]

Under direction broadcasting has been atempting to achieve a varied and comprehensive type of programming, a high standard, which, of course, cannot be defined to the satisfaction of everyone, and Canadian content. But this phraseology has been introduced. I think this is what stirred up the debate yesterday. I recall particularly listening to the hon. member for Brandon-Souris and wondering why attention was drawn to matters of public controversey, because this is what we have had on radio and television for years. Radio and television programs have aroused public controversy. Some of this controversy has been artificially aroused in the minds of some of us, the less sophisticated element of the population, if the hon. member for Edmonton-Strathcona does not mind my using that expression and indicating the portion of the populace to which I belong.

I want to get at the reason for this wording. The only thing that bothers me about the subclause is that, first, I do not think it is necessary. I rather like the British idea of an exchange of correspondence between the governing body and the management. But if we are going to have this type of instruction with regard to programming I want to know why we are to have it. I want to know why the wording is what it is and why specific attention has been drawn to public controversy. The minister read a phrase from one of the British publications with regard to controversy. I did not note it and have now forgotten it, but it struck me as being better under the circumstances. I do not know whether it included the word "fair".

Mr. Nowlan: "With due care".

Mr. Churchill: My hon. friend says it was "with due care". I am not objecting to conflicting views on matters of public controversy. My objection is, first, that in some of the programs to which I have paid attention a balanced viewpoint has not been put forward on matters of public controversy and, second, that certain matters have been artificially raised to the realm of public controversy when they might much better have been left in abeyance. That is the situation as I see it, Mr. Chairman.

Miss LaMarsh: Mr. Chairman, while listening to the hon. member I had recourse to the Oxford dictionary. It is the 1964 edition and I got it from the table. If the word "controversy" is what has caught the eye of members opposite—and indeed that seems to be the case—I would like to refer to its definition.

Synonyms of the word are "disputation", "to controvert", "to discuss", "to dispute", "to deny". I would have no objection at all and I am sure the government would not, if it rings better on my hon. friend's ear, to change the phrase "public controversy" to "public discussion", because that is what it means. If "controversy" immediately makes one think that it must be sensational and attract attention, I would say that is not the intention of the language. In the draftsman's language it means that if there is a matter with regard to which the public legitimately takes two different sides, that is what a discussion is, that is what a controversy is. I am sure there would be no objection to replacing the phrase "public controversy" with "public discussion".

Mr. Nowlan: Mr. Chairman—

The Assistant Deputy Chairman: The hon. member for Sainte-Marie.

Mr. Valade: Mr. Chairman, I think the hon. member wishes to ask a question. I have no objection to his doing that.

Mr. Nowlan: Mr. Chairman, I wanted to thank the minister for the explanation she gave in answer to my question of yesterday. There is another question I was going to ask today. I was going to ask the minister about the Australian authority and whether in Australia, which I gather regulates its public broadcasting system, there is any direction in regard to programming. If the minister has an answer I would appreciate it.

I want to make one point, Mr. Chairman. While I appreciate the minister's answer to my question, it reaffirmed my thinking that the fact that in clause 2 (d) we are attempting to write broad terms of reference with respect to programming will just open up the proverbial can of problems. This will cause confusion and controversy in every parliament hereafter. We have now spent a day and a half on clause 2 (d). I think this is a good example of how controversial such a clause, which is not going to do anything directly, is.

I hesitate to disagree all the time with the hon. member for Edmonton-Strathcona, especially with regard to broadcasting, let alone other matters, but the hon. member, with his legal background, thinks that the wording of subclause (d) is a beautiful expression or articulation of legislative intent. This leaves me somewhat aghast in view of his experience in attempting to interpret laws. I can see members of parliament standing up after every program of the C.B.C. or C.T.V. and saying, quite legitimately, that the program was not of a high standard and discussing the terms of reference under this bill.

The minister answered a question with respect to the B.B.C. She pointed out that in England there is no attempt to give specific terms of reference for programming; there are only memoranda between the corporation and the government. I believe we will rue the day if we attempt to say anything about programming in this bill. The minister referred to other terms of reference under which licences are granted. There are many subclauses in clause 2 which will determine whether a licence is to be granted.

I am absolutely opposed to any attempt to get into the question of programming. Our hon. friends to my left talk about free speech; yet the hon. member for Sudbury rose this afternoon and said that he believes in qualified free speech. As long as it is the public sector, it is wide open, but when it is the private sector and the captive station to which he referred he wants all sorts of controls applied.

What kind of hypocrisy is that? I suggest that we should deal with the matter of hypocrisy in this respect. I have heard in this parliament for two years that we should not become involved with programs; yet we are going to do that now. I appreciate part of the minister's answer but I do not think the elimination of subclause (d) of clause 2 will defeat the purpose of clause 2. There are in it other terms of reference which will guide those who issue licences. The fact that we have spent a day and a half on this subclause—and there are others in the bill that will raise more problems—indicates the confusion and controversy that are created when we even try to touch the field of programming. I say we should leave the subject of programming to the management of both the private and public networks, and the public network, the C.B.C., is covered by subclause (g).

• (4:20 p.m.)

Miss LaMarsh: Mr. Chairman, I am sorry to take up more time of the committee, but obviously I did not explain this. In the United Kingdom there is no B.B.G. However, there is the postmaster general. He has not given direction in this regard, as he is fully entitled to do under the legislation, because there exists a memorandum of agreement. So in fact the B.B.C. has been given direction in

this exchange. It knows what its framework is because it has been given it by the postmaster general, although in a much more informal way than is provided for in their legislation.

I suggest to my hon. friend that if no provision is made, what little already exists in the current legislation would be removed. No power would be left to the B.B.G. If that were done, our position would be similar to that in the United States where the F.C.C., which is the regulatory board in there, has no control over programming. I ask my hon. friend to look at what is happening in United States programming and to consider the kind of programs we would have if the public and private stations were allowed to decide for themselves exactly what they were going to do.

This subclause is an attempt by parliament to tell the B.B.G. what must be laid down in the licences for public and private broadcasters. If it were deleted, greater control would have to be given to the B.B.G., control such as the postmaster general is given in England, which would give them the absolute power to say whatever they want to public and private broadcasters about their programs. If that were to be the suggestion, then I think this bill would have to be sent back to the committee because I know that by the time the newspaper reports of this debate reached the street we would have almost every private broadcaster and representatives of the public element, too, on our doorstep asking to appear before the committee and asking for some strictures to be placed upon the B.B.G.

What many have called a chaotic situation in connection with the F.C.C. might be the result here if we deleted the subclause.

Mr. Nowlan: Does the minister not think that subclause 2 (g) contains some guide to the C.B.C.? I suggested yesterday that the private networks and the private programs will take care of themselves because if they do not these private stations will sink into financial deep water. I am interested in parliamentary responsibility for the taxpayers' dollars spent on the C.B.C., and I have restricted my remarks to the C.B.C. I suggest to the hon. lady that the direct restrictions on the C.B.C. with regard to the national broadcasting system contained in subclause 2 (g) would take care of any possible chaos. We all know of the problems that arise when programs are meddled with.

[Miss LaMarsh.]

Miss LaMarsh: I cannot agree with my hon. friend. If all the restrictions are to be contained in subclause 2 (g), who will police the programming? It will mean that parliament will have to police it somehow. As we have already seen in the last year or so, it is impossible to use parliament as a policeman in this regard. In such a case private broadcasters would be left without anything at all.

My hon. friend has suggested that the flow of commercials would ensure good programs. I suggest to him that what would happen is that there would be no Canadian broadcasting left in the private field because private stations would start using all the dumped programs from the United States. These programs are cheap and easily available. Private broadcasting would become what Lord Thomson has called a licence to print money with respect to the television station in Scotland of which he was recently deprived because he acted as if it were a licence to print money.

I do not think this is what the people of Canada want and I do not really think this is what the hon. member wants—unfettered private broadcasting. The private stations can get very rich instead of starving to death by consistently putting on a greater number of hours of junk because it is easily available and is cheap. If my hon. friend thinks it would be sufficient simply to tell the C.B.C. to follow the provisions in subclause 2 (g), and if no one were provided to police programming, this would be in conflict with all the studies which have been undertaken and the reports which were prepared such as the Fowler report. It would be in conflict with the report of the committee on the white paper and with the white paper itself. It would be in conflict with every informed opinion I have read on Canadian broadcasting in the last two and a half years.

I think it would provide a considerable boost to the ego of the C.B.C. for them to realize that at least one hon. member thinks they have demonstrated that there is no need for them to answer to anyone for the kind of programming they provide. I think this is unlikely to happen under this kind of management if there were no other body save parliament to police programming. Parliament is frustrated in any attempt to police it. If there were no other body policing programming, programs from the United States would start coming in increasingly. The C.B.C. can spend limitless amounts of money and can find a way to spend whatever money

parliament is prepared to give it, just as whatever amount of money we earn we can find ways to spend. From time to time parliament must cut back on its expenditures. This year, for instance, the expenditures are much less than have been requested. The C.B.C. is caught in a squeeze because it wants to expand.

Let us consider, for example, the introduction of colour television on the west coast. If they are not allowed sufficient money and there is nobody to police their programming, we will find more and more United States programs coming in and more and more programs dumped from abroad while at the same time less use will be made of Canadian talent because it is expensive to produce Canadian programs. We will find there will be no Canadian broadcasting left at all because all the economic interests working in private broadcasting would come into play in public broadcasting.

I do not suppose there is any other field in which we use a policeman in this manner, but this is what all the experts in Canada have suggested to us. We introduced a policeman under the 1958 legislation but we did not give him enough teeth and we did not back him sufficiently, so when a conflict arose between the policeman and those he was supposed to police the policeman usually wound up with a black eye and the alleged culprit went free. We hope that will not happen, and that is what the legislation is designed to prevent.

I apologize to the committee for taking up so much time but I really think this subclause is fundamental to the whole act.

[*Translation*]

Mr. Valade: Mr. Chairman, the minister has just concluded her remarks by saying that we are now dealing with one of the most significant and fundamental aspects of the broadcasting legislation.

As far as I am concerned, I agree with her that even though this clause were to be referred to a committee for further consideration, it should not prevent all members, even no experts in radio and television matters, to express their views which, after all, reflect those of the constituents they represent in this house.

In the past, we have had numerous complaints to make about this crown corporation which will soon submit to us estimates that will be double the administrative costs of the United Nations for a single year. That is why I feel it is important that members have their say with regard to management, programming and to the orientation it is sought to give the corporation through the increased powers being conferred on the C.B.C.

Mr. Chairman, we are far from seeing in this piece of legislation a definite cure for the ills of the C.B.C. The wording of subclause 2(d) is surely disquieting, especially if we fail to correct, prevent and anticipate any abuse such as that committed since the establishment of the corporation.

I am very sorry that certain left-wing members, mostly New Democrats, consider the criticisms levelled against the C.B.C. as merely aimed at destroying and restricting freedom of expression in Canada.

• (4:30 p.m.)

If anyone has achieved that objective, by forming pressure groups, by organizing demonstrations of all kinds against the way the war is being fought in Viet Nam—contrary to freedom of expression and the opinion of the majority of Canadians—the members of the New Democratic party did, for they managed to arouse a group against the established order in Canada.

For my part, I do not intend to overlook such an important clause and I am determined to plead my arguments forthwith against as weak a phraseology as that which concerns "conflicting views".

Before I do so, Mr. Chairman, the house may be interested to hear certain anecdotes, amusing incidents which took place in the administrative circles of the C.B.C.

A few years ago, more specifically in 1964, the C.B.C. delegated to Cairo and Cyprus two crews of cameramen and producers, one to cover the situation in Cyprus, the other to report on Cairo. I heard, in certain milieux, that some of the persons were sent on these special assignments to Cairo and Cyprus as a reward. The crew sent to Cairo did not have much to do and so it went to the beaches to take at least a few shots and justify the expenses involved. Suddenly, they see a caravan wending its way towards the city. Imagine their astonishment when they realized that the caravan they were photographing was the crew the C.B.C. had sent to Cyprus: they were on their way to Cairo for a visit of the city.

In the light of such situations which cost the Canadian taxpayers hundreds of thousands of dollars, I wonder why we are not completely free to examine their expenses and require the C.B.C., whose bills we pay, to give us an answer.

Canadian Policy on Broadcasting

Recently, Mr. Chairman, several C.B.C. employees left their listening-post in Hong Kong or Montreal to go to Viet Nam and report on the war there. I have been told by well-informed people that these employees refused the help graciously offered to them by the South Vietnamese and the American authorities, but paid up to $1,000 to the Viet Cong for transportation to stategic spots where they could visit military posts.

Thus we see the C.B.C. refuse help offered free in order to pay the Viet Cong for information which could easily have been obtained in a much more intelligent and less expensive way.

I have recounted these anecdotes in order to show that this clause concerning the "opportunity for the expression of conflicting views on matters of public controversy" is extremely important, because there is a clique, a coterie within the C.B.C. and only the favourites or a certain group of people open to preconceived ideas are allowed to go abroad to do a certain type of reporting.

We are obviously all influenced by a vast propaganda network which is dominated by those who, like our N.D.P. friends, use freedom of expression as an excuse for subjecting us to a lot of propaganda which is completely inconsistent with the Canadian spirit and mentality. Mr. Chairman, this is happening not only throughout the whole country, but also in the province of Quebec.

A few years ago, on March 24, 1965, 76,000 Quebecers signed a petition which was published in the Quebec newspaper *Le Soleil*. That petition signed by 76,000 mothers read as follows:

We ask our representatives—

That is, we who sit in this House of Commons.

—to put an end to the domination exercised by a minority in the C.B.C. to spread perversity, pornography, free love, blasphemy, drug, violence and crime.

I think, Mr. Chairman, that some members here may find that these remarks are exaggerated, but these are the feelings which mothers, conscious of their responsibilities to their children, felt necessary to express through the newspapers. If we were so little concerned about our responsibilities, we could surely turn a deaf ear, but we would certainly be judged by those who send us here to represent them, as people who failed in their duty, in their obligations.

[Mr. Valade.]

May I be permitted, Mr. Chairman, to say that there must be on the airwaves, if not a moral code, at least some guidelines conformable to Canadian morality. In fact, I hope that we have a public morality in Canada and I do not think that freedom of speech or freedom of expression is thwarted when standards of morality are established for the good of society. I am not speaking of those revolutionaries who possibly make up one quarter of one per cent of the population and who stage violent demonstrations in front of embassies to intimidate the peaceful population; I am speaking in the name of the people and saying there should be a moral code just as there is a labour code for workers.

When a labour code is set up, there is no question of censorship, of restricting the freedom of unions or employers or of other areas. It is simply a question of defining standards of conduct—aware of our responsibility as a Christian people—so that they should promote a healthy atmosphere, an atmosphere of understanding and peace.

Now, Mr. Chairman, the other night I heard certain members of the New Democratic party state their concept of morality. For them, morality is licence. If our crown corporation is allowed to show the most degrading films on television and if people protest according to their Christian concepts against such action, we can already feel the New Democrat wave of propaganda rise against what is claimed to be an attack on individual freedom.

We have unfortunately undergone far too long such propaganda and pressure, without saying a word, without protest. Surely, there must be in the minister's or the government's views some basis of morality, of Christian philisophy, that should guide, it seems to me, the legislation.

A while ago, the minister told us that in Great Britain, some guidelines or a code are given to the postmaster general. In fact, she said:

• (4:40 p.m.)

[*English*]

"Controversy with due care"; I think they were the words of the minister.

[*Translation*]

I am amazed that we do not have the same terms here: controversy with due care.

Mr. Chairman, may I be allowed, at this point, to quote two eminent personalities outside the world of politics whose life can certainly serve as criteria, if we want to lay

down the foundation of Christian policies or guide lines for our parliamentarians and the government in the orientation of our policies.

This is what His Holiness Pope John XXIII had to say about broadcasting, television and films:

> The producer of a film or a television program can no longer propose solely to amuse or fascinate the vast public he addresses.
>
> He must consider himself an educator of society and must use his art to enrich, enlighten and inspire souls. It follows that those producers have the duty to perfect their artistic and technical competence through a deep Christian culture.

I would like to add to that a quotation from His Excellency Cardinal Paul-Émile Léger—now in Africa—who, on June 22, 1962, at the University of Montreal, said about the dangers of the picture:

> —which is more a source of impulse than reflection—

He added:

> The picture which man creates of himself must be true, otherwise it is not human . . . the incomplete or tendentious picture is always immoral, whether it wants to hide evil or see only evil. Therefore, it is the value and the human expression of the creator which conditions his production. He must show a major personality, impeccable taste at the service of sound craftsmanship. It is his first duty and he must set forth the true human problems before calling upon answers from the gospel. If it is otherwise, films and television are only vulgar propaganda tools. Faith must be for a Christian a vision of the world which allows him to probe deeper into the drama of man, to express man more completely.

Such are, Mr. Chairman, the directives that could guide us to the best advantage in setting a course for the policy. I am not saying that we should follow them just because they were given by eminent figures of the Catholic Church and that they should give directives to everybody, but I suggest their philosophy and directives, as to public morality, are undeniable. I do not think there is anything in those words that could interfere with the freedom of human beings, the individual freedom. On the contrary, Mr. Chairman, I believe there are certain things, within as well as outside this parliament, which interfere much more with our freedom, what the New Democratic party calls the limitation to individual freedom. Whenever we do something in order to rectify in any way some of the C.B.C.'s actions, it is that freedom we are upholding.

Allow me to quote as example some films shown on the English network, which stirred up the anger of the C.B.C. listeners. I refer to the film "Two Soldiers". You will probably recall that film. It related the dramatic story of two soldiers returning from their military service, and who displayed before the listeners their lack of patriotism, who flaunted before everybody the fact they now let their beard grow, that they participated in anti-bomb demonstrations and that they were also homosexuals. That was the entertainment which our national system showed the Canadian people.

Another film, "Second Look", was shown on the C.B.C. in February 1964. It had as main participator, Mr. Ralph Ginsberg, of New York, editor of the dubious magazine *Eros*, a pornographic magazine if there ever was one, and extremely depraved. Mr. Ginsberg had been condemned to five years of imprisonment in the United States after being found guilty on 28 counts of indictment for attacks on public morality.

Another film shown on the English network of the C.B.C. is "The Observer". What was the meaning of that film our friends of the N.D.P. are ready to stand up for in this chamber, in the name of freedom of speech and freedom of action for individuals? What was the meaning of "The Observer?" We saw Dr. Albert Ellis, expounding to Canadians his views on sexology. Apparently, he is a top expert. Imagine how important this was to the education, the morality and the culture of Canadians whose merits often win high praise on the left side of this chamber. The views of Professor Ellis, who said to Canadians that not only premarital and extramarital sexual relations were necessary but essential, were aired for everybody to hear. That is what the C.B.C. was teaching us.

On the English network too, we were shown "The Private Memoirs and Confessions of a Justified Sinner". How edifying are such subjects to Canadians!

Mr. Prittie: Have you any examples taken on the French network?

[*English*]

Mr. Valade: We have more than you have in television. We know that that should not be. We are not defending the kind of trash that appears on C.B.C. programs. That is why we are here, to correct this stupid and illogical situation.

[*Translation*]

Now, Mr. Chairman, what about the film "The Open Grave"? We remember that satire which shook the confidence of Canadians.

But we placed around the framework of the C.B.C. individuals who were unassailable. We have filled the management of that organization with persons who said: We are kings and masters of what is going to be shown in Canada, under the pretext of freedom of speech and expression, be it smut or trash. We are protected by the charter given to us by the federal government at a cost of $150 million per year in Canadian taxes.

Well, Mr. Chairman, I think that I have given a sufficient number of examples. I could perhaps add another film entitled "The Trespassers" in which was publicly shown the good effects experienced by young people who use marijuana, that baneful drug corrupting our youth throughout the country.

And what do our New Democratic friends reply? Turn the knob. Shut off your television or your radio.

But if we are to pay $150 million in taxes yearly to be told: Turn off your television set, I prefer that we set down standards of conduct and morality. Not a single member conscious of his duty can tell me that we have neither the right nor the duty to set standards of philosophy, of public morality. I am not speaking of dictatorial standards nor censorship standards when we are thinking of setting standards of conduct for the good of society and the community.

Mr. Chairman, it is unfortunate that the hon. member for Hochelaga (Mr. Pelletier) is not in the house, for he publicly contradicted the minister yesterday when he said that the member for Roberval (Mr. Gauthier) was exaggerating and that, carried away by his emotions he had gone beyond his thought when he had told the truth, possibly not too pleasantly, to certain people. When the member for Hochelaga said he had exaggerated, this was not true; however, if the member for Hochelaga told the truth, then the minister is wrong because some time ago the minister stated that the management of the C.B.C. was rotten. Yet, yesterday, the member for Hochelaga was saying that this was not so.

So I wonder who is right: the parliamentary secretary to the Secretary of State for External Affairs or the Secretary of State (Miss LaMarsh) who is piloting the C.B.C. bill in the house.

I think they should tune their fiddles. It is unfortunate that he should be absent because it is not my habit to challenge the statements of members on the government side or members of other parties while they are absent from the house. But since I am given the opportunity, I should emphasize that the member for Hochelaga should be frankly and deeply embarrassed because the newspapers of 1963 reported that he had received a most important sum—nearly $35,000 from the C.B.C. when he collaborated regularly with this body and when his wife Mrs. Alexandre Leduc Pelletier was also employed by the crown corporation.

So, Mr. Chairman, I can realize that, in these conditions, a member would be ill-advised to say that the C.B.C. is well managed and that there are no favours given; in short, that all goes well.

• (4:50 p.m.)

[*English*]

Mr. Prittie: On a question of privilege, Mr. Chairman, the hon. member has referred several times to the absence of the hon. member for Hochelaga. It may be that the hon. member for Hochelaga is attending the funeral of Mr. René Tremblay. That should be on the record. Perhaps the hon. member does not know that.

An hon. Member: We all know that.

[*Translation*]

Mr. Valade: Mr. Chairman, I was aware of that absence. I was supposed to speak yesterday but, unfortunately, due to the intervention of the hon. member of the New Democratic party and other hon. members who have the right to speak, I had neither the time nor the opportunity to take the floor. I apologize and I said so, for the information of the hon. member who has just interrupted me. I understand why he is not here. I am not in the habit of doing it, but if I do it now the hon. member for Hochelaga will have an opportunity to challenge my remarks and we can have an explanation later.

My object is not to attack the hon. member for Hochelaga, for he is entitled to his views. The Prime Minister (Mr. Pearson) confides in him now, as do some ministers, and when the Prime Minister retires he can hope for an appointment to the cabinet. But that is out of the question for the time being in view of the statements he made against the Liberal party before assuming the responsibilities of a parliamentary secretary. I therefore invite him to express his views.

Mr. Chairman, I am here to point out certain things which have been said and I

understand the support the hon. member might give to the C.B.C. since he lived off it for a number of years.

But it is important to establish what we want to do, when we wish to set out, in a section of an act, the future standards to be followed by the C.B.C., for the future of the Canaidan people who will be obliged not to turn off their set, as the N.D.P. members say but rather to pay for the cost of operation of that corporation and who expect from us a first rate programmation where moral value and quality will not lack.

I should like, Mr. Chairman, to move an amendment to the amendment already moved by the hon. member for Red Deer (Mr. Thompson). Therefore, seconded by the hon. member for Halifax (Mr. McCleave), I move:

After the words—

[*English*]

Miss LaMarsh: On a point of order, we already have one amendment before us. I understand the committee can only consider one at a time.

Mr. Valade: It is a subamendment.

Miss LaMarsh: All right. Let us hear it. I hope you have some copies in English, too.

Mr. Valade: Yes, I have some copies in English, contrary to the practice of the minister sometimes.

Miss LaMarsh: On a question of privilege, I know that the hon. member for Sainte-Marie is seldom here and has to make the most of it when he does speak, but his suggestion that when I move amendments I do not provide copies in both languages is unfair. On his few appearances in this house the hon. member should try to be a gentleman. He should withdraw.

Mr. Valade: On a question of privilege, the Secretary of State has just said that I am not in the house very often. That is an accusation which is not fair. The hon. lady knows that according to the rules she should not say anything about members of this house which is derogatory. She only has to look around her to see how few members of the cabinet are present. The Prime Minister has not been here since the house reassembled. I know he is sick. The hon. member for Lotbinière was away in France for three weeks before Christmas. What he was doing there, we do not know, but we hope he was doing some good work. I think the minister has gone out of her way to take offence. Maybe she exaggerated when she said the C.B.C. was corrupt or no good—

Miss LaMarsh: Mr. Chairman, I never said the C.B.C. was corrupt or no good. On the few occasions when the hon. member is here, or even in Ottawa, he should try to be accurate.

Mr. Valade: I believe the minister said the C.B.C. had a rotten administration, or something of that nature. I happen to think the government itself is rotten. The way they are trying to get this legislation through is proof of their arrogance. There is no reason for being insulting to members of parliament when they try in a constructive way to introduce improvements. The fact that I have a subamendment in my hand is no reason for the minister to be insulting. The Secretary of State should not complain because we are trying to correct her mistakes. The subamendment does not change the nature of the amendment. It simply adds more certainty. However, I am not insisting that the Secretary of State withdraw her remarks. I would prefer that she allow herself to be controlled by her better judgment and I will let her comments pass.

[*Translation*]

My amendment to the amendment, Mr. Chairman, is as follows. It consists in inserting, after the words:

—public controversy—

the following words:

—inasmuch as those views should not be heinous, injurious or of such a nature to create public disorder or discord between religious, ethnical or linguistic groups.

The paragraph goes on to state:

—and that the programming of each broadcaster—

Now, the purpose of the amendment to the amendment is not to alter in any way the main amendment of the hon. member for Red Deer; its sole object is to specify and to clarify what is meant by the conflicting views expressed on the waves of the C.B.C.

[*English*]

Mr. Prittie: Do you have an English copy?

Miss LaMarsh: I can only say that this is the kind of legislation that no chamber in the world would endorse. I do not know what the hon. member means by his subamendment. I do not know whom he expects to be the judge

of these matters. I know the hon. gentleman is not a nazi, but this is the kind of thing which used to be popular in that type of state. There is no hope now, or any time in the future, that members on this side of the house would adopt a proposal of the kind just put forward.

I recognize that the hon. member might like to bring the matter to a vote now. He has made some reference to the fact that certain ministers are not here. I know he does not have a tender disposition, but on our side when we lose a colleague of value we try, at least, to pay our last respects. I would think that since he is a man of honour and intelligence and of the same race, though the hon. member for Sainte-Marie does not grace it as much as the former member for Matapédia-Matane, he would be ashamed to the core after making a remark about ministers being absent because they are attending a funeral this afternoon.

We have discussed with various representatives in the house the course to be followed in the event of a question coming to a vote in the circumstances to which I have referred, and the understanding is that we on this side would ask that the question be allowed to stand. Since the hon. member for Sainte-Marie has broken another one of the rules that hon. gentlemen in this house, even if they wear skirts, are asked to follow, I would like to ask the consent of the committee to stand this question.

• (5:00 p.m.)

Mr. Valade: Mr. Chairman, I rise on a question of privilege. The Secretary of State has just accused me of making remarks while members of the front bench opposite were not here. I am not the one who raised that matter. I think she was the first one to raise it by saying I am never here, which is untrue. She has provoked this remark by her own stupidity in our language.

I do not mind being polite to the minister socially—

Miss LaMarsh: I cannot even do that with you.

Mr. Valade: —but in this regard she must take full responsibility for her words.

Miss LaMarsh: I do.

Mr. Valade: We have to accept our responsibilities here. When the minister makes such a remark about my amendment she must expect me to reply as bluntly and with as much politeness as she herself has shown.

[Miss LaMarsh.]

On the point of privilege, Mr. Chairman, I think the Secretary of State knows she cannot say indirectly what she is not permitted to say directly. She has just implied that my amendment was the kind of amendment heard of in nazi Germany, or something of that nature. I think this is a gross implication and a defamation of my amendment. If the minister clearly says that that was not her implication then I will accept her words in a gentlemanly fashion as coming from a very lovely lady, as she is, and we will close the discussion. But I will certainly not allow this kind of implication to be made indirectly because this is certainly not permitted in this house. I require that she take full responsibility for her comments in the house. If I mentioned anyone being absent it was because she was the first one to make that implication in discussing the principle of my amendment. This kind of thing should not be tolerated, and I ask that the minister clarify her position in this regard.

The Chairman: Order. I think this is the time for the Chair to intervene and suggest to the committee that we get back to the subamendment before it.

Mr. Valade: Very respectfully, Mr. Chairman, I must point out that the minister has said indirectly what she is not permitted to say directly. She made the allusion that my amendment was a nazi or fascist kind of statement. This is not permitted by the rules and I will not tolerate it. I ask for a retraction by the minister.

The Chairman: Order. The Chair has listened to the remarks made by both members and is of the opinion that there is not a point of privilege.

Mr. Sherman: Mr. Chairman, we seem to have reached a position in this debate where postures are hardening. I hope we can avoid too much rigid crystallization of opinion on both sides of the question. As I have advised the committee, I have every intention to move an amendment to this subclause before we conclude examination of it but I would not be prepared, nor do I think many members would be, to force proceedings to a vote on any amendment, subamendment or clause at the present time until members on the government side have a chance to return from their sad obligation this afternoon.

I take this opportunity to say a word or two about subclause (d) and my position with

respect to the amendment before the committee. I think I may be able to allay the fears and anxieties of the hon. member for Digby-Annapolis-Kings. He expressed the fear that if we continue to proceed at this rate it will be some considerable time before we get through all the clauses of the bill. If our progress on clause 2(d) could be taken as the criterion this would be a valid fear, but I would like to say to him that we should not take our progress on this subclause or on any other subclause in clause 2 as a criterion of the speed with which the bill will be dealt with because in fact this clause is the nub and heart of the whole legislation.

Although we may be making an arduous, difficult and in some ways tedious journey through this part of the legislation I would point out that this clause is a most crucial and vital one. It behooves all of us to address ourselves with all responsibility to the wording of these subclauses as now drafted, be it precise or imprecise, but I am sure that when we finish discussion of clause 2 we will move much more swiftly through the other clauses of the bill.

Earlier this afternoon the minister made a very cogent defence of subclause (d). Like the hon. lady I feel this subclause is vital to the bill and to the subject which has been before our broadcasting committee for many months. It is integral to the whole philosophy of broadcasting and to the whole library of broadcasting legislation that we are trying to develop. Although I sympathize with the intentions of those who would like to see subclause (a) eliminated, I agree with the minister that because it is integral to the philosophy and policy we are at last trying to enunciate the argument for its elimination is insupportable.

I have been interested in the remarks made by many members during the last 24 hours with respect to this subclause and the amendment moved by the hon. member for Red Deer. Some interesting points have been brought up, all valuable in their way, all legitimate, but I think there has been a tendency on the part of members on both sides of the question to express their positions in more extreme terms than are desirable at this point. It is most undesirable that we allow the dispute and discussion to break down into a contest between two rigid positions representing uncompromising philosophical areas of thought.

I think there is a middle road which we can follow. With all due respect to the hon. member for Red Deer, I believe that most of the difficulty that has arisen during the past 24 hours is due to the wording of his amendment. Although I have said that I intend to support his amendment I do not entirely agree with its wording. It is too general in some respects and too onerous in others. If a different amendment were placed before the committee we might be able to proceed through this subclause with a lot less contentiousness and dispute.

Those of us who are concerned about the precise wording of the subclause are concerned about responsibility, not about encroachment upon freedom or about restrictions upon freedom of speech. The hon. member for Edmonton-Strathcona contended that the wording of the subclause is entirely acceptable, if not impressive and beautiful. I agree with the hon. member for Digby-Annapolis-Kings in his criticisms of that sweeping approach. I find that the wording of the subclause, to say the least, is imprecise, and this is what causes my discomfort with it.

• (5:10 p.m.)

I would ask, for example, that the committee consider what is meant by the term "conflicting views" which appears in the middle of the subclause where it is stated that the programming should provide reasonable opportunity for the expression of conflicting views on matters of public controversy. The expression "conflicting views" says nothing, covers nothing, and guarantees nothing. If we cover communist views and fascist views and present them, they are conflicting, but that is hardly balanced treatment of a subject. One might have a view that abortion should be permitted at will in hospitals or should be permitted at will in back-room kitchens or parlours. Those are conflicting views, but they would hardly represent a balanced approach to the question of abortion and whether or not it should be permissible at all. One might present the position of the white extremists and the position of the black extremists. These would be conflicting views, but they would not constitute a balanced, objective, and responsible approach to the race question.

Many of us are concerned about the question of balancing, if possible, responsibility and objective. So I for one find myself completely dissatisfied with the term "conflicting views", particularly as it is used in the context of this subclause. This is just one objection I have to it. I believe that a guide line of

this type in respect of programming, particularly in the area of public affairs, is vital and indispensable to the whole area of broadcasting in this country and perhaps vital and indispensable to the whole fabric and future of the Canadian nation. I do not think the standing committee on broadcasting would have permitted such a subclause to be written into this proposed legislation had the members not been fully cognizant of and attuned to the whole political and social controversy which has been raging around broadcasting in this country for many years.

Guide lines are necessary. There is nothing wrong with guide lines. They are given to labour, industry and government agencies. However, the guide lines must contain something. Otherwise it is academic nonsense and in that case I would side with my friend from Digby-Annapolis-Kings and say, "Throw it out". But if the subclause is to be there, as I believe it should and as I think the minister stated she believed it should, then let it say something. So long as a transmitter is up there is an opportunity provided for the expression of conflicting views, but if these views should cover only the opposite ends of the spectrum on any given question and not cover the middle on matters of public controversy, then to me this would seem to be so much semantic and academic nonsense. This subclause does not say what those who are concerned with broadcasting and who were concerned with this subclause when it passed in the standing committee in their hearts and consciences wanted to say.

If I might be so bold as to suggest what many of us in our hearts, souls and consciences wanted to say it is that the programming provided by the Canadian broadcasting system should be varied, comprehensive and balanced in its treatment of matters of controversy and that the programs on each broadcasting station should be of high standard and so on. In other words, the offending clause in my view is the clause which says that the programming should provide only opportunity for the expression of conflicting views on matters of public controversy. I suggest that that clause should be replaced by a clause stating that the programming should be balanced in its treatment of matters of public controversy.

If that were the wording of the subclause I would be entirely happy with it, knowing full well that one cannot legislate this type of operation in the extreme. I am not asking that it be legislated in the extreme. I am asking, if these guide lines are to be enunciated and articulated in an area which has been one of social and philosophic dispute in this country for some years, that at least they be guide lines which mean something. Let us have intelligent and comprehensible guide lines and not some sort of expression in vague, general, umbrellalike terms behind which any kind of imbalanced and extreme activity can hide and disguise itself. It should not be general wording of the nature provided here in this subclause which provides an excuse and disguise for those who intend to practice imbalanced programming or perhaps intend to have extremism in their programming.

This afternoon the hon. member for Sudbury spoke about discrimination. He did not use that word and I do not mean to misquote him. However, he spoke about discrimination against his union and his party by the private television management in the city of Sudbury. I am as concerned about discrimination and lack of objectivity of that kind as I am about discrimination against the particular area of life or particular interest which may be close to my heart. I agree that there should be no discrimination by private management against collective employment or against collective operations, against unions, against labour, against socialism if you like, against the New Democratic party, against any other party or against any other enterprise in this country.

I am just as concerned about that kind of discrimination as I am about discrimination against people of French origin or who have black skin. I agree with the hon. member for Sudbury that if his suggestion is a true representation of the picture in his city he has a valid and legitimate complaint. I say to him that subclause (d) would be helpful in guaranteeing that this type of discrimination would no longer exist in Canada. It would protect his area and his interests as much as mine.

There have been a great many things said in this chamber in the last 24 hours which indicate that many speakers in this debate have taken completely out of context a distorted picture of the intent of those of us who either support the amendment now on the floor or, like myself, intend if that amendment should fail to move one with slightly different wording. A great many things have been said about freedom and encroachment and infringement of freedom. This is a red herring which was born in the days of

ancient Greece when democracy was originally proposed. It is a smoke screen and excuse behind which all kinds of champions of lies and irresponsibility have hidden down through the centuries.

Mr. Stanbury: Mr. Chairman, may I ask the hon. member a question?

Mr. Sherman: Yes.

Mr. Stanbury: I think he was quoting accurately from the speech of his colleague from Prince. Is that the member whom he is accusing of those evils?

• (5:20 p.m.)

Mr. Sherman: I am not accusing anybody of any evils. My hon. friend from York-Scarborough is absolutely correct when he says my reference is to the remarks, among others, of my friend and colleague the hon. member for Prince. This is not the first time the hon. member for Prince and I have disagreed and I am sure it will not be the last. I am not accusing him of anything. All I am saying is that these remarks and many others made in this chamber constitute nothing more than an historic red herring that is 5,000 years old in terms of the philosophy of the western world.

As philosophers of a more modern vintage have pointed out, the price of freedom is eternal vigilance. The suggestion that to be vigilant where the public interest is concerned, to maintain an attitude of vigilance and watchfulness over operations such as modern day broadcasting, which have such an ambit of influence over the attitudes of people generally on political questions, and the suggestion that responsibility is necessary and desirable in this area, hardly represent in my view or in the view of many other Canadians, I am sure, an encroachment or impingement on personal freedom. All this does is reflect and expostulate on the attitudes in respect of freedom held by many in this twentieth century, in this society and the world in which we live which represents something less than an earthly paradise.

This is one area of the debate which indicates that the positions of many of those supporting the amendment and advocating the philosophy behind the amendment and their remarks in support of that philosophy have been taken out of context and distorted beyond all reason. I think the hon. member for Royal, for example, another colleague of mine—

Mr. Fairweather: Am I hiding behind a Greek philosopher of 5,000 years ago?

Mr. Sherman: No, but perhaps the hon. member is one who can bring some modern day philosophy to bear on a subject that has been distorted out of all proportion during this stage of the debate. The hon. member for Royal took great pains to deplore the objection that some members of this chamber have expressed, either here or outside the chamber, to the appearance of Adolph von Thadden on C.B.C. television a few months ago. This is hardly relevant to the debate that is taking place here. Nobody during this debate on this particular clause of the broadcasting bill is objecting to the fact that visitors such as Mr. von Thadden should be invited to appear on television. Everyone in this chamber with any conscience would agree with the hon. member for Royal that there is essentially no harm done by hearing spokesmen of that particular point of view on the C.B.C. or any other television network in this country. There is no validity to dragging that kind of red herring across the trail of this debate.

Mr. Fairweather: I cannot be bothered looking up the reference but it is there.

Mr. Sherman: This is another area in which there has been an attempt to distort the intent of the people behind the amendment.

The same member, my friend and colleague, said he was not interested in hearing broadly held views on television because those views have the opportunity of being expressed in thousands of ways through newspapers and other means of communication. No doubt they do, but so do narrowly held views have the opportunity to be expressed in thousands of ways through newspapers and radio communications. Why should not all views, broad and narrow, be given the availability of television outlets as well as other forms of communication media?

Miss LaMarsh: The amendment only speaks of the broad.

An hon. Member: What broad?

Mr. Sherman: The hon. member for Greenwood spoke about censorship and suggested that the most simple form of censorship lies in the simple act of turning the knob of the television set and shutting it off. I suggest this is not as easy an exercise as it appears on the surface. A great deal of psychological and sociological research must be done about the pulling power, the impact and compulsion

quality of television, particularly in the homes of viewers who are perhaps denied access to wider forms of entertainment, education and a greater variety of activities, before we will know how simple it is for a person to get up and turn the "off" knob on his television set. In any event I do not think anyone in this chamber is advocating censorship.

Once again this argument follows a line which really goes beyond the area and intent contemplated by those supporting this amendment. No one was talking about censorship. All we were talking about, as I have emphasized before, is an exercise in responsibility by adopting a set of guide lines to enable people in authority in the broadcasting profession to know where they stand and what is demanded of them in measuring the performance of their performers and the people in their programming department in relation to the general philosophy on broadcasting laid down by legislation passed by this parliament setting out what is deemed to be responsible, constructive and a genuinely Canadian use of the airwaves.

With those comments I shall take my seat. Let me remind the committee once again that if we can get away from dispute and contentiousness with regard to the amendment before the committee we will be able to approach this subject and dispose of this subclause with much greater efficiency and a much greater community of agreement. The wording of the amendment before the committee is not only unacceptable to those opposed to its whole philosophy but it is also very difficult for some of us in favour of the philosophy to accept it because of its generality and the apparent strictures it would impose on the broadcasting authorities in the light of other clauses and the words they contain.

Mr. Cowan: Mr. Chairman, I did not take part in the debate on this clause yesterday.

Some hon. Members: Hear, hear.

Mr. Cowan: I had no intention of speaking on the amendment introduced by the member for Red Deer, which I support wholeheartedly, until I was advised this afternoon that there was an agreement that there would be no vote on this amendment until the return of those who have been attending the last rites for Hon. René Tremblay who was a friend of mine. If I had been advised this morning, when I asked if the broadcasting bill would be before the committee today, that there would not be a vote this afternoon, I would have attended the funeral. But I was told we would be debating the bill, which answer kept me in Ottawa because I understood we would be referring back to subclause (c). Not until this afternoon, after I had given up my reserved seat on the bus and plane did I learn that no vote was coming forward. Therefore I cannot be accused of continuing the discussion in order to postpone the vote at this time.

This debate gives me the opportunity of discussing the necessity of this amendment and other amendments to provide guide lines for the operation of our national television and radio networks. I do not believe we could have had more concise or blatant examples of the need for guide lines for conducting programming on both public and private networks than those examples we had last night and again this afternoon. I sat in this house and witnessed both episodes.

• (5:30 p.m.)

We have rules of debate which are summed up in the standing orders of the House of Commons. Standing order 35 reads as follows:

> No member shall speak disrespectfully of Her Majesty, nor of any of the royal family, nor of His Excellency or the person administering the government of Canada; nor use offensive words against either house, or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

Why do we have these rules of debate if it is not necessary to have guide lines? Although we have these rules of debate, little attention is paid to them. I was very provoked last night by the personal attack made by a member of this house against the hon. member for Roberval. I went across the floor of the house and pointed out to the hon. member for Roberval that standing order 35 provides that no member shall use offensive words against any member of either house. If I ever heard offensive words being used against a member of this house, last night was a prime example.

I do not like to see one person talking down to another, and I do not like to see one person setting himself up as a judge to evaluate the opinions of another member of the house who has been duly and properly elected by the constituency of Roberval and has every right to express his opinions whether or not any member of the house thinks he does not know what he is talking about. I

could not agree more with the hon. member for Roberval in the stand that he took last night.

The Assistant Deputy Chairman: Order, please. I hesitate to interrupt the hon. gentleman but I cannot see that the remarks he is now making are relevant to the clause under study.

Mr. Cowan: Mr. Chairman, you were the Chairman last night at the time to which I am referring. I am simply pointing out the necessity for guide lines in the public sector of the radio and television world, when we need them in the houses of parliament. I am also pointing out that even when we do provide guide lines they are not always observed.

I had no sympathy this afternoon for the comments directed personally toward the hon. member for Sainte-Marie. While I seldom agree with the hon. member for Sainte-Marie, I defend his right to express any opinion in this house to which he has been duly elected on more than one occasion.

Some hon. Members: Hear, hear.

Miss LaMarsh: You will agree with anyone as long as he is not a Liberal.

Mr. Cowan: I would like at this time to refer to a report that appears in this morning's *Globe and Mail*. Of course, there seem to be many lovers of the Canadian Broadcasting Corporation who seem to have the conviction that nothing wrong can be done by the C.B.C. and that it is the proper measuring stick for all other sources of information. I had intended during the question period this afternoon to ask the Secretary of State whether we have to rely on reports of the Associated Press and Southam News Service for details of what is going on in North Korea, where a United States warship has been impounded by the North Korean people.

Has the C.B.C. yet sent camera crews, observers and commentators off to North Korea with the attitude, to hell with the expense, let us get the facts for the C.B.C.? Or do we have to rely on Southam News Service, the Associated Press and the Canadian Press for details upon which to form an opinion of this action? I refer to the C.B.C. news coverage because I wish to quote from the evidence given yesterday at a formal, government hearing in Cayuga, the county seat of Haldimand county, Ontario. This hearing was conducted under the direction of the provincial government of Ontario.

The report to which I refer appears on the front page of this morning's *Globe and Mail*. It is a very detailed report. I wonder whether a report over the C.B.C. news service, either radio or television, will be given in such detail as it is printed in the fourth estate. Yesterday was the second or third day of a hearing which is investigating whether farmers and cattle in the Dunnville area are dying from fluoride poisoning, as alleged on a C.B.C. documentary some time ago. This documentary, of course, was fully paid for by the Canadian taxpayers.

May I leave that subject for a moment, Mr. Chairman, in order to refer to the recent remarks of the hon. member for Winnipeg South in which he referred to the remarks of the hon. member for Timmins who stated that if you did not like a program you could always turn it off. I later made the comment to my good friend the hon. member for Timmins that it would be satisfactory to me if you could turn the program off and your taxes stopped running. But when you turn a C.B.C. program off your taxes keep on running and you are paying for the blather that is coming over the air whether or not you want to hear it or look at it. While we may be able to turn our radio or television off, do not forget that our taxes keep on running and we are paying for the program just the same.

One of the witnesses who appeared before the commission appointed by the Ontario government to inquire into the ridiculous allegations made on the C.B.C. so-called documentary "Air of Death" was Dr. F. Graham Marson of Hamilton, Ontario. Dr. Marson was on the stand in Cayuga yesterday. I presume he was sworn and was under oath, because it is a commission investigation under the direction of the department of health of the Ontario provincial government. Dr. Marson, who has been a consultant for Dunnville area doctors since 1958, said he was unable to find any evidence of fluoride poisoning during his examinations of two farmers concerned. He is a specialist in internal medicine and was called in by Dunnville doctors to examine two farmers suspected of suffering fluoride poisoning. He described the television program "Air of Death" as disgusting nonsense that left him questioning the credibility of any C.B.C. documentary.

When you have a man of the standing of Dr. Graham Marson of Hamilton in his community and profession referring to a so-called documentary on the C.B.C. as disgusting nonsense that left him questioning the credibility

of any C.B.C. documentary, I would say that we certainly need more guide lines for the direction of C.B.C. program directors than we have at the moment, because they are able to put programs like that on the air despite the so-called controls that are supposed to apply to them.

Dr. Marson pointed out under oath yesterday that his diagnosis of Jacob Vanderbeek, 68, in 1965, and Joseph Casina, 55, last July, was confirmed by intensive examinations last November at Toronto General hospital. The newspaper report goes on to say:

> Dr. K. J. R. Wightman, physician in chief at Toronto General, told the inquiry that the two men were examined over a period of three or four weeks after the inquiry was ordered.
>
> He said no evidence was found that the two men were suffering from fluoride poisoning.

You may wonder whether I have any personal knowledge of this documentary and the results that have flowed from the false statements that were made on the C.B.C. program. I point out that about 48 hours after these allegations came pouring over the air on a C.B.C. program my daughter, who is a student at the University of Ottawa, came to me and stated that she had been approached by the private television network, C.T.V., to go on the air in a discussion on pollution. I said to her, "Young lady, I wonder how they came to pick on you, with the thousands of students at the University of Ottawa." She said, "I don't know, dad, but there are going to be three students from the University of Carleton and three from the University of Ottawa, and we are supposed to take part in a panel discussion with the federal minister of health, Mr. MacEachen." I said to her, "Well, it is interesting to me that they have asked you, Margaret. But what is it you would like?" She said, "I want to know if there is any body in the charges that have been made over the C.B.C. network, to start with, and I would like to know if they should be refuted or supported." I said to my daughter, in regard to her preparation for the C.T.V. program, "This is not a matter of federal concern, it is a provincial matter," and I got her the necessary portions of the law in question on the pollution of air and water.

I wish at this time to thank my friend the hon. member for Nickel Belt to whom I went for the supporting evidence to give my daughter. I went to him because I know the arguments that have been going on in the Nickel Belt-Sudbury area for the past 50 years over the question of pollution of the air and water there from the mining of nickel.

[Mr. Cowan.]

The hon. member for Nickel Belt gave me a tremendous file of facts and figures based upon investigations over the years by labour unions, government authorities and doctors in regard to this matter.

• (5:40 p.m.)

I turned the material over to the students of the University of Ottawa and they went to the studio with the Minister of National Health and Welfare. A half hour program was presented in which the private network showed the public of Canada that this matter was not a federal responsibility and that if there was a responsibility for the illness of two men and the deaths of animals it was a provincial one. The fact that the province of Ontario has appointed a commission to investigate the matter shows that they accept the responsibility. However, why was there an unnecessary hubbub raised that the federal government was at fault in the matter? The reason for it was that a federal crown agency, the C.B.C., had put a program on the air which was fictitious and false from start to finish.

I will continue with the remarks made yesterday by Dr. Marson. Dr. Marson described as "complete imagination and fabrication" the statements made by Mr. Casina on the C.B.C. television program that he, Dr. Marson, had said Mr. Casina was "the third known case in North America". Dr. Marson said in his evidence yesterday "having never heard of a fluorisis case in Canada or the United States, I know jolly well I did not say that." Then Dr. Marson told the public inquiry that he was disgusted at the fact that the C.B.C. did not get in touch with him before the program was broadcast to check the statements attributed to him by farmers who took part in the show. He then made the following amazing statement: "I think it is disgusting that Stanley Burke does not ring me up before the program but does the following Wednesday."

In introducing his amendment to subclause (d) the hon. member for Red Deer referred to the fact that it was a carryover from subclause 2 (c). I hope I may be allowed to read subclause 2 (c). It reads as follows:

> (c) all persons licensed to carry on broadcasting undertakings have a responsibility for programs they broadcast but the right to freedom of expression, subject only to generally applicable statutes and regulations—

The hon. member for Red Deer wants to put a little more teeth into subclause 2 (d), following the reference that is made to generally applicable statutes and regulations in

subclause 2 (c). Surely adherence to the truth might be one of the regulations that could be observed by the C.B.C. in its programming.

When Dr. Marson pointed out that the statements attributed to him by a farmer were false and that the only time he was consulted with regard to the validity of these remarks was after the program rather than before it, he was giving evidence that the C.B.C. themselves admit that something was mishandled when they put that program on the air.

To show how much Dr. George L. Waldbott of Detroit knew about the subject, Drs. Wightman and Marson were cross-examined by the commission counsel, Mr. Rodger Gordon. Mr. Gordon told the investigation at Cayuga that Dr. Waldbott had been invited to testify. Mr. Gordon read a letter he received from Dr. Waldbott saying he would be glad to testify but that at present his data is incomplete. It was on January 24 that Mr. Gordon, the commission counsel, read the letter from Dr. Waldbott.

Although Dr. Waldbott stated his data was incomplete, it did not stop him from making allegations and charges that the province of Ontario is spending money to prove unfounded and it did not stop the C.B.C. putting the program on the air some time ago. Dr. Waldbott then said he would like to see the reports on the examinations at the Toronto General hospital. I quote from Dr. Waldbott's letter the following sentence:

> This would make it possible for me to render a valid assessment of their illness.

I wonder what kind of assessment he made of their illness before, if he now admits that he has not seen the results of the investigation made by the Toronto General hospital under the direction of the department of health of the province of Ontario and at the expense of the taxpayers of Ontario because of false accusations put on the air by the C.B.C. He said that if he was allowed to see the results of the investigation made at the Toronto General hospital he would be able to give a valid assessment of their condition. Certainly this is a backhanded way of admitting that the first assessment made by Dr. Waldbott was invalid and should not have been on the air.

To show the expense to which the taxpayers of Ontario are being put by these false accusations made on the air on a C.B.C. program under the few guide lines they have now, I point out that Mr. Gordon, the commission counsel, told one of the farmers who was complaining he was affected by fluoride fumes from polluted air that he and his wife could make arrangements to enter the Toronto General hospital if they felt they were suffering from fluoride poisoning and their expenses would be paid by the province of Ontario.

When the province of Ontario pays expenses it means that the taxpayers of Ontario are paying them, and this is a heavy expense which is being forced on the people of Ontario through false accusations which went out over the airwaves on a C.B.C. so-called documentary. No wonder Dr. Marson said that the falsity of one documentary casts doubts on all other C.B.C. documentaries.

I strongly support the amendment of the hon. member for Red Deer who is trying to put more teeth into this clause which endeavours to control programming in the public and private sectors of both the radio and television world, and I call upon all other members of the house to do the same, particularly after hearing this concrete example of irresponsible documentation by the C.B.C. as testified to by Dr. F. Graham Marson, an outstanding specialist in internal medicine, and Dr. K. J. R. Wightman, physician in chief at the Toronto General hospital, as recently as yesterday.

Mr. Prittie: Mr. Chairman, I have very brief remarks to make on the subamendment which is before us. If I have to make a choice between the idea presented by the hon. member for Digby-Annapolis-Kings that we scrap subclause (d) altogether, or add extra words to it as this subamendment does, I would opt for getting rid of it. We are simply loading this clause with more and more words which I think are meaningless. It seems to me that the intent of the subamendment is adequately dealt with in parts of the Criminal Code. It refers to public disorder, but we already have a law on sedition. I do not see why we should have to include these matters in the Broadcasting Act when they are already dealt with in other sections of the law It would be simply adding words to this bill which already has enough.

The Assistant Deputy Chairman: Is the committee ready for the question?

Miss LaMarsh: Mr. Chairman, we have an agreement that if we come to the point of a division we will stand the clause until eight o'clock.

The Assistant Deputy Chairman: Shall the subclause with the amendment stand?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall subclause (e) carry?

Mr. Cowan: Should we not go back to subclause (c)?

Miss LaMarsh: Subclause (c) was stood because there was an amendment to it and presumably it would be necessary to vote on it. Therefore both these subclauses would have to stand.

The Assistant Deputy Chairman: Shall subclause (e) carry?

• (5:50 p.m.)

[*Translation*]

Mr. Choquette: Mr. Chairman, subclause (e) of clause 2 is a source of great puzzlement to me, by reason of its evasive wording, which reads thus:

All Canadians are entitled to broadcasting service in English and French as public funds become available;

Mr. Chairman, I think this is the worst excuse ever found not to proceed immediately with the building of relay stations to complete the French network of the C.B.C. It is quite easy and inexpensive to set up, in the large urban centers of the country, relay stations which would allow the French language to be heard and listened to throughout Canada, without prejudice to anyone and without disturbing anyone's habits.

A few million dollars would be enough to carry out this project which, besides, is consistent with the basic aims of state-owned radio. I feel that, in this way, the federal government would make a major contribution to the solution of the problem of national unity, would prevent too often heard recriminations, perhaps, and would also enable those who believe in Canada to assert that federal organizations contribute perhaps more than the province of Quebec to the development of French culture.

I become very sceptical when I am told:

—as public funds become available;

It would be very easy to have an investigation conducted by auditors, accountants or administrators in order to prove that the C.B.C. never has much scruples about spending public funds. That is an open secret, for we all know that a considerable amount of money is being spent and that this could be

prevented through normal and not even overly strict control. I could talk on this subject at great length.

Mr. Chairman, I will give several examples to support the assertions I have made this afternoon. Let us take the case of television in Quebec. There are two television stations in Quebec city which are controlled, owned and operated by essentially Canadian interests; these are channels 4 and 5. The two private stations in Quebec, which broadcast local programs for 40 hours a week, are operated by a staff of 130. In other words, 130 people manage to operate two private television stations in Quebec city, and their local weekly broadcasting output is 40 hours.

On the other hand, channel 11 of the C.B.C. which provides a local production of seven hours a week, compared to 40 hours for private stations, employs 200 people compared to 130 working for two stations owned and operated by private enterprise.

That is merely a small example of the expenses which I could qualify as orgiac, excessive and unjustified, which the C.B.C. makes out of the public moneys without any scruples, without any control, which should normally be exercised by responsible and competent directors, concerned with public integrity.

Mr. Chairman, we could multiply the examples and prove easily that the situation which exists in Quebec city also exists throughout the country. It is clear and obvious that private enterprise operates much more efficiently with fewer people, a lower budget and a higher viewers' rating.

We are called upon to vote estimates for the C.B.C. which has yet to show that it is desirous to avoid unnecessary expenditures. Under the circumstances, I have the right to say that the funds are available if we are willing to exercise a tighter control over C.B.C. expenditures. The four or five million dollars we would need to spread the French culture and the French language throughout Canada, without hurting anyone, without restricting anyone's freedoms, are available.

We would have the money available and I wonder if it would not be possible to proceed with this inquiry to allow such easy savings to enable us to build in the large centres of the country relay stations of the French network of the C.B.C., so that French-speaking communities could follow the events and obtain information in their own language.

Mr. Chairman, I note that it is six o'clock and I will have the opportunity to return tonight with more figures.

[*English*]

The Assistant Deputy Chairman: Order, It being six o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Portage-Neepawa (Mr. Enns), Health and Welfare—protest respecting lack of welfare statistics; the hon. member for Skeena (Mr. Howard), British Columbia—development of secondary manufacturing capability; the hon. member for Brandon-Souris (Mr. Dinsdale), Transport—alleged irregularity in rail line abandonment.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), public bills.

PRIVATE BILLS

Mr. Nugent: Mr. Speaker, the order paper today lists as order No. 1 a bill dealing with Rainbow Pipe Line Corporation. I have consulted various members in whose names the bills on this list stand and on behalf of the hon. member for Provencher I would ask the house for unanimous consent to change the order of the bills as listed. The order would be that items Nos. 7 and 8 on today's order paper be taken as items Nos. 1 and 2, and irrespective of the business that is dealt with or finished today item No. 2, which has to do with Seaboard Finance Company of Canada, shall drop to the bottom of the order paper at the end of today's business.

• (6:00 p.m.)

To explain my request may I say with respect to item 1 that I have not been able to get in touch with the hon. member for Northwest Territories, but his colleagues in the house have informed me that he intended to ask that the bill with which he is concerned stand. I have talked to all other hon. members who are concerned with private bills on today's order paper except the hon. member who is sponsoring item No. 5, second reading of Bill No. S-25, respecting London and Midland General Insurance Company. All other members to whom I have spoken, and since many of them are in the house they will verify what I say, agree to the procedure that I propose. Should items 7 and 8 not be dealt with they would not drop to the bottom of the list but other items on the order paper would advance their position. Item No. 1, naturally, would hold its place on the order paper at the conclusion of today's business. Item No. 2, at the end of today's business, would drop to the bottom of the list. Is that agreeable to hon. members?

Some hon. Members: Agreed.

Mr. Basford: Before I agree, do I have the hon. member's assurance that if we follow the hon. member's suggested procedure item No. 6 which stands in my name will, at the end of today's business, be listed on the order paper as No. 5?

Mr. Nugent: There is no difficulty in giving that assurance in this respect. The request I have made is for the purposes of today's debate only. My request is that items Nos. 7 and 8 be treated as Nos. 1 and 2. If they are not disposed of they will resume their normal place on the order paper. Part of the order of the house would be that the other items move up one place.

Mr. Basford: In that case I am happy to give my consent on the understanding that item No. 6 on today's order paper will, at the end of today's business, become item No. 5.

Mr. Howard: We are disposed to agree to the hon. member's proposition provided that at the conclusion of the consideration of items Nos. 7 and 8, item No. 2 having dropped to the bottom of the list, we adjourn for supper, even though that consideration may conclude before seven o'clock.

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member has suggested that item No. 2 on today's order paper shall drop to the bottom of the list and that item Nos. 7 and 8 shall be considered as Nos. 1 and 2 for today. After items Nos. 7 and 8 are completed the sitting is to be suspended for the dinner hour.

Some hon. Members: Agreed.

Private Bills

Mr. Deputy Speaker: If Nos. 7 and 8 are not finished they will retain their regular places on the order paper and item No. 2 will drop to the bottom of the list. Item No. 1 will retain its place on the order paper. Since items Nos. 2, 3, 4 and 6 are orders of the house the house must unanimously agree to stand them. Does the house give unanimous consent to the suggestion of the hon. member for Edmonton-Strathcona?

Mr. Stanbury: On the understanding that each one of the bills which Your Honour mentioned will move up one place on the order paper at the end of today's sitting. If that understanding is correct I give my consent as sponsor of the bill which stands as No. 3 on the order paper.

Mr. Deputy Speaker: Is there unanimous agreement?

Some hon. Members: Agreed.

CABRI PIPE LINES LIMITED

The house resumed, from Thursday, December 14, 1967, consideration in committee of Bill No. S-16, to incorporate Cabri Pipe Lines Limited—Mr. Jorgenson—Mr. Batten in the chair.

The Chairman: When the committee rose on Thursday, December 14, clause 1 of the bill was under consideration.

On clause 1—*Incorporation.*

Mr. Jorgenson: Mr. Chairman, I thank the committee for its courtesy in allowing these bills to be considered today. The reason for the present arrangement is that we are proposing certain amendments to the bill to meet the objections that were raised previously by the hon. member for Timiskaming and other members of the house.

I should like to move that:

Clause 6 subsection (a) be amended by striking out the word "refining" in line 30, and deleting all after the words "said pipe lines" in line 38 to the end of the clause in line 8, page 3 and adding immediately after the words "said pipe lines", "and own, lease and operate such communication equipment as is necessary for the purpose of its undertaking."

Paragraph (b) of clause 6 would also be amended by striking out all that portion of the paragraph after the words "property so acquired" in line 14, page 3.

The amended clause will then read:

(a) within or outside Canada construct, purchase, lease or otherwise acquire and hold, develop, operate, maintain, control, lease, mortgage, hypothecate, create liens or other security upon, sell, convey or otherwise dispose of and turn to account any and all interprovincial, extra-provincial and/or international pipe lines and all appurtenances relative thereto for the gathering, processing, treating, transmitting, transporting, storing and delivering of gases, liquids and solids or any of them including, without limiting the generality of the foregoing, any natural and artificial gas and oil and hydrocarbons and related substances or any of them and any products or by-products thereof and all works relative thereto for use in connection with the said pipe lines; and own, lease and operate such communication equipment as is necessary for the purposes of its undertaking.

(b) purchase, hold, lease, sell, improve, exchange or otherwise deal in any property, real or personal, movable or immovable, or any interest and rights therein, legal or equitable or otherwise howsoever, and deal with any portion of the lands and property so acquired.

I wish to move those amendments and I hope that the committee approves of them.

The Chairman: Would the hon. member permit me to delay putting the amendment until the committee comes to the consideration of clause 6?

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

• (6:10 p.m.)

On clause 6—*Power to construct and operate pipe lines.*

Amendment agreed to.

Clause as amended agreed to.

Clauses 7 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Jorgenson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

VAWN PIPE LINES LTD.

The house resumed, from Tuesday, December 19, 1967, consideration in committee of Bill No. S-17, to incorporate Vawn Pipe Lines Ltd.—Mr. Jorgenson—Mr. Batten in the chair.

The Chairman: When the committee rose on Tuesday, December 19, clause 1 of the bill was under consideration.

On clause 1—*Incorporation.*

Mr. Jorgenson: Mr. Chairman, I am proposing a similar amendment to clause 6 of this bill as was proposed to the previous bill. The only difference in the wording would be this.

Since Bill S-16 has one more line on page two than does Bill S-17, where in the fourth line of the motion to amend line 8 is referred to it should read "line seven", and in subclause (b) where line 14 is referred to line 13 should be read. Otherwise the amendment is exactly the same as the one proposed to clause 6 of the previous bill. The text of the amendment is as follows:

That clause 6 subsection (a) be amended by striking out the word "refining" in line 30, and deleting all after the words "said pipe lines" in line 38 to the end of the clause in line 7, page 3, and adding immediately after the words "said pipe lines", "and own, lease and operate such communication equipment as is necessary for the purpose of its undertaking."

That subclause (b) be amended by striking out all that portion of the subsection after the words "property so acquired" in line 13, page 3.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

On clause 6—*Power to construct and operate pipe lines.*

Amendment agreed to.

Clause as amended agreed to.

Clauses 7 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Jorgenson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

SEABOARD FINANCE COMPANY OF CANADA

On the order:

Resuming debate on the motion of Mr. Cameron (High Park) for the second reading of Bill S-15, An Act to incorporate Seaboard Finance Company of Canada.

Mr. Deputy Speaker: Is it agreed that this item be dropped to the bottom of the order paper?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that in accordance with the understanding reached a few minutes ago the house shall rise until eight o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Perhaps before we rise the house would agree to go into committee of the whole and resume the work interrupted at six o'clock.

Some hon. Members: Agreed.

Canadian Policy on Broadcasting

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Pursuant to the order of the house made earlier this day, I do now leave the chair.

SITTING SUSPENDED

At 6.20 p.m. the sitting of the committee was suspended.

SITTING RESUMED

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order. The house again in committee of the whole on Bill C-163. When the committee rose at six o'clock subclause (e) of clause 2 was being considered.

[*Translation*]

Mr. Choquette: Mr. Chairman, I made a few remarks and I shall close quickly to bring to the attention of the house that there are exorbitant expenditures in the C.B.C. No one will question the basis of such a statement. I have cited clearly the case of two private television stations in the city of Quebec operated by private enterprise. These two stations have a much higher rating than that of the C.B.C. with a personnel of only 130 employees. On the other hand, the C.B.C. has only one television station in Quebec and 200 employees.

That is the situation in the city of Quebec. Whereas the two private stations supply 40 hours a week of programming, the C.B.C. supplies seven hours a week: 200 employees for seven hours of production against 130 for 40 hours of production. If that is not abuse, Mr. Chairman, I wonder what could more eloquently describe the excessive expenditures of the C.B.C. It is perfectly clear that this situation is general all over. We should demand an investigation in depth of the expenditures of the C.B.C.

That the C.B.C. should pay a correspondent such as Mr. Jean-Marc Poliquin, a correspondent such as Mr. Pierre Sauvé, I am in full accord, because they are two competent and serious newspapermen who deserve adequate fees.

But if, on the other hand, the C.B.C. is involved in such patronage as the member for Villeneuve (Mr. Caouette) has mentioned, it is not surprising that the same faces are always seen on certain programs. For instance, what fees are paid to the participants in Quiz programs?

Besides, those people would be glad to appear on television for the mere sake of being seen and would perhaps refuse any fee, but in addition to gratifying their personal vanity, they are paid fantastic fees to take part in certain programs.

Who can tell us, for instance, how much is paid Gilles Pellerin's guest to appear on the program where one must not say yes or no? This requires exceptional talent. The thing is to be present and never say yes or no. All kinds of questions are asked. How much are paid the participants in such programs? Does it really require any exceptional talent to perform the feat of not saying yes or no during 60 or 100 seconds? The participants are probably paid $100 or $200, while some humble labourers or farmers work 16 hours a day to earn $10 or $12. Then, we have the right, as representatives of the people, to insist upon a certain control. I do not think it is exaggerating to do so.

Why do I ask for such a control? It is because I am convinced that if an accountant or an auditor, who has the necessary experience, would make a point of investigating thoroughly the expenses of the C.B.C., we would surely be able to save the five millions of dollars necessary to set up relay stations allowing the French language to be heard throughout Canada. And that is vital for Canadian solidarity.

All that is necessary is to build stations retransmitting programs of the French network of the C.B.C. in large English-speaking centres in the country, to spread from coast to coast the French fact so as to meet the views expressed in the Laurendeau-Dunton report, and sanction the official recognition of the two languages in the country. I do not think it is exaggerating to submit such a request to the minister and I feel that with a little firmness, a little determination we would easily save the few million dollars needed in order to spread the French fact throughout Canada.

Now that I have brought up that matter four or five times, I hope that this request will be taken into consideration and an investigation made into the books of the C.B.C. That is becoming urgent. I know how they operate. Anyone who ever set foot in the studios knows what is happening. There are some unforgiveable abuses.

I hope that the hon. member for Lapointe (Mr. Grégoire) will support my request, because he talked so much in the past about saving money for the little people. I ask him tonight to co-operate with me and to request an inquiry into the expenditures of the C.B.C.; with the money saved then, we will truly have that network where the French language will be heard throughout the country and its official status, requested by the Laurendeau-Dunton commission will thus be recognized.

Mr. Grégoire: Mr. Chairman, before it is passed, I should like to tell the hon. member for Lotbinière (Mr. Choquette) that I am prepared to support his request for a detailed inquiry on the expenditures of the Canadian Broadcasting Corporation.

[*English*]

Mr. MacLean (Queens): Mr. Chairman, I wish to say a few words before this clause is carried and I think this is an appropriate time to speak on this very important piece of legislation. I was not a member of the standing committee which has been dealing with this bill, but several parliaments ago I had the experience of serving on various house committees which dealt with broadcasting, broadcasting policy and the method by which that policy should be evolved in the interests of the Canadian people. The question of programming is a very—

Miss LaMarsh: On a point of order, Mr. Chairman, we have been four days talking about this and repeatedly the committee has decided, in accordance with the Chair's ruling, that we would stick strictly to the subject being debated. The subject being debated is subclause (e), which has nothing at all to do with programming.

Mr. MacLean (Queens): I was under the impression that subclause (d) had not yet carried.

Miss LaMarsh: It was stood.

The Assistant Deputy Chairman: Subclause (d) was not carried. It was stood for further study and we are going to revert to if after we have dealt with subclause (e).

Mr. Prittie: Mr. Chairman, subclause (e) reads as follows:

—all Canadians are entitled to broadcasting service in English and French as public funds become available;

• (8:10 p.m.)

I wish to speak briefly on two aspects of this provision. First of all, I do not believe it is quite as easy and simple a task to extend the service across the country as the hon. member for Lotbinière suggested in his speech a few moments ago. Some progress has been made so far as extending service, for instance radio service, in Canada is concerned. Just last month the C.B.C. did open a radio station in Vancouver. However, there are many parts of Canada which have not received service in the first language. In submissions to the committee, both the Canadian Broadcasting Corporation and the Canadian Association of Broadcasters, representing the private side, agreed that where a second television station was to be opened in any city if the first station was a C.B.C. station the second station should be a private station and if the first station was a private station the second station should be a C.B.C. station. This was mentioned in the government white paper and I should like to quote briefly from the government white paper as it is reproduced in the report of the committee at page 9:

Although prime coverage must have first priority, alternative television service is an amenity now regarded almost as a necessity of life, which is already available to some 75-80% of Canadian television households. The Government has advised the Board of Broadcast Governors that, pending the enactment of new legislation, it is now prepared to consider issuing second-station television licences on the recommendation of the Board, subject to the reservation for the use of the Canadian Broadcasting Corporation of channels in Victoria, B.C.; Saskatoon, Sask.; Sudbury, Ont.; and the Saint John-Fredericton area in New Brunswick. The provision of television service by the Canadian Broadcasting Corporation in these reserved locations will be inaugurated by means of repeater stations at first, as funds permit. The effect of this decision will be to permit the Board to consider applications by private affiliates of the Canadian Broadcasting Corporation who may wish to disaffiliate and join the CTV network.

This recommendation has been made and repeated a number of times. So, if there are these four areas in particular I have mentioned, Victoria, B.C., Saskatoon, Sudbury and the Saint John-Fredericton area of New Brunswick, the Canadian Broadcasting Corporation at the present time is prevented from going into these places and erecting stations because of the cut-back of its capital funds which is now in effect.

During the committee hearings and the debates in the house some members have suggested that the second service might be made available by private stations who are affiliated with the C.B.C. I would be opposed to this line of action. I think that all the major cities and areas of Canada should have at least one C.B.C. owned station. If a private station should be allowed to go in there it would remain there and that would prevent the C.B.C. providing service. It is true that the affiliates carry a great deal of the C.B.C. network programming, but there is still a great deal that they do not carry.

I believe the people in areas which now have a private station should also have the public service available to them. If the government is not prepared to accord the capital funds to enable the C.B.C. to go ahead in these four particular areas the C.B.C. might consider building repeater stations, which can be done at much less cost, until they are able to obtain the funds for a complete station to serve the area. As a result of the questioning of the minister in the latter day of the committee hearings, I felt that there had been some backing down from the original statement in the white paper to the effect that these areas were to be reversed for the C.B.C. It seemed to me that she was going to consider the suggestion that they might be given to private operators. I hope this would not be done because the private side of television certainly will grow in Canada but I believe all major population centres should have a C.B.C. station as well.

Mr. Cowan: Mr. Chairman, in connection with this subclause 2(e) I have one or two remarks which I should like to make regarding the subject matter. I should like to emphasize that when the hon. member for Lapointe was endeavouring to have an amendment made to subclause (b), on Thursday, December 21, the hon. Secretary of State, who is piloting this bill at the present time, made the statement in the House of Commons directly to the hon. member for Lapointe that this is a declaratory clause and "we have tried to use appropriate language throughout". Well, the statement that this entire policy clause, clause 2, is a declaratory clause is borne out by the fact that we have

these expressions about "should", "should", "should", "should" all the way through. The use of the word "declaratory" is, as the hon. member for Lotbinière has already pointed out, an indication that this is a promise without immediate substance. He points out that we may have to wait a considerable length of time before any action is taken under such a phrase as "all Canadians are entitled to be given service in English and French as public funds become available".

Of course, a declaratory clause may not bind the cabinet to any definite action. It does not necessarily bind the radio and television world to certain action so long as it is considered to be declaratory. But I can assure you that it would not be very long, if such a bill were passed, until we would be hearing the term used that parliament had given a mandate that all Canadians are entitled to a broadcasting service in English and in French as public funds become available. We have heard the term, "the C.B.C. mandate," for the past 20 years. There never was a mandate given to the C.B.C., but in their annual reports they always refer to a mandate. The proof of the pudding lies in the fact that when this bill was introduced in October the Secretary of State pointed out that this was the first mandate "we have drawn up for the C.B.C.". If a bill introduced in October 1967 was the first mandate drawn up for the C.B.C, what was the idea of referring annually to the mandate of the C.B.C from about 1940 to 1967. There was and is no mandate, yet the term is used "mandate for the C.B.C.".

One can imagine what will happen if clause 2 (e) passes since it declares that all Canadians are entitled to broadcasting service in English and French as public funds become available. Despite the fact that we have the statement of the Secretary of State of December 21 that this is a declaratory clause "and we have tried to use appropriate language throughout", as I said before if we pass it, we will be saddled for the rest of time with the accusation that it is a mandate about which parliament is doing nothing. The interesting phrase "as public funds become available", as the hon. member for Lotbinière has indicated, can only tease those who are very anxious to have the use of French spread throughout Canada from coast to coast which would cost the taxpayers of Canada millions and millions of dollars for C.B.C. hardware. I do not intend to make any remarks that would tend to bring to a head the situation which exists in this dominion with regard to the two languages, one of which is official throughout Canada while the second may be used in the province of Quebec and in the houses of parliament.

[Mr. Cowan.]

• (8:20 p.m.)

I should like to draw the attention of our French-speaking compatriots—I dislike very much the expression "French Canadian" and much prefer the expression "French speaking Canadian"—to the fact that Canada lies within the province of a division made by Pope Alexander VI at Rome in 1493 in which he gave this part of the world to Spain. We are all aware that Columbus discovered America in 1492, but very few people seem to know that in 1493 His Holiness Pope Alexander VI of the Roman Catholic church divided the unknown world of the west between Spain and Portugal.

For Canadians the interesting point is that Canada, at the north end of America, was given to Spain by a papal bull issued on May 3, 1493. There was another papal bull issued on May 4, 1493. The reason behind the two bulls was that Columbus returned to Europe and announced his discovery of the Indies to the king of Spain. The King of Portugal maintained that he only discovered islands that had been previously discovered by Portugal. There were many papal bulls which conferred upon Portugal sovereignty over the islands she had discovered and which we know today as the Cape Verde islands and that part of Africa lying east and south of the Cape Verde island.

When Columbus returned to Europe and showed that there was great promise of riches in the Indies the Portuguese were envious. The King and Queen of Spain wished to have confirmation of their claim to title and they advised Pope Alexander VI in the spring of 1493 that Columbus, sailing under the authority of Spain, had discovered the western islands en route to India. In May of 1493 Pope Alexander VI issued the two bulls granting sovereignty over one half of the unknown Western world to Spain and one half to Portugal.

The Assistant Deputy Chairman: Order, please. I am sure every member is impressed by the hon. member's knowledge of geography and history, but actually this is not relevant to the clause now being considered. All hon. members agreed that during the consideration of clause 2 reference could be made to each subclause but that remarks should be confined to the subclause under consideration. I would ask the hon. member to return to a consideration of subclause (e) of clause 2.

Mr. Cowan: I am dealing with subclause (e) of clause 2. I am leading up to a discussion of how French came into this Spanish territory, and I will proceed along that line.

The unknown world had been divided by the pope through these two bulls which have never been abrogated, giving this territory to the Spanish and Portuguese. The northern end of America was given to the king of Spain, and to this day the official language in Brazil is Portuguese. That part was given to Portugal.

The Assistant Deputy Chairman: Order, please. The Chair requests the hon. member's co-operation in this regard. May I again ask the hon. member to confine his remarks to subclause (e).

Mr. Fulton: The C.B.C. had not been established then.

Mr. Cowan: Mr. Chairman, subclause (e) states:

—all Canadians are entitled to broadcasting service in English and French—

I am endeavouring to make the point that evidently all Canadians are entitled to broadcasting service in English and Spanish because this area was given to the King of Spain by a papal bull. A great part of the Canadian population yields allegiance to His Holiness the Pope and I respect them for that, as I respect them for the way in which they observe the tenets of the church. I believe that bulls such as that issued in 1493, never abrogated, should be observed by the faithful of that communion which granted sovereignty to Spain and Portugal. When I say that these bulls have never been abrogated I wonder how we get French coming into this part of North America. Was it by conquest? The English conquered the French. If you are going to tell me that the French conquered the Spanish, I should like to ask when and where. These bulls have never been abrogated and are still in effect.

The Assistant Deputy Chairman: Order, please. The hon. member is not making the task of the Chair any easier by not adhering to the agreement reached by all members of the house that members would confine their remarks to the subclause under study. May I again ask the hon. member to adhere to the subclause we are studying at this time.

Mr. Cowan: Mr. Chairman, I have no further declarations to make on this declaratory clause.

The Assistant Deputy Chairman: Shall subclause (e) carry?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall we now refer to subclause (d)?

Miss LaMarsh: Mr. Chairman, normally we would go back to (c) which was also stood. However, the proposer of the amendment, the hon. member for Edmonton-Strathcona, asked me to withhold it until tomorrow. With the committee's permission I am prepared to stand subclause (c) until tomorrow.

The Assistant Deputy Chairman: Is the committee ready for the question in respect of the amendment proposed by the hon. member for Sainte-Marie?

Mr. Smallwood: Mr. Chairman, I had not planned on participating in this debate which has now carried on for long enough, but I have received so many complaints from my constituents I feel it is my responsibility to say a few words at this time.

I should like to congratulate the minister in charge of C.B.C. for having the courage to get up and tell the people of Canada that there was rotten management in the C.B.C. I agree there is something rotten and it is about time that parliament cleaned it up.

Let me refer for a few moments to the remarks of the member for Burnaby-Richmond, who came to this house a few years ago. On Tuesday, he saw fit to criticize my colleagues who had the fortitude to stand up in this house and complain about C.B.C. programming. That hon. member referred to the hon. member for Kindersley, the hon. member for Rosthern, the hon. member for Acadia and the hon. member for Red Deer. He thought it was terrible that they should get up and complain about C.B.C. programs being immoral.

That hon. member apparently feels members of parliament should not stand here and voice their objections but should rubberstamp expenditures of $100 million or $150 million of taxpayers' money by the C.B.C., which seems to have the right to put on television anything it desires. I know we have a few members in this house who call themselves intellectuals and think that the common members of this house who represent the common people of this country have no right to speak on their behalf. I call these people eggheads rather than intellectuals. As long as I am in

this house I intend to use my right to protect my constituents.

The hon. member for Burnaby-Richmond said he represents 120,000 people and had only heard from three of them about this matter. If I had only heard from three of my constituents I would be ashamed to admit that fact in this house. I only represent 45,000 people.

Miss LaMarsh: You don't count the cows.

Mr. Smallwood: This past summer when I was in that hon. member's constituency visiting some relatives I was asked what we were doing down here and why we did not do something about this situation. I asked them why they did not get in touch with their member and they replied "What's the use, he would not do anything for us". Yet that member has the nerve to stand up in this house and tell my colleagues they have no right to condemn these vulgar programs being shown across the country by the C.B.C.

The hon. member apparently was elected by the unions who paid his telephone bills, office expenses and stationery.

Mr. Prittie: Mr. Chairman, I rise on a question of privilege. I should like to correct the hon. member. I would not object if some union had paid part of my election expenses, but none did. None of them paid any money. We had to raise it all through collections and dances. The unions did not contribute one cent. If they want to offer some money next time, I might listen to them; but they did not the last time or the time before.

• (8:30 p.m.)

Mr. Smallwood: I did not want to raise the hon. member's ire, Mr. Chairman. I know he did not receive this support in the way of subscriptions, check-offs or anything else. I do not want to get into that subject. However, I do want to bring this matter to the attention of the committee. I believe that we in this house have the right and responsibility to see that acceptable programs are broadcast on television screens for the people of Canada.

In this connection I would refer to my good friend, the hon. member for Burnaby-Coquitlam, whom I respect highly and for whom I feel sorry now. This hon. member, the leader of the New Democratic party, former premier of Saskatchewan, was always in favour of censoring everything that was shown by the movies. But now he has become leader of that party we do not hear him speak on this subject because he has among his colleagues these eggheads, these intellectuals, who do not let him say a word. I am sure he does not like these vulgar things being shown on the television screen. As long as I am in the House of Commons representing my constituents—

Mr. Choquette: That will not be long.

Mr. Smallwood: I will be here longer than you, Prince Charles. As long as I am in this House of Commons, when my constituents complain to me about the vulgar programs being shown on the television screens across Canada, I will stand in my place in the house and complain, as is my God-given right.

Some hon. Members: Hear, hear.

The Assistant Deputy Chairman: Shall subclause (d) carry?

Mr. MacLean (Queens): Mr. Chairman, I have a few remarks to make on this subclause. I apologize to the committee for not realizing when I rose previously that we had stood subclause (d). I was saying at that time that the question of programming has exercised the minds of those in parliament for many years. There is a wide spectrum of opinion expressed with regard to this very contentious subject. At one end of the spectrum you have those who apparently hold the view that parliament should control C.B.C. television programming almost daily and pass opinion on every program as it appears. At the other end of the spectrum you have those who look upon broadcasting and those who engage in it as a group of sort of sacred cows. This group believes that parliament dare not express any opinion or offer any guide lines, in the interests of the Canadian people, to those responsible for broadcasting in this country.

I think that our responsibilities as elected members of parliament, representing all the Canadian people, is to put forward what we believe to be the interests of the Canadian people. We have a responsibility in this area, and in my mind there is no question about it. We have the responsibility to lay down guide lines and stake out conditions under which the Canadian people will be called upon to put up millions and millions of dollars every year in order to provide a national broadcasting service.

This may in some ways be a distasteful task, but it is one that we have to face. I commend the minister for her approach to this problem. If there is any doubt in one's

mind as to what our responsibilities might be, I think they are well expressed in the Fowler commission report at page 5, in the introduction. There, we find these words:

> All broadcasting agencies—both public and private —are recipients of public support in the right to use scarce public assets. They must pay for these valuable rights by giving a responsible performance, and the state is fully entitled to ensure that the trust is honoured. To the extent that an adequate program performance is given voluntarily, the broadcaster can be left relatively free from detailed controls. If adequate performance is not given, it should be compelled by regulation or the franchise should be reassigned to others who will perform responsibly. Without question, the state has an absolute right to require from any broadcaster to whom the use of a radio frequency or television channel has been entrusted that he use it with imagination, distinction, and responsible regard for the public interest.

I could go on, Mr. Chairman, but I will not bore the committee by quoting further from the report. When hon. members speak of what is acceptable broadcasting to be received in the homes of Canadians by either radio or television, I would point out that there are some who immediately raise the cry of censorship and say that it conflicts with the principle of freedom of the press, freedom of speech and this sort of thing. I admit immediately that there is a vague resemblance, some similarity, between the problem with which we are trying to deal here and the principle of free speech. The two things are far from being identical, but they do have a similarity.

Their similarity is something like that which exists in the animal kingdom. The hyena has some similarity to the giraffe. They are both mammals, they each have four legs, and so forth. But the differences are perhaps greater than the similarities. I object, also, to the faulty reasoning put forward by those who raise the spectre of our impinging upon the right of free speech and come to the conclusion that because the giraffe is a tall animal, a high animal, he is really the hyena.

When we are discussing free speech I would point out that even with the free speech that is allowed at Hyde Park Corner in London, where there is free speech as we know it, there are certain limits beyond which one cannot go without running foul of the law of England. The right of free speech does not give people the right to slander or the right to abuse this privilege.

Quite often the freedom of broadcasting is compared with the freedom of the press. Here again, I do not think the comparison is on all fours. In the case of the press, which to begin with is a different medium, you may buy whatever newspaper you like and, having bought it, you can ignore whatever advertisements or articles you wish. There is a selection open to the individual with regard to the press. In addition, the press has to pay its own way, generally speaking.

Miss LaMarsh: Except for the Canadian Press.

Mr. MacLean (Queens): That is right; there are a few exceptions. But generally speaking, as far as newspapers are concerned they have to put out a product which is acceptable to their clientele, to the public generally, or they will not sell any newspapers. There are people in the far-out fringe who frequently start publishing little magazines which purvey a particular point of view or idea; but most of them do not last very long because they do not attract the support of enough people.

• (8:40 p.m.)

I believe the Canadian people should be given a certain measure of control over broadcasting, or at least some guide lines should be laid down, because we in parliament represent the Canadian people and we give to certain private individuals or to the publicly owned corporation the right to broadcast. We assign to them channels and thereby create a partial monopoly in this field. Opportunities in this respect are not unlimited, and therefore when there is a monopoly a certain measure of public control is called for, just as it is in public utilities.

When speaking previously I neglected to mention that there are certain restrictions on the freedom of the press. Freedom of the press does not mean a complete licence to publish everything, such as pornography or libel.

To carry control of broadcasting further, so far as the public service is concerned—and this also applies to the clause we are now discussing—it is not only our responsibility to ensure the proper use of the broadcasting system, which is limited because of the scarcity of channels, but also, in view of the fact that we are acting on behalf of the Canadian people, to ensure that the product we are buying for Canadians meets reasonable standards, so far as the C.B.C. is concerned. I think it is absurd to suggest that the Canadian government must ensure that the wharf material it buys meets careful and detailed specifications but that any kind of rot would do in the programs produced by the C.B.C. for the Canadian people.

Miss LaMarsh: Be careful with that word "rot".

Mr. Pugh: It goes with "management".

Mr. MacLean (Queens): Therefore, I think that the matter of programming is one to which we must give our very sincere attention.

I commend the minister and the government for making an attempt to draw up guide lines in this respect. This is a difficult job, no doubt. We should indicate somehow that broadcasters, just because they are broadcasters, are not above the law and that they have responsibilities to society; that it is not their prerogative to attack or to ridicule institutions which are part of the very fabric of our western way of life, to pollute our living rooms with all sorts of obscenities, or to glamorize for the consumption of young people the use of harmful drugs. The C.B.C. seems to have made an effort in this direction not so long ago. At one time they had the high priest of L.S.D. appearing on several programs, and, whether or not it was their intention, the effect was to glamorize the use of L.S.D. in the minds of the young people, if not of others.

It is some time since I was a member of the broadcasting committee. At that time television was just coming into use. Ever since people learned how to make fires, the hearth has been the centre of the family home. People sat around it and conversed among themselves. But with the advent of television many families in this nation have been sitting around the "idiot box" instead of around the hearth and have been spoken to by people who set themselves up as leaders of thought. It does not matter how far out their thinking may be or how absurd it may be, what they say is given an aura of authority by the very fact that it is broadcast on the national, government-owned network provided by the government of Canada, presumably for the benefit of Canadians. It is for that reason I think it is important to set down guide lines.

Some of my friends to the left of me ask me whom I am trying to protect. I am not trying to protect anyone. I would be perfectly happy if there were some purely haphazard way in which differing points of view could be put forward on the national broadcasting system; if subjects could be picked at random and if those who supported them could go on the air as well as those who opposed them. I think that if there is a balanced presentation of various points of view the Canadian people have sufficiently good judgment not to be carried away. However, what I object to is the apparent loss of control over this tremendously powerful medium and, either purposely or unintentionally, it seems to have fallen into the hands of a few people in the broadcasting industry who take it upon themselves to decide what is good for the Canadian people. Freedom of speech belongs to all citizens equally and is not the prerogative of the man with the microphone. However, the microphone gives him power to make his ideas known to millions and to drown out the ideas of those who do not agree with him because they are not given a chance to counter his views with their own opinions. Employees of the C.B.C. may hold any political ideas they like, but to propagate them on company time and at public expense over the public air waves is an injustice to their fellow citizens who do not have a great network over which to air their private ideas. It is almost as if an employee of the Royal Canadian Mint were given an opportunity to mint his own pocket money on the side. The whole idea is absurd. It is obvious that, as I have said already, we are purchasing a commodity at a cost of $150 million a year or more. The amount goes up so rapidly that I have lost track of it. It is important that we in parliament insist that the product we purchase is of reasonable quality. We should not attempt to censor any point of view but rather to guarantee that an objective presentation of the various points of view is made.

I should not like to leave the impression that I am anti-C.B.C. in all it does, because I am not. Let me say immediately that the C.B.C. has produced some excellent programs, such as, for example, "Country Calendar", "Fisherman's Log", some science programs, and even Don Messer's show, which is probably scorned by the producers of the C.B.C., or used to be at first. However, it has been listened to by more Canadians than any other program.

• (8:50 p.m.)

I think the C.B.C. does a magnificent job in many fields, but they spoil everything by their lax moral attitude, let alone their ethical attitude, as a result of which they purvey certain types of programs. Some people say: "Oh well, it is good for the Canadian people to be shocked; we have to shock them into reality". I do not go along with that opinion. I am not against shock treatment for those who are mentally ill, but I do not think that the general public needs it.

In an age when the great fight for survival is dependent on control over men's minds, it seems to me an anomaly that programs of the kind to which I have referred are broadcast. I am sure that control of men's minds is the real struggle today that is going to determine whether or not our civilization will survive.

Television broadcasting is a powerful weapon in such circumstances. Human beings have recently been described by an anthropologist in a book published on the subject as "hairless apes". His main theme is that we do not realize how much we are affected by emotions and how so little of what we do is determined rationally. Much of what we do is controlled by emotions, even though we kid ourselves into thinking that we are acting on a rational basis.

Miss LaMarsh: I thought that applied only to women.

Mr. MacLean (Queens): No, I think it applies to men too. This sort of situation is a golden opportunity for the manipulators of this powerful medium of communication. The advertisers know this and so do the public relations men. Almost any product could be sold by the carload if there were sufficient advertising on television.

The hon. member for Burin-Burgeo, who perhaps is more qualified on this subject than any other member in the house, pointed out in a very able speech on this question some months ago that we are still not really fully aware of the very great power that is inherent in television broadcasting in particular. We can be brain-washed, for example, without knowing it. We can also be influenced.

In the United Kingdom I believe there is a little society that contends that the world is flat. I am sure that if that little group were in Canada the C.B.C. would have them on one of their programs, which would probably be presented in this way. They would probably get a very fetching, bright looking young lady and a very photogenic young man who would speak on the side of the argument that the world was flat. They would then get some doddering old fellow, a Colonel Blimp type, who contended that the world was round.

In addition to this, Mr. Chairman, a sort of biography of this old fellow would be unfolded, and if they discovered that he had once almost belonged to the Klu Klux Klan, or something objectionable like that, this would be revealed so as to provide plenty of built-in prejudice right from the start. In this way, without any reliance at all upon logic, they would have a few simple people believing that the world was flat after all. They would say: "How behind the times these squares are who still think that the world is round. Why, that is an old idea; it is a thousand years old. Let's get with it".

It is this kind of nonsense, Mr. Chairman, to which I object. As I have said, in this day and age when the struggle for men's minds is of crucial importance it is a terrible anomaly that we set the highest possible standards for our medical doctors, for the preparation of drugs and for anything to do with the human body, yet allow any sort of trash to be administered to the human mind.

My humble submission, Mr. Chairman, is that if we are going to provide a broadcasting service which will be relayed into the living rooms of the nation, then it should at least be housebroken. In this regard I refer especially to the C.B.C. The private broadcasters generally do better because if their service is too controversial they will not get a sponsor, and they do not want that to happen. But the C.B.C. apparently could not care less whether or not they have a sponsor for programs which deal with some of these far out notions, because the long suffering taxpayers are going to pick up the chit. These programs are shoved down our throats whether we like them or not. We just pay the bill. We cannot question the C.B.C. because it is a sacred cow. There is a prevailing attitude that parliament dare not question the C.B.C.

My contention is that a discussion of this clause is valid and of importance for one reason, if for no other. It is important in that it gives members of parliament a vehicle to express the views of the people they represent. I hope that the new president of the C.B.C. will take it as one of his first responsibilities to read what the members of parliament, the representatives of the people, think about broadcasting as it has been carried on in Canada. I believe that this important service for Canadians should, as I say, at least be housebroken before being allowed into the living room of every Canadian.

Mr. Nasserden: Mr. Chairman, I should, first of all, like to congratulate the hon. member for Queens on the address he has just given this evening on the matter that is now before the House of Commons. I had some remarks to make prior to the Christmas recess, and I thought I had dealt with the

problems raised by the electors in my constituency, and by other people across Canada, in a reasonable way without saying some of the things that could have been said in connection with the whole tenor of C.B.C. programming in this country over the past few years.

I would not have taken the trouble to speak again at this time had it not been for the fact that an assertion has again been made by one of those belonging to that party in this house which across the country has become the champion of easy divorce, of easy abortion and other degrading practices; the party that has become in the minds of the public the champion of those things that undermine what we have come to believe are the basic concepts of family life, of church and of government in Canada.

Mr. Prittie: Who do you mean—the Liberals?

Mr. Nasserden: I do not need to say who I mean, Mr. Chairman, when I make that statement. Everyone in the country knows that the members of the New Democratic party have led that crusade, if you can call it such.

• (9:00 p.m.)

An hon. Member: You are no credit.

Mr. Nasserden: I cannot help feeling that, since we are dealing with a medium of communication so powerful, subtle and all pervasive—

Mr. Howard: The hon. member is really nasty today. He must have practised his speech.

Mr. Nasserden: As I was saying, Canadians have not yet realized the full power of this medium of communication. We should be particularly careful, therefore, to let those who are charged with the responsibility for broadcasting policy and programming know some of the views of some people in this country. Look at what has happened in the past. A deliberate attempt to undermine family life, church, and government itself in this country seems to have been made. When the Prime Minister appears before the television cameras, those who operate the cameras place him in a most unfavourable position relative to the cameras. This has happened to the present Prime Minister and to the previous prime minister. Such an attitude should not be displayed by those who are employed in an organization which ought to be a unifying force in this country, an organization that should show our people something of which they can be proud.

We hear certain members of the N.D.P. giving encouragement for the televising of certain types of programs in this country. People in this country subscribe to more than one religion, and here I am referring to the Christian religion. Other religions exist in the world, and those who espouse them nearly always believe in a hereafter. Yet, look at the encouragement that is given to the broadcasting of those programs which undermine everything that builds a nation, which encourage our people to strive for a better way of life. One cannot help asking oneself whether a deliberate attempt has not been made to undermine our nation.

Members of the N.D.P. in this house, and others, support laws legalizing abortions; they supported laws for easier divorce. They support other laws that have a degrading effect—

An hon. Member: Shame on you.

Mr. Nasserden: Let those members devote their attention to solving the problems that have been caused by the increasing urbanization of our society, by the movement of our people from rural to urban centres. Let them help to ameliorate the terrible loneliness that afflicts some people; let them concentrate on means of uplifting the members of our society. Let them pursue those activities that will help our people. One of our troubles is that, because minority groups in this parliament can bring leverage to bear on important issues, the members of this parliament find it difficult to deal with many problems that beset the Canadian people.

An hon. Member: Garbage.

Mr. Nasserden: Radio and television have important roles in this country. The C.B.C. should be encouraged to broadcast programs that will help to weld this nation together, that will bring an appreciation of true values and enhance those values which have made human life better. The C.B.C. ought to do that instead of glamourizing, as the hon. member for Queens so aptly put it, those aspects of society that are dull, degrading and sap the moral integrity of a people. Because programs like those are shown elsewhere is no reason for them to be shown in Canada, and we should remember that. For these reasons, I think the government should have a little more control over the top brass of the C.B.C., and over broadcasting. I do not think any minister answering for the C.B.C. should ever

again have to say in this house what the present minister said about that organization. No minister, as happened in the past, should have to reply to complaints brought forward by hon. members by saying, "We can do nothing about the matter."

Hon. members will recall what happened to Mr. Louis St. Laurent, the former prime minister, when he first sent a letter to the C.B.C. He was slapped down by that organization, along with other members of the house, because of the stand he took.

Some hon. Members: Hear, hear.

Mr. Nasserden: Why should a member of the House of Commons or a minister not write to the C.B.C. and say that something is lacking in its programs? Why should not the minister answering for the C.B.C. have power to put a little fear into the hearts of those who would try to use the corporation for subversive activities? When I see what has been done recently by way of attack on family life, the church, and government in this country by that same organization, I say that constitutes subversive activity which undermines the future of those generations to come for whom we hope so much.

Some hon. Members: Hear, hear.

The Chairman: Is the committee ready for the question?

Mr. Flemming: Mr. Chairman, I had not intended to make any general observations about this bill but I feel I must say something about clause 2(d). Possibly, if we can persuade the minister, that clause can be changed or amended. That is why I am on my feet. I want to suggest some ideas that might usefully be incorporated in this clause.

I was much impressed by some of the speeches this evening. I was impressed by the speech of my hon. friend for Battle River-Camrose, who referred to the censoring of movies. The films that are shown in our moving picture theatres are subject to censoring by agencies of our provincial governments. We accept that. Yet, we are told—and this criticism is implicit in the remarks of certain hon. members—that the programs which are brought into our living rooms should not be subject to censorship; that those programs are above criticism, and they must not be criticized. I do not subscribe to any such doctrine.

Mr. Churchill: Hear, hear.

Mr. Flemming: I should like the minister to pay attention to me.

Miss LaMarsh: I always do.

Mr. Flemming: Thank you. The minister occupies a unique place in the hearts and minds of many of our citizens, and it is not because of her good looks entirely.

Miss LaMarsh: I must listen to this.

Mr. Flemming: It is because she had enough courage to say that there was rotten management in the C.B.C.

Some hon. Members: No, no.

Some hon. Members: Hear, hear.

Mr. Flemming: I have even heard suggestions that the minister should be the leader of the Liberal party, because of the stand she took on this important issue. Those suggestions did not come from Liberals.

Miss LaMarsh: That is the trouble.

• (9:10 p.m.)

Mr. Flemming: Well, there is always some chance of the redemption of sinners. Perhaps we shall even get to the Liberals after a while.

Let us consider the programs in which the C.B.C. gives the news to the people of this country. Surely, giving the news should be a factual process. Mr. Chairman, you know as well as I do that very often the news given to the people of Canada is commented on in almost the same breath as it is announced, and in my opinion the listening public very often feels that this commentary is part of the news. I think there should be a regulation providing that some time should elapse between the giving of the news and the presentation of commentaries on the news. This happens to be my personal opinion and I am not asking the minister to accept it without reservation. However, I do think it has some merit.

Let us get down to the subsection we are considering. Let us read it carefully. I have been talking about programming all the time, but I wish to refer particularly now to the language of the subclause because it seems to me that the language used there is incomplete. It does not say what should be said. In the words of the subclause before us—

—the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy—

I have not the slightest objection to the broadcasting media taking the stand that they should give publicity to the different angles from which a matter of public controversy can be regarded. I see nothing wrong with this as long as it is done in a fair way. But after the word "controversy" we read this:

—and the programming provided by each broadcaster should be of high standard—

This is where in my view the subclause is incomplete. It does not say, and I draw the attention of the minister to this, in whose judgment it must be of high standard.

Miss LaMarsh: The Board of Broadcast Governors.

Mr. Flemming: But the subclause does not say so.

Miss LaMarsh: Clause 15 does.

Mr. Flemming: I am talking about subclause (d) at the moment. I believe there should be something here that brings responsibility back to parliament. The minister says it is within the judgment of the B.B.G. But the B.B.G. does not represent the people of Canada. This parliament does.

I listened a few minutes ago to an eloquent speech by my hon. friend from Queens. He said things we all know to be true. We have all seen them. I have seen in the last two or three weeks the glamourization of things that are going to tear down the valuable standards which have been built up in this country of ours. There is no question about that. Why they should be emphasized is more than I shall ever be able to understand. Everyone within the sound of my voice knows this to be true.

I suggest it would be useful if words were incorporated in the clause to the effect that broadcasts should be of a high standard "in the judgment of the minister answering to parliament for the C.B.C" I believe parliament is entitled to deal with a minister who does have some degree of control over the corporation and who can exercise judgment with respect to what programs are of a high standard. Otherwise, all we get out of it is an argument; some people think certain programs are of a high standard and others think they are not. What I believe we can all agree on without the slightest argument is this: an element of decency should be insisted upon in the programs of the C.B.C. in this country.

Some hon. Members: Hear, hear.

[Mr. Flemming.]

Mr. Flemming: It comes back to this: who is to be the judge? This is the question which may be asked, and I think it is a proper one. The subclause before us does not tell us. In consequence, the people in charge of C.B.C. will say: "Everything is perfectly all right." We have had examples of what they have to offer. We have, it is true, had other examples of productions which have been excellent. In my opinion, parliament should insist that the minister who answers to parliament for the C.B.C. should have the right to say when a program is not of a high standard. She or he, as the case might be, would not, then, have nearly as difficult a time, because the C.B.C. would be conscious of this control; it would know it could not get away with these programs, and see to it that the programs offered did not conflict with the ideas of decency held by people in this country.

Miss LaMarsh: I wonder whether the hon. gentleman would answer a question.

Mr. Flemming: I will try.

Miss LaMarsh: I know he is an old friend and a man of great reasonableness. Earlier I explained to one of the members of the committee that in England the postmaster general performs the function which the Board of Broadcast Governors has performed in Canada in the past. In this bill the Board of Broadcast Governors is directed by parliament to licence broadcasting stations. If the hon. gentleman's suggestion were followed and the Secretary of State or another minister were made responsible for passing judgment as to whether programs were of a high standard, the exercise of such judgment would inevitably be after the fact, as I am sure the hon. gentleman would agree. If the Secretary of State were responsible, either I would have to sit all day long watching programs after they had gone out over the air, or else I would have to watch all the programs in rehearsal before production. I do not think it is possible for a minister to do this. We must remember, we are not experts; we know nothing about this kind of thing, quite apart from the fact that my taste may not be the taste of a single other person in this house, or even in the country.

If I were responsible, parliament might find things in an even worse mess. It would still be largely a matter of taste, and the minister might well say of a particular program which had been criticized: "I thought it to be in good taste, myself." This is the difficulty. As to parliament exercising its

judgment, I remember speaking with the former minister of justice on this subject and saying there should be some way in which parliament could make its feelings known.

• (9:20 p.m.)

Yet by its very nature parliament, as we know it, cannot do this and so has to operate through an executive or through a body. This job cannot be done through a member of the cabinet. It cannot even be done by a committee of the house. Every day this would be a job that would have to be done. The only way to do it is to set up a body, delegate authority to it and make it responsible. This is what all the individuals who looked at Canadian broadcasting have recommended. This is what was done in 1958 with the establishment of the B.B.G. I have great sympathy with what my hon. friend has suggested, but it could not conceivably work, even if the person concerned had the most perfect taste on earth.

Mr. Flemming: I am not suggesting that the hon. lady, or whoever might be the minister, act as a censor, but I think there should be a deterrent in this legislation. The C.B.C., which comes here year after year asking for millions of dollars, should be made to feel that there is someone to whom it is responsible, and that there is a medium through which it could be controlled to some extent.

It seems to me it would be most appropriate that a minister who answers to parliament for the C.B.C. should have some power or some authority so far as programs are concerned. Let us look at what would happen in practice. The minister's misgivings would not materialize. If the C.B.C. had any doubts about a program it would contact the minister before broadcasting it.

Mr. Orlikow: Poor minister.

Mr. Flemming: Mr. Chairman, I am not responsible for any of these interruptions. I have the floor at the moment. If someone wants to speak after I am finished he will have that right. In the meantime, I have the floor and I do not propose to yield it to anyone.

I would like to be able to persuade the minister that this would be a power that would be good from the point of view of the Canadian people in general. Probably it would not be good so far as C.B.C. management is concerned but I am not concerned about that. It makes no difference to me. I am concerned about the Canadian people. I am concerned, as pointed out by my hon. friend who preceded me, that we do not tear down the things which we consider are valuable, things which have been built up over a long period of time, and which some of us think are being subjected to a campaign of destruction.

I believe someone has to be the judge of a high standard of programs. The minister says this is the B.B.G. I do not think the members of the B.B.G. ever see a program until it is shown on television screens in their living rooms. How could they regulate programs? What could they do about them? I am one of those who believe in responsibility for people who are elected here by the Canadian electorate. I don't believe in delegation.

Some hon. Members: Hear, hear.

Mr. Flemming: This parliament is the body to which the C.B.C. should report. This it does through the minister, and I think someone should be appointed to judge the standards of programs. I would be perfectly willing that the present minister be that judge.

Miss LaMarsh: If this horrible responsibility were placed upon me, can my hon. friend suggest how I would be in a position to judge programs on private television?

Mr. Flemming: The point I was trying to make to the minister was that she would be appealed to only when there was a question of doubt. There would be no responsibility as long as there was no doubt about a program, whether private or public. Speaking of private programs I saw one which I watched by myself for three hours. It depicted a young minister in Scotland, Peter Marshall, growing up, coming to the United States, taking over a church, and becoming chaplain of the United States senate. It was a fascinating program. It was one of those programs that build you up and make you think what great things television can do. There are lots of programs like that. It would only be ones about which there was a degree of doubt that would be referred to the minister.

Miss LaMarsh: Whose doubt?

Mr. Flemming: Surely, there must be some doubts in the C.B.C. Somebody in the C.B.C. must have had some doubt about some of the rotten programs it has carried. I cannot believe that all the hundreds of men and ladies involved were in favour of those programs. Even in the C.B.C. I think there would be a large element of difference of opinion. So

far as private television stations are concerned, surely the sponsors would take some responsibility for the type of program broadcast. I bring these things to the attention of the minister in the hope that consideration of them will lead to an improvement of this bill.

Mr. Bigg: Mr. Chairman, some months ago the minister, who is responsible for the C.B.C., made certain statements which many Canadians thought were long overdue. She has consistently refused to explain exactly what she meant by them, but she suggested very forcefully that there was something wrong within the C.B.C. To the surprise of many, I for one leapt to the hon. lady's defence because I thought here was a minister who had the courage to bare a very important matter in public.

• (9:30 p.m.)

Some of my colleagues are very keen to back up freedom of speech. I can understand that any suggestion of tight censorship is abhorent to most people in a democratic country. It is this very type of censorship of opinion which some of my own colleagues, quite honestly I believe, hope to protect, but I say it is in the direct danger because the C.B.C. has a monopoly. It certainly has a monopoly in the outlying areas of this country which I happen to represent. In some cases it is only the C.B.C. which reaches these people and the C.B.C. has a virtual monopoly on the expression of opinion. Because I have gone so far as to back the hon. lady, I think I must explain why I backed her when she said the C.B.C. was rotten. I do not think she meant that the head of the C.B.C., Mr. Ouimet, was rotten. I think she meant that he did not do the job the public was paying him to do. This is the very duty which the hon. lady shrinks from doing. She does not feel qualified to censor all programs or any one particular program. I think that is perhaps a little overstatement of the case. I do not believe that we must set down any specific rule of behaviour or decency in order to have decent programs.

I should like to go back to my own experience, because I believe this is the only thing about which one can speak with authority. I had a father and mother in charge of my home. We had no written code of what was decent or indecent, but when we talked to our sisters or to anyone in our house we knew what the standard of decent behaviour was. Perhaps in the case of the C.B.C. we do not have the inevitable correction which would come as a result of falling below the

standards, but the people who produce these programs are knowledgeable people and know perfectly well what is right and what is wrong. They are taking advantage of the monopoly they have and are hiding behind even some of my own colleagues who may have overstated the case for what they call freedom. I could not agree more with the hon. member who just spoke when he said that if there were an implied standard which could be enforced in the slightest degree by a courageous minister, such as I thought the hon. lady was when she made her statement, these people would be very careful not to fall below that standard.

Many people fought with me when I supported the stand the hon. lady took. I do not think she has to back down from that stand. I am ready to quarrel with anybody who criticizes her for that and this includes those who sit in my own party, those who sit to our left, and those who occupy the seats behind the hon. lady in the government ranks. The standards of some of the programs produced by the C.B.C. I have no hesitation in saying, fall below accepted standards. They are a disgrace and should not be allowed on the Canadian air waves. This is particularly the case because, under some circumstances, we have no control over the programs which invade the parlour of our own home. It has been said that we can turn off the television set. We can do this if we are there, but with the complexities of life today we cannot always be there. Our children can turn on the set, and there is no monitor once a program comes on the air.

It has been said that we cannot do anything about this because the fat is in the fire. I think we can do something about it just on the basis of common sense. If these people put this type of program on the air, there must be an authority to inform them they will never do it again, and certainly not at the taxpayers' expense. If the hon. lady thinks that this job is too difficult for her, I suggest she should hand it over to somebody who has the normal courage of any free Canadian. At my age, I do not think seeing a filthy program will do me any particular harm. In my job as a policeman it was necessary for me on many occasions to delve into the lower side of human nature, yet I feel I have been able to maintain all my standards.

I do not believe this situation need be permanent, that we must face this with defeatism and say we cannot do anything about it. I believe here, in parliament, we can do everything about it. If these people knew that

their jobs depended upon cleaning up their own programs they would do so. I think the common sense of Canadians would come to the fore and these people would police themselves just as I did when I was a child because I knew the wrath that would descend upon me if I fell below our family standards. The family standards of the people of this country are well known. Anyone who does not have this type of common sense is not fit to produce programs.

If the hon. lady does not feel she has the power which I believe she has, then that power must be vested in someone. If Mr. Davidson does not have it then we must ask ourselves whether his assistant has it or whether anybody between the hon. lady who represents us and the man who produces the program has that power. There must be some authority somewhere. I do not intend to lay down any type of code except the code of common sense. We must give someone the power to police these programs, whether it is done before they are put on or afterward.

This subject, tied in with the question of abortion and the other changes to the Criminal Code, has been the cause of many, many letters and complaints. This is the thing most people are worried about today. I just answered this evening two letters on this subject. I told these people that I will do all I can. All I can do at the present time is try to convince enough members that we must be sure to put in this bill the teeth which are necessary to police the air waves of Canada. We can only do this through this bill and under the authority of the minister. I do not believe she should be afraid that people will accuse her of abusing her authority because she and no one else at the present time has any authority over the C.B.C. If she is willing to give us the authority to bring common sense into the matter of protecting our young people from some of the things shown on the Canadian air waves, she can rely on my support.

• (9:40 p.m.)

[*Translation*]

Mr. Latulippe: Mr. Chairman, I merely wish to say a few words on the subamendment.

I followed closely the statements of several members and wish to congratulate the member for Prince (Mr. MacDonald) for having set forth his logical doctrine and point of view on the C.B.C.

Mr. Chairman, I do not accept, however, the point of view of the member for Burnaby-Richmond (Mr. Prittie) who spoke of centralization. In fact, he said that private stations should disappear and be replaced by C.B.C. stations.

Mr. Chairman, we need state-ruled stations, because the state renders great services, but so does private enterprise.

In my opinion, private enterprise, competing with the state, is in a position to maintain programs, contribute to the education of the people, render great services at a lower cost than the state. Indeed, everything managed by the state costs three times more, and then some, than what is managed by private enterprise. We know the sums now spent by the state to maintain the C.B.C. I think that if these sums were in the hands of private enterprise, it would render greater services than the state, because the operating costs would certainly be reduced by half, if not by two thirds.

That is why private enterprise must be maintained as much as possible. Private enterprise renders greater services than the state, not only from the standpoint of publicity but from several others that I could mention. The small manufacturers and businessmen cannot advertise on C.B.C. but they can advertise on private stations and there set out their views and convince the people to help them to develop and expand Canada's economy.

Mr. Chairman, I should like to say a few words about morals. In my opinion not enough people concerned with the programming or broadcasts of the C.B.C. care about morals. I would ask the hon. Secretary of State (Miss LaMarsh) to try to find moralists who will give C.B.C. programs a more moral, concrete, human and social character, and reform certain elements in our society. If we want a healthy society, the elements of which it is composed must likewise be healthy, and if they are corrupted by people such as some of the C.B.C. employees who say all sorts of things and have no morals at all, we will have a corrupt society.

That is where we must intervene. Several members referred to that matter and I wish to talk about it also. We should encourage morality, we should find a very deep ideology from a moral point of view to change the ethics of society, in short to rebuild society. We have made great strides in technology and other fields but, as far as morality is concerned, we have lost ground. It is absolutely necessary to improve moral standards.

In my opinion, it is the duty of the minister at the present time to ask the C.B.C. to improve the moral character of its programs and even to hire experts in ethics to show the people of Canada what is life, what is a human being.

Human beings must be respected and they can only be respected by morality, never otherwise. Morality is no longer anything at all; in fact it no longer exists. We must build it up. Unless we do, we will witness the most catastrophic abuses the world has ever known. It is absolutely essential that all Canadians put the shoulder to the wheel and do everything that must be done to raise the morality of their compatriots. We must do everything that is humanly possible to protect the morality of society. Morality, that is what we lack in our country; in fact, that is what we must watch and that is why I have made these few remarks on the present amendment.

Once again I would like all of us to put the shoulder to the wheel and help the minister to find the proper ideology to promote morality to the highest possible point within the C.B.C.

[*English*]

The Assistant Deputy Chairman: Is the committee ready for the question on the subamendment proposed by the hon. member for Sainte-Marie?

Some hon. Members: Question.

Subamendment (Mr. Valade) negatived: Yeas, 34; nays, 52.

The Assistant Deputy Chairman: I declare the subamendment lost. Is the committee ready for the question on the amendment of the hon. member for Red Deer?

Some hon. Members: Question.

Amendment (Mr. Thompson) negatived: Yeas, 35; nays, 51.

The Assistant Deputy Chairman: I declare the amendment lost.

Shall the subclause carry?

• (9:50 p.m.)

Mr. Prittie: Mr. Chairman, there is another aspect of subclause (d) with which I wish to deal. Subclauses (a) to (f) of clause 2 deal with broadcasting in general, both public and private, and subclause (g) deals with the national broadcasting service, or the C.B.C., in particular. I want to refer to one part of subclause (g) but I am using it in these remarks in connection with subclause (d).

Subclause (g) (iv) requires that the national broadcasting service, the C.B.C., should contribute to the development of national unity and provide for a continuing expression of Canadian identity. This is a charge upon the public broadcasting service only. When the bill was given second reading on November 1 I expressed some doubts about the words in this subclause charging the public broadcasting service to contribute to the development of national unity. I did not do so because I am against national unity any more than anyone else, but the opportunity is there for witch-hunting and for picking out people in a broadcasting service who you feel are not doing what you want them to do. After listening to the speeches in the house on this subject, I have come to the conclusion that the opportunities for witch-hunting will certainly be there. But the government apparently wants this provision in the bill, and it occurred to me that if the concept of national unity is so important and broadcasters should contribute to it, it ought to be a requirement in respect of all broadcasters. It is a very vague term and is very difficult to define but if, as I say, the government wants it included in the bill it should be important enough to be a guide for all broadcasters.

There are in this country more private television and radio stations than there are C.B.C. stations. Therefore, it seems to me that if television and radio can be used to influence the way people think and act, the private broadcasters also have, of course, a very great deal of influence. If this charge to contribute to national unity is necessary, it should, I believe, be included in subclause (d), for two reasons; first of all, because it fits in better there in connection with the requirement to air views on matters of public controversy and to allow for dissent.

The second reason, which I have already mentioned, is that the private broadcasters have a very large audience. I thought of this matter the other day when there was an exchange between the hon. member for La- to the hon. member the minister had this to pointe and the minister. The hon. member for Lapointe was talking about the television station in Quebec city, CFCM-TV. In her reply say, as reported at page 5814 of *Hansard* for January 22:

I am further informed by Télévision de Québec that their editorial policy favours freedom as against communism, private enterprise as against socialism and Canadian unity as against separatism.

Presumably the operators of that station are in the same position as the owners of a newspaper; they can, entirely on their own, determine what is their editorial policy. Therefore, if they choose to promote a particular line of thought, that is their editorial right. But what would happen if that station should change hands? Let us suppose that the hon. member for Lapointe, on one of his trips to France, raised enough money to buy that station and had complete control of it. Then, presumably the editorial policy of the station could change in accordance with the views of the new owner. It could then decide that separatism should be the editorial policy of the station rather than Canadian unity. I do not imagine that the hon. member for Lapointe would advocate socialism rather than private enterprise, but he could do so if he wished, since he would be the owner of the station. He could do any of these things.

I have had some experience in this field and know that radio stations regularly editorialize. I do not complain about that; they are free to do this. If my hon. friend from Lapointe, or somebody else with his views, owned such a station, they could advocate disunity. We will not confine our examples to the province of Quebec entirely. There is another province of Canada which has a rather separatist-leaning government. I refer to the province from which I come. More than one cabinet member in that province has suggested that Canada should join the United States. Yes, I am speaking of British Columbia. If people with that point of view bought a radio station, they could editorialize and suggest that we no longer remain in confederation but join the United States. This obviously would not be promoting national unity.

Therefore, Mr. Chairman, I am suggesting that if broadcasters are to promote national unity, all broadcasters should do this, both public and private, and this particular phrase should be included in subclause (d). With that in mind, I move:

That clause 2 (d) of Bill C-163 be amended by placing a comma after the word "comprehensive" and adding immediately thereafter the words "should contribute to Canadian unity",

The Assistant Deputy Chairman: Order, please. It being ten o'clock, it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

• (10:00 p.m.)

HEALTH AND WELFARE—PROTEST RESPECTING LACK OF WELFARE STATISTICS

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I speak tonight following a question asked on December 14 in which I requested the Department of National Health and Welfare to strengthen its staff for the collection of D.B.S. statistics and to provide additional resources so that the staff could be increased for the collation of statistics. The question on December 14 was prompted by a reply to a written question on December 13 which appears at page 5363 of *Hansard*. In the answer, we learn that in the health and welfare division of D.B.S. there are some 105 persons involved in collecting statistics relating to health, some 31 persons occupied in collecting statistics relating to education, but no persons directly involved with statistics concerning welfare. When we keep in mind that the Department of National Health and Welfare is second in spending only to the department of defence, it seems surprising to me that there is no statistical documentation of the different trends toward which this high spending department is going so far as welfare programs are concerned.

Fabulous sums of money are being spent on a variety of welfare programs, yet adequate statistics are not being kept to determine the cost benefit to the Canadian people. Welfare budgets have doubled and re-doubled and will likely continue to increase, and it is certainly difficult to make any projections without an adequate statistical base. I would have thought that the implementation of the Canada Assistance Plan would have required the collection of national welfare items of similarity, but the dilemma still facing those of us interested in finding similar information relating to welfare in the different provinces is that there is a great variety of methodology in the collecting of statistics. For example, the province of Ontario has quite a sophisticated system of statistical analysis, and yet areas like the Atlantic regions and other provinces do not nearly approach this way of collecting statistics. Therefore, it is not easy to discover how many married people in Canada are, for example, living separately.

As we deal in our present legislative program with what the Prime Minister called "good society" measures, such as those on divorce, birth control, abortion and so forth, some of these statistics would have been very useful. We do not really know how many people there are in the country who have sig-significant family problems. We can go from agency to agency and from province to province but we do not have an overall national picture. If I wanted, I could inquire of D.B.S. and get fairly accurate information concerning the number of ponies on Sable island or the total horse population in Canada, but we cannot find out how many children are living in foster homes or are placed in adoption each year. To me this seems to indicate a desperate lack in the collection of very vital information.

In the area of child care, I have mentioned already the problem of obtaining accurate statistics with regard to children living and growing up away from their natural parents, either in foster homes or in child care institutions. We should be able to ascertain those things by requesting our most capable organization, the D.B.S., to collate the information. It could do this. First of all, it could give us the information and second, this would force provincial governments to set up a uniform base for the collection of statistics.

I am not one who wishes to collect information simply to pile up figures. This should only be done for a purpose. We are now quite conscious of the need for research, for example. I am afraid that very often we are stymied in our research in the welfare field owing to the lack of statistics. Generally, we find ourselves taking 10 per cent of United States figures, the United States usually documenting its research quite well, and we adopt this figure as being fairly close to the situation in Canada. However, I suggest that is not an adequate foundation upon which to conduct proper research.

My direct question, Mr. Speaker, is simply this: Will the department strengthen its staff for the collection of welfare and related statistics and allocate additional resources and staff to the Dominion Bureau of Statistics?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in replying for the minister of health and welfare I want first to ask whether the hon. member for Portage-Neepawa (Mr. Enns) is conversant, and I believe he is, with the fact that the Dominion Bureau of Statistics is an adjunct of the Department of Trade and Commerce, not of the Department of National Health and Welfare.

Mr. Enns: If that was a wrong reference, I apologize.

Mr. Byrne: I think the hon. member has put his finger on the difficulties that arise here. One needs only to look at the headline in the Toronto *Globe and Mail* today, which stated the position the government of Ontario is taking on the question of medicare, to realize that the question of jurisdiction is also of significance in this matter.

The question of the adequacy of welfare statistics is a long and complicated one. The hon. member is quite right in his assumption that the situation is less than ideal. In general, the statistics concerning welfare programs wholly administered by the federal government are at a reasonably acceptable level. This department has been able to respond reasonably well to requests for statistics relating to the social welfare programs wholly administered by it.

The problem is much more complicated when the provinces are involved and where statistics reveal varying levels of adequacy of provincial programs. In the last two or three years this department has convened two federal-provincial conferences on statistics, concerned mainly with the field of public assistance. Substantial progress was made at these conferences, and the minister is hopeful that under the Canada Assistance Plan it will be possible to secure statistics covering much wider range of welfare matters than was formerly possible. It will be some time, however, before adequate statistics are available, partly because of the lack of research staff and statisticians in provincial welfare departments and partly because a number of the departments are in the process of converting to the use of computers.

The hon. member has made a remarkable contribution this evening, and I am sure that the Department of National Health and Welfare will be pleased to take the matter under consideration.

INDUSTRY—BRITISH COLUMBIA—DEVELOPMENT OF SECONDARY MANUFACTURING CAPABILITY

Mr. Frank Howard (Skeena): Mr. Speaker, the other day I asked the Minister of Industry (Mr. Drury) what plans his department had for the promotion and development of secondary and manufacturing industry in

British Columbia, which is now in the position of having something over 6 per cent of the labour force out of work, the second highest group in Canada.

The minister replied that to recite the steps that are being taken would take too long during the question period but that he would be glad to advise me directly about this matter. I was not sure what he meant by "directly" and I have been expecting a long, detailed letter from him; but this letter has not yet arrived. If the minister wants to deal with the matter in this way and the three minutes that remain for him this evening are not sufficient, then I will look forward to receiving his letter. Apart from the fact that his answer was in a gentle way political and also somewhat arrogant, none the less his department was established partly for the purpose of promoting industrial development in Canada.

• (10:10 p.m.)

We in British Columbia, and particularly in the northwestern area of Skeena which encompasses nearly all the northwestern section of British Columbia, enjoy an economy that is primarily based on the extraction of natural resources. Most of our industry is of the extractive type and much of the natural wealth which we obtain from our land is shipped out of the area, often out of the country, to be used in secondary or manufacturing industries elsewhere.

We have a fair amount of mineral wealth, timber and power in the form of coal and hydroelectric power. We have much potential power. The opportunities for secondary and manufacturing industry in the area are tremendous.

It is well known that human labour adds to the value of any material to which it is applied. The raw ore which comes out of the ground is not as valuable as the ore which has gone through a concentrating process. Raw concentrate is not as valuable as concentrate which has gone through a smelter and been turned into ingots. At every stage of manufacturing process value is added to raw material. We wish to promote secondary and manufacturing industries in our area which will take advantage of our raw materials and natural resources.

There is ample opportunity for the development of a smelter system in the area. At the moment, largely as a result of this government's insistence and its declarations of policy, we export the mineral resources of our area out of our nation to another country and contribute to the increasingly high standard of living of that other country. I shall mention no names because it may be thought that I object to another country's increasing standard of living, an increasing standard made possible by the raw materials we export to it. I do object to our government permitting that state of affairs.

We could easily establish a secondary aluminum industry in the area; we already have an aluminum smelter. No facilities for transforming aluminum ingots into sheets, tubes, pipes or other manufactured forms of aluminum exist. Ample opportunities for such industries to operate successfully exist in the area.

Similar remarks apply to the forest industry. Many examples of the sort of thing I mentioned could be enumerated. Because the Department of Industry was set up to promote industrial development in areas in Canada which could use that sort of development, and because parliament accepted the proposition that a Department of Industry ought to be set up, I submit that something concrete and worth while along the lines I have suggested ought to be undertaken.

Though the minister, under the rules, has only a few moments to reply, I hope that he can explain what he has done, what is taking place and what plans exist, so that the people in northwestern British Columbia whose employment opportunities fluctuate according to the weather and other factors can look forward with some hope to the time when something such as I have described, some smelting industry or some manufacturing industry based on lumber or aluminum, can be made a reality. It is necessary for our people to have some hope, and I should appreciate some guidance from the minister.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the hon. gentleman asked me a general question the day before yesterday and I am afraid that three minutes will not suffice to outline the background of the operation of the department as that operation affects British Columbia.

I would point out, however, that the purpose of the Department of Industry as outlined in the act passed by parliament is to foster and promote the growth of an efficient manufacturing industry in Canada and not in any particular part of Canada. Insofar as the hon. gentleman feels that the department should interest itself especially in a particular region of the country, I would say that it is the task of the department to establish the kind of climate within Canada as a whole in

which secondary manufacturing can flourish in an increasingly efficient way. To this end we have a number of programs which have been discussed and approved by parliament. I would mention specifically the program for the advancement of industrial technology designed to increase productivity and economy in manufacturing in all of Canada. The act providing incentives to increased research and development is of a similar character and is nationwide.

With respect to British Columbia specifically, there is a program devoted directly to the relief of areas of chronic unemployment. This is known as the designated areas program and those areas of British Columbia which suffer from high chronic unemployment have been designated under this plan. In the south central part of the province where this program has been in operation it has proved reasonably successful. There has been a total of some 53 projects involving new capital investment of some $50 million in secondary, manufacturing or processing industries. This has resulted in the creation of some 1,755 new jobs.

This is the one overall program which is directed specifically to a particular area as distinct from Canada as a whole. I would point out that we have been conducting a series of seminars among entrepreneurs and manufacturers across the country looking toward an improvement in efficiency and the enlargement of manufacturing industry. I myself attended a most successful recent one in Vancouver.

Mr. Speaker: Order. I have to interrupt the hon. minister since his time has expired.

Motion agreed to and the house adjourned at 10.20 p.m.

APPENDIX

CORRESPONDENCE RESPECTING DOMINION-PROVINCIAL CONFERENCE

CONFIDENTIAL

[*English*]

Ottawa, January 16, 1968.

My dear Premier:

Further to recent consultations regarding arrangements for the forthcoming federal-provincial conference on constitutional matters, I should now like to forward for your attention the proposed agenda for our meeting which takes into account comments received from provinces: item 4 has been included specifically at the request of Premier Smith of Nova Scotia in response to my invitation for suggestions as to the agenda.

I should also like to take this opportunity to confirm that the conference will begin on Monday, February 5th and continue through February 7th.

You will recall that I raised with you in earlier correspondence the question of whether or not some of the sessions should be made public. It would seem generally acceptable that at least part of the conference should be open to the news media and I therefore propose that we agree to make public the opening sessions on the first day when the various governments normally present their initial statements. Similar consideration could also perhaps be given to the closing session so that there may be the widest possible public knowledge of the conclusions reached at the conference. A decision regarding the remaining proceedings could best be taken, in my view, in the course of our deliberations.

In accordance with past practice, details of the administrative arrangements will be forwarded to you within a few days.

Yours sincerely,

Original signed
by
L. B. Pearson

The Honourable Louis J. Robichaud, Q.C.,
Premier of New Brunswick,
Fredericton, New Brunswick.

PROPOSED AGENDA

1. Opening statements
2. Rights of Canadians

a) recommendations of the Royal Commission on Bilingualism and Biculturalism

b) a constitutional Bill of Rights

3. Further constitutional review
4. Questions of regional disparity
5. Other matters

[*Translation*]

Similar letter sent to all provincial Premiers in English and to the Premiers of Quebec and New Brunswick in French

CONFIDENTIAL

January 16, 1968.
Ottawa,

My dear Premier:

Further to recent consultations regarding arrangements for the forthcoming federal-provincial conference on constitutional matters, I should now like to forward for your attention the proposed agenda for our meeting which takes into account comments received from provinces: item 4 has been included specifically at the request of Premier Smith of Nova Scotia in response to my invitation for suggestions as to the agenda.

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regarding the remaining proceedings could best be taken, in my view, in the course of our deliberations.

In accordance with past practice, details of the administrative arrangements will be forwarded to you within a few days.

Yours sincerely,
Original signed
by
L. B. Pearson

The Honourable Louis J. Robichaud, Q.C.,
Premier of New Brunswick,
Fredericton, New Brunswick.

PROPOSED AGENDA

1. Opening statements
2. Rights of Canadians
   (a) recommendations of the Royal Commission on Bilingualism and Biculturalism
   (b) a constitutional Bill of Rights
3. Further constitutional review
4. Questions of regional disparity
5. Other matters

[*English*]

OTTAWA, JANUARY 5, 1968

FURTHER TO MR. STONER'S TELEGRAM OF LAST DECEMBER 29, AND SUBSEQUENT TELEPHONE CONVERSATIONS WITH SOME PROVINCES THE PRIME MINISTER HAS REQUESTED ME TO CONFIRM WITH YOUR OFFICE THAT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE WILL MEET AS ORIGINALLY PROPOSED ON FEBRUARY 5,6,7. SEVERAL PROVINCES INDICATED THAT CHANGE OF DATE TO FEBRUARY 12 WOULD BE MOST INCONVENIENT. IT IS STILL THE GOVERNMENT'S INTENTION TO CARRY OUT PRELIMINARY CONSULTATIONS WITH ALL PROVINCES AS INDICATED IN PRIME MINISTER'S LETTER OF DECEMBER 28.

JEAN BEETZ
SECRETARY TO THE CONFERENCE

This telegram was sent to the Office of the Premiers of all provinces except Quebec.

[*Translation*]

OTTAWA, JANUARY 5, 1968

FURTHER TO MR. STONER'S TELEGRAM OF LAST DECEMBER 29, AND SUBSEQUENT TELEPHONE CONVERSATIONS WITH SOME PROVINCES THE PRIME MINISTER HAS REQUESTED ME TO CONFIRM WITH YOUR OFFICE THAT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE WILL MEET AS ORIGINALLY PROPOSED ON FEBRUARY 5, 6, 7. SEVERAL PROVINCES INDICATED THAT CHANGE OF DATE TO FEBRUARY 12 WOULD BE MOST INCONVENIENT. IT IS STILL THE GOVERNMENT'S INTENTION TO CARRY OUT PRELIMINARY CONSULTATIONS WITH ALL PROVINCES AS INDICATED IN PRIME MINISTER'S LETTER OF DECEMBER 28.

JEAN BEETZ
SECRETARY TO THE CONFERENCE

1968 JAN 2

[*English*]

MR. O. G. STONER
ACTING SECRETARY OF CABINET
OTTAWA ONT

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR ARE QUITE AGREEABLE TO POSTPONEMENT OF DATE AS SUGGESTED IN YOUR TELEGRAM

EDWARD ROBERTS

TELEGRAM RECEIVED FROM PRIME MINISTER'S SWITCHBOARD 4.30 PM 29 DECEMBER. MESSAGE RELAYED TO MR. STONER BY MR. CROWE.

DEAR SIR

SUGGESTED PROGRAMME OF BILL OF RIGHTS PASSAGE FOR FEBRUARY 12 CAN BE ACCOMMODATED BY PEI BUT WITH MUCH GREATER DIFFICULTY THAN THE FIFTH AS SCHEDULED.

ALEX B. CAMPBELL

MOA188 MO
HXAO84HXA084 44
GG.
FD HALIFAX NS 4 1142A AST
O G STONER, ACTING SECRETARY TO CABINET

PARLIAMENT BLDG OTTAWA ONT

RETEL REGRET FEBRUARY TWELVE IS NOT A CONVENIENT DATE. HAVE MADE PLANS FOR MY ACTIVITIES BASED ON CONFERENCE DATE OF FEBRUARY FIFTH AND IT WOULD NOT BE EASY TO CHANGE. HOWEVER IF FEBRUARY TWELVE SUITABLE TO MAJORITY I WILL TRY TO REARRANGE MY PLANS.

G I SMITH PREMIER OF NS
(46).

MOA379
MOMO GA177GGA177 (MNB219 FN100) 51/47 2 EXTRA
GG.
FREDERICTION NB 29 354P AST
O G STONER, ACTING SECRETARY TO CABINET

HOUSE OF COMMONS OTTAWA ONT

PREMIER ROBICHAUD IS AGREEABLE TO PRIME MINISTERS REQUEST TO POSTPONE OPENING DATE OF FORTHCOMING FEDERAL PROVINCIAL CONFERENCE FROM FEBRUARY FIFTH TO FEBRUARY 12, 1968 WE WELCOME THE INFORMATION THAT CONSULTATIONS WILL TAKE PLACE CONCERNING MATTERS TO BE PLACED ON THE AGENDA OF THE CONFERENCE

C H FORSYTHE EXECUTIVE ASSISTANT TO THE PREMIER
FREDERICTON NB.

MOA168 MO
DAO57 35/31 FD EDMONTON ALTA 2 955A MST
O G STONER

ACTING SECRETARY TO CABINET CARE PRIME MINISTERS OFFICE OTTAWA ONT REURTEL DECEMBER 29 POSTPONEMENT OF CONFERENCE TO FEBRUARY 12 WOULD BE MOST UNSATISFACTORY TO ALBERTA DUE TO LEGISLATURE CONVENING FEBRUARY 15 AND PROCESSIONAL CAUCUS WITH MEMBERS ALREADY ARRANGED FOR FEBRUARY 14

E C MANNING PREMIER OF ALBERTA
(12).

MOA583 VA281 V

LLA225 81 TLXV VICTORIA BC 3 140P PST
MR O G STONER, ACTING SECRETARY OF CABINET HOUSE OF COMMONS
OTTAWA ONT

REURTEL DECEMBER TWENTY NINE HAVE BEEN IN TOUCH WITH OUR PREMIER BY TELEPHONE AND HE HAS ASKED ME TO SAY THAT THE PROPOSED CHANGE OF CONFERENCE DATE FROM FEBRUARY FIFTH TO TWELFTH MAKES IT VERY DIFFICULT FOR BRITISH COLUMBIA. THE PREMIER AS MINISTER OF FINANCE BRINGS HIS BUDGET DOWN ON FEBRUARY NINTH AND THE LEADER OF THE OPPOSITION WILL SPEAK ON THE BUDGET ON FEBRUARY TWELFTH. BRITISH COLLUMBIA WOULD VERY MUCH HOPE TO KEEP TO THE ORIGINAL DATE BECAUSE OF THESE REASONS

MRS K R MYLREA SECRETARY TO PREMIER
(46).

This telegram was sent to the Office of the Premiers of all provinces except Quebec.

[*Translation*]

OTTAWA

December 29, 1967.

PRIOR TO DEPARTING OTTAWA FOR SEVERAL DAYS THE PRIME MINISTER REQUESTED ME TO CONTACT YOUR OFFICE TO DETERMINE POSSIBILITY OF POSTPONING THE OPENING DATE OF FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE FROM FEBRUARY 5 TO FEBRUARY 12, 1968. IF GENERALLY CONVENIENT THIS WILL PERMIT AMONG OTHER THINGS MORE TIME FOR PRIOR CONSULTATION WITH THE PROVINCES ON MATTERS TO BE DISCUSSED AT THIS CONFERENCE AS IS BEING PROPOSED IN A LETTER TO YOU FROM THE PRIME MINISTER SENT YESTERDAY. WOULD APPRECIATE YOUR OFFICE LETTING ME KNOW AT EARLIEST OPPORTUNITY WHETHER NEW SUGGESTED DATE IS SUITABLE TO YOU.

O. G. STONER

ACTING SECRETARY
TO CABINET.

Government of Newfoundland and Labrador
THE PREMIER
St. John's

2 January, 1968

Right Hon. L. B. Pearson, P.C.,
Prime Minister of Canada,
Ottawa.
My dear Prime Minister:

Thank you so much for your letter about the Constitutional Conference, which I acknowledge in the Premier's absence.

My Colleagues and I would be delighted to have one or two of your representatives come to St. John's for a preliminary exchange of views on the Conference. I would hope that they could meet with the Premier, and also I think they should get in touch with my Colleague the Minister of Justice, the Hon. T. A. Hickman, and with the Premier's Parliamentary Assistant, Edward Roberts.

Sincerely yours,
L. R. Curtis,
Acting Premier.

December 28, 1967

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of February 1 for such a meeting, if this is convenient to you.

Yours sincerely,
Original signed
by
L. B. Pearson

The Honourable J. R. Smallwood,
Premier of Newfoundland,
St. John's, Newfoundland.

CHARLOTTETOWN PEI JAN 5/67
RT HON LESTER B PEARSON
PRIME MINISTER OF CANADA
OTTAWA

RE YOUR LETTER DECEMBER TWENTY EIGHTS XXX EIGHTH—CONSTITUTIONAL CONFERENCE. I HAVE RECENTLY ARRANGED WITH DR MARK MCGUIGAN A MEETING OF PROVINCIAL OFFICIALS TO CONSIDER ASPECTS OF THE CONFERENCE IN CHARLOTTETOWN ON THURSDAY JANUARY ELEVENTH

SHOULD IT NOT BE POSSIBLE FOR YOUR OFFICIALS TO MEET WITH US ON THAT DAY, PERHAPS A TELEPHONE CONVXXX CONFERENCE CAN BE ARRANGED FOR THE SAME DAY. ASSUMING YOUR OFFICIALS ARE UNABLE TO BE HERE ON THE ELEVENTH I WOULD SUGGEST THAT WE CALL YOUR OFFICIALS AT THREE PM AST. YOU MIGHT PROVIDE NAME AND TELEPHONE NUMBER

SINCERELY
ALEXANDER B CAMPBELL
PREMIER PRINCE EDWARD ISLAND

December 28, 1967

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of January 31 for such a meeting, if this is convenient to you.

Yours sincerely,
Original signed
by
L. B. Pearson

The Honourable Alexander Campbell,
Premier of Prince Edward Island,
Charlottetown, Prince Edward Island.

NOVA SCOTIA
THE PREMIER HALIFAX

January 4, 1968

Rt. Hon. Lester B. Pearson
Prime Minister of Canada
Ottawa, Canada
Dear Mr. Prime Minister:

This will acknowledge your letter of December 28th indicating that some of your representatives were to meet some of our officials, with other Ministers and with me, on January 30th with reference to the Constitutional Conference of early February. I am sure your representatives will be welcome on that date. Perhaps they would not mind arranging directly with Mr. Innis G. MacLeod, Deputy Minister, Executive Council, the times to meet the various officials, Ministers, and me.

Sincerely yours,
G. I. Smith

December 28, 1967.

My Dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of January 30 for such a meeting, if this is convenient to you.

Yours sincerely,

Original signed
by
L. B. Pearson

The Honourable G. I. Smith,
Premier of Nova Scotia,
Halifax, Nova Scotia.

[*Translation*]

December 28, 1967.

My dear Premier:

Our preparations for the Constitutional Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of January 29 for such a meeting, if this is convenient to you.

Yours sincerely,
(Signed) L. B. Pearson

The Honourable Louis J. Robichaud,
Premier of New Brunswick,
Legislative Buildings,
Fredericton, N.B.

[*Translation*]

December 28, 1967.

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the dates of January 24, 25 and 26 for such a meeting, if this is convenient to you.

Yours sincerely,
(Signed) L. B. Pearson

The Honourable Daniel Johnson,
Premier of Quebec,
Government House,
Quebec, Que.

[*English*]

December 28, 1967.

My dear Prime Minister:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the dates of January 24, 25 and 26, for such a meeting, if this is convenient to you.

Yours sincerely,

Original signed

by

L. B. Pearson

The Honourable John P. Robarts, Q.C.,
Prime Minister of Ontario,
Toronto, Ontario.

Manitoba

OFFICE OF THE PREMIER

Winnipeg

January 4, 1968.

My dear Prime Minister:

I have your letter dated December 28th and the telegram of the following day from the Cabinet Office in regard to preparations for the constitutional conference whose opening I now note is suggested take place on February 12th.

The week beginning February 12th will be convenient to my colleagues and to me, and we shall look forward to receiving further details of the conference in due course.

So far as the visit to Winnipeg of one of your colleagues is concerned, I would say that January 23rd, the date mentioned in your letter of December 28th, would be convenient, but that January 20th, which was suggested this week by the Privy Council Office, would not be so since I have an engagement in the country to open a bonspiel on that Saturday.

Yours sincerely,

Walter Weir.

The Rt. Honourable Lester B. Pearson, P.C., M.P.,
Prime Minister of Canada,
East Block,
Ottawa 4, Ontario.

December 28, 1967.

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of Januar 23 for such a meeting, if this is convenient to you.

Yours sincerely,

Original signed

by

L. B. Pearson

The Honourable W. Weir,
Premier of Manitoba,
Winnipeg, Manitoba.

December 28, 1967.

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you

may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of January 22 for such a meeting, if this is convenient to you.

Yours sincerely,

Original signed
by
L. B. Pearson

The Honourable W. Ross Thatcher,
Premier of Saskatchewan,
Regina, Saskatchewan.

December 28, 1967.

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of January 18 for such a meeting, if this is convenient to you.

Yours sincerely,

Original signed
by
L. B. Pearson

The Honourable E. C. Manning,
Premier of Alberta,
Edmonton, Alberta.

December 28, 1967.

My dear Premier:

Our preparations for the Constitutional Conference of early February are now in progress and I hope to be in a position to send you some background papers in the near future.

I believe that it would be very worthwhile if one or two of my representatives were to meet with you in your Capital during the month of January for a preliminary exchange of views, and to note any suggestions you may wish to offer concerning the matters on the agenda of the conference, or its procedure. In addition to other talks they may have with your officials, and other Ministers if you so wish, I think it would be very helpful if they could also meet with you personally.

I would suggest the date of January 19 for such a meeting, if this is convenient to you.

Yours sincerely,

Original signed
by
L. B. Pearson

The Honourable W.A.C. Bennett,
Premier of British Columbia,
Victoria, British Columbia.

PREMIER'S OFFICE
Province of Prince Edward Island

December 20th, 1967

Rt. Hon. Lester B. Pearson, P.C., M.P.,
Prime Minister of Canada,
Ottawa, Canada.

My dear Prime Minister:

Thank you very much for your letter of December 1st in which you have outlined in general terms your proposals for a Federal-Provincial Conference to consider the possibility of establishing a Constitutional Bill of Rights for Canada.

I wish to confirm that the date of February 5th is satisfactory to me, and that a delegation from the Province of Prince Edward Island will be present for the Conference.

I have no definite views with respect to the sessions being open to the public and the press. Closed sessions usually tend to be good working sessions.

Yours sincerely,

Alexander B. Campbell,
Premier,
Prince Edward Island

Nova Scotia
THE PREMIER
Halifax

December 7, 1967

CONFIDENTIAL

Dear Mr. Prime Minister:

This will acknowledge yours of December 1st with reference to a Federal-Provincial Conference to consider establishing a constitutional Bill of Rights. I would be prepared to attend on Monday, February 5th, and to continue on the following day, and as required further.

It seems to me that there are really two problems which tend to make many millions of Canadians very unhappy.

One, of course, is that of language and culture.

The other question is that of disparity in regional development. If we are going to tackle one we should at the same time and with the same degree of anxiety tackle the other. It therefore seems to me that it would be appropriate to place on the agenda of the proposed meeting the whole question of regional disparity.

Sincerely yours,
G. I. Smith

Rt. Hon. Lester B. Pearson
Prime Minister of Canada
Parliament Buildings
Ottawa, Canada

ONTARIO

OFFICE OF THE PRIME MINISTER AND PRESIDENT OF THE COUNCIL

Toronto, Ontario, December 6, 1967

Confidential

My dear Prime Minister;

Monday, February 5th, is agreeable to Ontario as the day on which the Federal-Provincial Conference might be convened next year to deal with various constitutional matters. We will also be ready to discuss the Report of the Royal Commission on Bilingualism and Biculturalism.

In regard to making some of the sessions public, I think that this should be given a great deal of careful consideration. Certainly in the context of bringing our people to realize the gravity of our discussions and perhaps the divergence of points of view, some public sessions would seem to be indicated. On the other hand, we must never lose sight of the fact that the decision making process is not helped or made easier when carried on in the white glare of publicity. I have always been of the opinion that there is a happy medium to be followed.

My suggestion would be that we give some consideration to dealing with some general subjects in the early stages of the Conference, where points of view might be put, with the latter part of the Conference held in camera. This could be done quite easily by a close examination of the agenda and by its proper arrangement to meet these requirements.

I would be happy to discuss this with you when we next meet.

Yours sincerely,
John P. Robarts

Right Honourable L. B. Pearson,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Canada.

Manitoba
OFFICE OF THE PREMIER
Winnipeg 1

December 8, 1967.

My dear Prime Minister:

Thank you for your letter of the 1st and particularly for your kind good wishes on my taking office as Premier of Manitoba and leader of the Manitoba Progressive Conservative Party.

I have consulted my Cabinet colleagues and can inform you that the suggested dates for the federal-provincial conference beginning Monday, February 5, 1968, are satisfactory to the Manitoba government. I have noted what you say regarding the agenda of the conference and will certainly write to you in due course to suggest any related matters which might be added to it.

In view of the experience gained at the Confederation of Tomorrow Conference in Toronto last week, you might consider having the opening meeting of the federal-provincial conference in February open to the public and to the news media including television. In this way the position papers set forth by the representatives of the Government of Canada and of the various provinces would be made known to the widest possible public. Whether

or not at a later meeting there should be public access to our deliberations might perhaps be settled by the conference itself.

With kind regards,

Yours sincerely,
Walter Weir.

The Rt. Hon. Lester B. Pearson, P.C., M. P.,
Prime Minister of Canada,
East Block,
Ottawa 4, Ontario.

Saskatchewan
OFFICE OF THE PREMIER

December 19, 1967

The Right Honourable L. B. Pearson
Prime Minister of Canada
Ottawa, Canada

My dear Prime Minister:

Your suggested date of February 5th for the Federal-Provincial Conference to consider the possibility of establishing a constitutional Bill of Rights for Canada is suitable. I would hope that the discussion would conclude on the following day.

I agree that matters which you mention for discussion are related to the question of a constitutional Bill of Rights.

I believe that the conference should be closed for obvious reasons. However, I suggest that the opening session when the participants make their opening formal statements could be open to the public. Also, you might wish to arrange for a press conference immediately after the conference.

Yours sincerely,

W. Ross Thatcher
Premier

FD EDMONTON ALTA 6 1130 AMST

RT HON L B PEARSON PRIME MINISTER OF CANADA
OTTAWA ONT

REUR LETTER OF DECEMBER FIRST THE DATE OF FEBRUARY FIFTH IS SATISFACTORY FOR US FOR THE FEDERAL PROVINCIAL CONFERENCE ON THE POSSIBILITY OF ESTABLISHING A CONSTITUTIONAL BILL OF RIGHTS FOR CANADA

E C MANNING PREMIER OF ALBERTA

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RT HON L B PEARSON PC OBE

PRIME MINISTER OF CANADA
OTTAWA CANADA

IN ANSWER TO YOUR LETTER OF DECEMBER FIRST AGREE WITH DATE FEBRUARY FIFTH FOR CONFERENCE BUT I WILL HAVE TO LEAVE ON THE AFTERNOON OF THE SIXTH AS IT IS PLANNED TO BRING DOWN THE BRITISH COLUMBIA BUDGET ON THE NINTH, AND AS YOU ARE AWARE I AM ALSO THE MINISTER OF FINANCE. REGARDS

W A C BENNETT PRIME MINISTER
BRITISH COLUMBA

Similar letter also sent to the Premiers of British Columbia, Saskatchewan, Ontario, Nova Scotia, Prince Edward Island and Newfoundland in English and to Quebec and New Brunswick in French.

CONFIDENTIAL

Ottawa, December 1, 1967.

My dear Premier:

You will recall that I wrote you on August 15th proposing that a Federal-Provincial Conference be convened early next year to consider the possibility of establishing a constitutional Bill of Rights for Canada. All provinces have now responded and expressed general willingness to participate. It would be helpful for planning purposes if we could now agree on a possible date for our meeting.

I should like to suggest that the Conference might begin on Monday, February 5, with the intention of continuing the discussion on the following day and, if need be, on Wednesday. I would appreciate if you could let me know as soon as possible whether this suggested date is suitable to you.

In so far as the agenda of the Conference is concerned, our intention, as you know, is to focus discussion on a constitutional Bill of Rights. Since our original proposal, we have received the Report of the Royal Commission on Bilingualism and Biculturalism which will be made public next week, a copy of which will be sent to you. I think we should provide some time for a discussion of the Report and its recommendations. In addition, the Provincial Governments have also now had an opportunity to have some discussions between

themselves which bear on both of the matters suggested above for the agenda. It may well be that you would also wish to suggest other related matters which might be added to the agenda.

I would also appreciate your views as to whether or not some of the sessions should be made public, bearing in mind of course that our discussions may eventually lead to decisions by both levels of government.

Yours sincerely,
Original signed
by
L. B. Pearson

The Honourable E. C. Manning,
Premier of Alberta,
Edmonton, Alberta.

[*Translation*]

Similar letter also sent to the Premiers of British Columbia, Saskatchewan, Ontario, Nova Scotia, Prince Edward Island and Newfoundland in English and to Quebec and New Brunswick in French.

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Yours sincerely,
(signed) L. B. Pearson

The Honourable Louis J. Robichaud,
Premier of New Brunswick,
Legislative Buildings,
Fredericton, New Brunswick.

[*English*]

This letter sent to Premier of Manitoba only.

Confidential

Ottawa, December 1, 1967

My dear Premier:

Before touching upon the subject matter of this letter, may I express to you my very best wishes on having been chosen by your party as its leader.

As you may know, on August 15th I wrote to your predecessor in office proposing that a Federal-Provincial Conference be convened early next year to consider the possibility of establishing a constitutional Bill of Rights for Canada. All provinces have now responded and expressed general willingness to participate. It would be helpful for planning purposes if we could now agree on a possible date for our meeting.

I should like to suggest that the Conference might begin on Monday, February 5th, with the intention of continuing the discussion on the following day, and if need be, on Wednesday. I would appreciate if you could let me know as soon as possible whether this suggested date is suitable to you.

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I would also appreciate your views as to whether or not some of the sessions should be made public, bearing in mind of course that our discussions may eventually lead to decisions by both levels of government.

Yours sincerely,

Original signed
by
L. B. Pearson

The Honourable W. Weir,
Premier of Manitoba,
Legislative Buildings,
Winnipeg, Manitoba.

HOUSE OF COMMONS

Friday, January 26, 1968

The house met at 11 a.m.

TRANSPORTATION

ATLANTIC PROVINCES—STUDY OF PROBLEMS BY STANDING COMMITTEE

On the order: Government Notice of Motion:

January 24, 1968—The Minister of Industry (for the Minister of Finance)—That the standing committee on transport and communications be empowered to consider and report upon all aspects of transportation as they relate to the Atlantic provinces, taking account of the conclusions and recommendations of the Atlantic provinces transportation study, January, 1967, volumes 1 to 12, prepared by the Economist Intelligence Unit Limited, and the report of the royal commission on transportation, 1961, volumes 1 and 2, and recommend what measures should be initiated in order that the national transportation policy may be as fully implemented as possible in the Atlantic provinces.

That the said committee shall examine, in particular, the effectiveness of the Maritime Freight Rates Act with power to study and make recommendations concerning:

(a) changes or alterations which may now be desirable in the Maritime Freight Rates Act; and

(b) alternative methods of assisting transportation in the Atlantic provinces either in addition to the Maritime Freight Rates Act or in substitution therefor in whole or in part with the purpose that maximum benefits be obtained by the Atlantic provinces from he expenditure being made.

That for the purposes of this inquiry, the said committee shall be empowered to adjourn from place to place within Canada; that the clerk and necessary supporting staff be authorized to accompany said committee, and that the committee be authorized to engage the services of counsel, accountants, etc.

Mr. Speaker: Pursuant to section 2 of standing order 21 this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

UNITED NATIONS

NORTH KOREA—REFERENCE TO SECURITY COUNCIL—REQUEST FOR STATEMENT ON CANADA'S POSITION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Acting Prime Minister. In view of the serious situation developing between the United States and North Korea will the government make a full statement on that matter, preferably on Monday so that parliament and the people of Canada will know the facts and, in particular, what Canada's position is and will be?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I thank my hon. friend for the helpful way in which he has phrased his question. The Security Council will be called into urgent session this afternoon at the initiative of the ambassador of the United States to the United Nations. I think that this is a situation where prudence and cool heads will be required.

The Security Council has an obligation in matters that threaten the peace or where there is a violation of the peace. The fact that one of the major powers in the world, the United States, should seek the assistance of the United Nations in overcoming this difficult problem by diplomacy is something I am sure to be welcomed by the Security Council as well as by all of us. Our ambassador has been instructed to use his influence and his presence on the council to see that diplomatic methods are resorted to in trying to meet this difficult and tense situation.

It might be useful for the Security Council to consider a parallel situation when the former secretary general, Dag Hammarskjold, suggested that someone representing him might be sent to China to deal with the situation and to avoid the use of any but peaceful means. It may be that in this situation the Security Council will want to give consideration to the dispatch of someone representing the Secretary General.

I assure my hon. friend that the Canadian government is following the matter very closely. I hope to be seeing the United States ambassador right after orders of the day. I assure my hon. friend and the house that the government is fully conscious of the situation and is following it very carefully.

Hon. E. D. Fulton (Kamloops): On a point of order, Mr. Speaker, while I know the house welcomes the fact that it is being given information, the request from our house leader was that the minister might make a full

statement on Monday, of course on motions. The minister has complied with the request now, but we are on the orders of the day.

The matter is sufficiently serious, and the interest and responsibility of members is sufficiently grave that, in view of the course followed by the minister, I should like to suggest that we might now revert to motions. He could complete his statement on motions and then there could be comments from representatives of the other parties in the house.

Mr. Martin (Essex East): Mr. Speaker, I appreciate what my hon. friend has said. I do not have anything further to add at this time. After the meeting of the Security Council today it might be that we could revert to motions; if not, I would follow the suggestion that I make a more complete statement on Monday.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask a supplementary question. In view of the fact that the Security Council is meeting today I think it is incumbent upon the government to give us some information at this time concerning what position the Canadian representatives at the United Nations will be taking in respect of the *Pueblo* incident. I should like to ask the Acting Prime Minister whether Canada will be taking the position that this seizure of a United States ship by the North Korean naval forces constitutes an isolated alleged violation of the freedom of the seas or whether the Canadian government takes the position that this action is a violation of the Korean armistice agreement signed in 1953 and therefore constitutes, in the terms of that agreement, a renewal of the armed attack and challenges the principles of the United Nations. It would seem to be important that Canada's position in this regard be made clear at once.

Mr. Martin (Essex East): Mr. Speaker, I think my hon. friend will agree that this is a situation in respect of which we ought to be careful about the judgments we make. There is the position put forward by the United States, as I said the day before yesterday, that the ship was not plying in the territorial seas of North Korea. This is a matter of fact which undoubtedly will be discussed in the United Nations Security Council. There have been some allegations of violations on the other side. I do not wish to prejudge these. Until there has been the fullest examination I think it would be wise to suspend judgment.

[Mr. Fulton.]

It is this kind of situation I had in mind when I observed that it might be desirable at some point for a representative of the Secretary General himself to go to the area. Then we would have to see what developments follow.

Mr. Douglas: May I ask a further supplementary question, Mr. Speaker. I was not asking the minister to make a judgment concerning whether or not there had been a violation of freedom of the seas. I was asking whether or not the Canadian government considers this to be a separate act in dispute between the United States government and North Korea, or whether he considers it to be a violation of the Korean armistice of 1953 and therefore that Canada would have a responsibility to deal with any violation of that agreement.

Mr. Martin (Essex East): Mr. Speaker, as I said the other day this seems to be a matter which does not involve the United Nations directly, or Canada as a component of the United Nations force. The ship in question was not, I believe, under the command of the United Nations in Korea. However, this will be a question that the other side will dispute and it is a matter which will have to be examined. I did refer to the allegation of certain other violations. These too may come within the purport of the agreement, not the agreement of 1957 but that of July 27, 1953.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, as a supplementary question, may I ask the Secretary of State for External Affairs whether he is casting a doubt on the statement of the United States government that the ship was in international and not in North Korean waters.

Mr. Martin (Essex East): I do not think I have said anything that would in any way cast doubt on the position taken by the United States.

Mr. Churchill: I understood the minister to say there was an allegation by the United States. Is there not anything more positive than that?

Mr. Martin (Essex East): I said there was an allegation that the *Pueblo* was plying in the territorial sea off North Korea. I did not say we agreed with that, but I said that was the allegation made. This undoubtedly will be one of the facts to be examined by the Security Council. I want to clearly indicate, and I am sure my hon. friend in this matter, so

important as it is to the peace, will not want to add to the difficulty, that we have not in any way indicated that the position taken by the United States is not one that can be substantiated.

Mr. Churchill: I rise on a question of privilege, Mr. Speaker. Every time a question is asked here that disturbs the minister for external affairs he suggests the person asking the question is not in favour of peace. I reject that allegation.

Some hon. Members: Hear, hear.

Mr. Churchill: This is not the first time I have heard this from the minister. I will stand with anybody on my record here in respect of maintaining peace in the world. We are entitled to ask questions and entitled to get clear statements from the minister. He has suggested to us that there is some doubt as to whether the statement of the United States government is clear.

Mr. Speaker: Order, please.

Mr. Churchill: Then he attempts to accuse me of falsifying the issue.

Mr. Speaker: Order, please.

Mr. Starr: I have a further supplementary question.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to ask the Acting Prime Minister, in view of the complex issues and the fact that perhaps international laws are involved in an incident of this sort, whether our representative at the Security Council will suggest that, in addition perhaps to other interim actions, the complex issues be referred either to the world court or some other international tribunal which could take a judicial approach to this matter?

Mr. Martin (Essex East): Mr. Speaker, I do not preclude any possible action, but it may be that this situation is so important, requiring immediate attention, that action by the world court would not be helpful. I am not saying that this is the case.

Let me assure my friend, the hon. member for Winnipeg South Centre (Mr. Churchill), that he has misunderstood me in this instance. I was not making any suggestion about his concern; I was simply trying as carefully as I could in the face of this situation not to complicate a matter that now will be considered by the Security Council, in the hope that a pacific means will be used to resolve a problem that is of great danger.

Mr. Starr: Mr. Speaker, my purpose in asking the first question in a responsible way was in the hope that we would get a concise statement on Monday relevant to all the facts of the situation, and particularly in relation to what Canada's position will be. I hope the minister meant by all his words that he will make such a statement on Monday.

Mr. Martin (Essex East): Yes, Mr. Speaker; my hon. friend may be sure of that.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, like the hon. member for Ontario, I intended to refrain from asking questions until Monday with the hope that the minister might make a complete statement. In view of the number of questions that have been asked this morning can the minister now tell us whether the government of Canada has been informed by the government of the United States as to the location of the *Pueblo* when it was seized and, if so, does the government of Canada accept this statement or information from the United States?

Mr. Martin (Essex East): Yes, Mr. Speaker, the Canadian government is aware of the position taken by the United States, and I would have no reason to take issue with the United States statement.

Mr. Fulton: What about the position of the ship?

HARBOURS

VANCOUVER—TRANSPORTATION FACILITIES CROSSING BURRARD INLET

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is directed to the Minister of Transport who reports to the house on behalf of harbour commissioners. In view of its urgency and importance to the city of Vancouver, north Vancouver and west Vancouver, will the minister advise us when we can expect a report on the engineering studies and a departmental decision on the construction of a tunnel or bridge relative to the new public transportation crossing over Burrard inlet between Vancouver and the north shore? The government has agreed to accept certain responsibility in respect of this most important matter.

Hon. Paul Hellyer (Minister of Transport): Very soon, I hope, Mr. Speaker.

Inquiries of the Ministry

Mr. Winch: Mr. Speaker, may I ask what very soon means?

Mr. Starr: In due course.

Mr. Hellyer: Within a matter of days.

Mr. Starr: How many days?

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wanted to put a question to the Minister of Industry and Minister of Defence Production, but he just left the house for a short time; I will wait until he returns to put my question.

[*English*]

CANADIAN CONSTITUTION

ADJOURNMENT TO PERMIT ATTENDANCE OF MEMBERS OF PARLIAMENT AND OTHERS AS OBSERVERS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the firm date that has now been announced for the federation conference, together with the publication of the proposed agenda, I ask the Acting Prime Minister whether the government is considering making arrangements, or discussing with the other parties in the house the possibility of adjourning the house so that members of parliament might participate as observers in this very important conference.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, with regard to the question of adjournment, I am not in a position to say anything definite. I think I did say to the hon. member for Ontario today that the question of observer status mentioned earlier by the Prime Minister was a matter in respect of which he will be giving a definite reply when he returns, which I hope now will be on Monday.

Mr. L. R. Sherman (Winnipeg South): A supplementary question, Mr. Speaker. Can the Acting Prime Minister say whether the portion of the conference which will deal with regional economic disparities will be open to public view and public study?

Mr. Martin (Essex East): I cannot reply to that question at the moment, Mr. Speaker.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. In view of the Prime Minister's assurance on December 18 last that when matters of direct importance to Canadians living above the 60th parallel who do not live in the provinces are before the conference, they will, in the Prime Minister's words, be directly represented there, I wonder whether the Acting Prime Minister can give us his assurance that members of the councils of both territories will be invited to attend these sessions as observers.

Mr. Martin (Essex East): I would like to take notice of that question, Mr. Speaker.

FINANCE

BANK OF CANADA—STATEMENT ON SECONDARY RESERVES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Would the minister consider making on Monday a statement outlining the actions of the Bank of Canada in setting the secondary reserves provided for under the Bank Act?

Hon. Mitchell Sharp (Minister of Finance): Yes, Mr. Speaker, I will take that request under consideration.

CUT-BACK IN FEDERAL CONTRIBUTION TO COST-SHARING AGREEMENTS

On the orders of the day:

Hon. Hugh John Flemming (Victoria-Carleton): My question is for the Minister of Finance. Would the minister advise the house whether a part of the present financial austerity program is a request to the provinces to cut back or even to eliminate certain joint federal provincial programs, particularly those of a flexible nature.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the hon. member for Brandon-Souris asked a similar question yesterday and I categorized it as being rather mysterious. I would much prefer to answer a specific question about some specific program. We have so many shared cost programs.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker, in this regard. When the hon. member for Wellington South asked a question about a specific program, the question was disallowed.

Hon. Gordon Churchill (Winnipeg South Centre): I have a further supplementary question, Mr. Speaker. May I ask the Minister

of Finance to be less mysterious with regard to this matter. The question asked by the hon. member for Brandon-Souris yesterday and the one asked today have not been answered. Have any of the cost-sharing programs with the provinces been reduced by the federal government suggesting to the provinces that the federal contribution will not be proceeded with this year?

Mr. Sharp: I think this is the kind of question which should be placed on the order paper. It will take a good deal of research to answer it. But if there is some specific matter in which the opposition is interested, I will be only too happy to find answers. Their questions reflect a sort of general approach which they hope will turn up something of interest.

RESEARCH

BRITISH COLUMBIA—CONSTRUCTION OF QUEEN ELIZABETH II TELESCOPE

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources and notice has already been given. Is it the intention of the government to scrap the plans to build the Queen Elizabeth II telescope on Mount Kobau in the Okanagan-Similkameen area of British Columbia?

Mr. Speaker: Order, please. I believe that this question should be placed on the order paper.

Mr. Pugh: With respect, Mr. Speaker, I would point out that there was a news item yesterday which suggested this, and I have received many, many requests from British Columbia for information on this matter. I have taken the matter up with the minister and he asked that the question be put today. I think he has an answer.

Mr. Speaker: Order, please. I suppose I should join in the conspiracy—

Some hon. Members: Oh, oh.

Mr. Speaker: —and allow the answer.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, there is no such intention, but in view of the need for budgetary cuts, and after careful study, we have decided that the program of design of the Queen Elizabeth II telescope and the buildings associated with it could be slowed down for this year without serious consequences to the program as a whole. About $500,000 was retained in my department's budget for the fiscal year 1968-69 in order to proceed with the design and planning for construction.

In the meantime I have proposed that a small working committee of senior scientists be convened by the science secretariat to look into the whole subject of government support of astronomical research in Canada and to make recommendations on the development of the Queen Elizabeth II telescope in that context.

Mr. G. L. Chatterton (Esquimalt-Saanich): I have a supplementary question, Mr. Speaker. Can the minister assure us that the slowdown will not result in the loss of the highly qualified personnel required for this work?

Mr. Pepin: We hope that by having only a slowdown we will be able to keep the very competent personnel associated with this program.

THE CANADIAN ECONOMY

HEATING OIL AND GASOLINE—REPORTED PRICE INCREASES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Finance a question. In view of the press reports that the prices of gasoline and domestic heating oil have been raised in western Canada and the oil companies are considering also raising prices in eastern Canada, would the minister inform the house whether either his department or, to his knowledge, the Department of Consumer and Corporate Affairs is investigating these price increases or proposed price increases in view of the guide lines which the minister issued to industry, labour and others to hold the prices down?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have asked my officials to inquire into the reasons for these price increases.

Mr. Lewis: I have a supplementary question, Mr. Speaker. If I understood the minister correctly, he said he asked his officials to look into the matter. Am I correct in assuming that there is no report on it yet?

Mr. Sharp: No, Mr. Speaker, I only read the reports recently and that is why I asked my officials to inquire into them immediately.

Inquiries of the Ministry

REQUEST FOR REACTIVATION OF COMMITTEE TO STUDY COST OF LIVING

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the minister responsible for corporate and consumer affairs. In his absence may I direct it to his parliamentary secretary? In view of increasing prices can the minister say whether he intends to reactivate the committee which last year inquired into the cost of living in Canada? If so, when will it resume its hearings?

[*Translation*]

Mr. Ovide Laflamme (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I will take this question as notice and give an answer later.

[*English*]

AGRICULTURE

BEEF—IMPORTS IN LIGHT OF FALLING PRICES

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I have a question for the Minister of Agriculture but in his absence I am sure the Acting Prime Minister will be pleased to accept it. In view of the present decline in the prices of pork and beef paid to the producers, could the minister explain why the government is considering the importation of frozen beef from Argentina?

Mr. Speaker: The question as asked is not in order.

IMMIGRATION

POSSIBLE DEPORTATION OF ALLEGED PARTICIPANT IN UNITED KINGDOM TRAIN ROBBERY

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a question for the Minister of Justice, but in his absence perhaps the Solicitor General would deal with it. It relates to the reported arrest of Mr. Wilson, or Mr. Alloway, who is alleged to have taken part in a train robbery in the United Kingdom. I should like to ask the minister whether a request has been made by the United Kingdom authorities for the extradition of this man, or is the situation at present confined to the immigration hearing in relation to his possible deportation?

Hon. J. R. Nicholson (Acting Minister of Manpower and Immigration): Mr. Speaker, with the concurrence of the Solicitor General I will try to deal with the question in my capacity as acting Minister of Manpower and Immigration. An inquiry is being held today into the circumstances under which Wilson, the mail-train robber, entered Canada under a different name. Until the inquiry has been completed I think it is desirable that we refrain from further observations. Whether extradition proceedings become necessary will, of course, depend on the outcome of inquiries being conducted by immigration officials.

Mr. Fulton: My question was whether extradition proceedings had yet been instigated. I take it, from the minister's answer, that they have not been.

Mr. Nicholson: That is my understanding.

THE LATE DR. LEOPOLD INFELD—CITIZENSHIP STATUS OF CHILDREN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I do not know whether the dry run is over but may I direct a question to the Secretary of State. Have the children of the late Dr. Leopold Infeld been told that they can resume their Canadian citizenship, which they lost when their father's citizenship was revoked? Will others in similar circumstances be accorded a similar privilege?

Hon. Judy V. LaMarsh (Secretary of State): No doubt my hon. friend is speaking of what has appeared in certain newspaper and television reports. He has not put the matter correctly. They have not been informed that citizenship is available to them as of right. Under the current law they must prepare a declaration of intention and a declaration of request which the minister in charge of citizenship—I am that minister at the moment —has to consider. What is in course of preparation is a letter to these young people advising them that if they are prepared to file such declaration of intent, and to take up residence and make this their home, then I am prepared to favourably consider their application for reinstatement of citizenship.

Mr. Brewin: A supplementary question, Mr. Speaker. Could the minister deal with the second part of the question and say whether there are others, also children of people, whose citizenship was taken away and who will receive similar notification?

Miss LaMarsh: Mr. Speaker, I must say that this depends on the circumstances. I do

not think that Canadian citizenship is a matter to be handed out lightly. I also do not think that the sins of the fathers must necessarily be visited upon their children. If there are such similar cases, then I am prepared, and I think the people of Canada would be prepared, to return citizenship where it has been lost not as the result of the children's fault. I would be prepared to look at the circumstances of any case where it has been lost.

SHIPPING

FLOODING FROM EXTENSIVE ICEBREAKING OPERATIONS IN ST. LAWRENCE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): My question is for the Minister of Transport. Can the minister answer the question that I asked him on Wednesday, particularly since grave concern has been expressed by those who live in regions near the St. Lawrence, as evidenced by this morning's newspapers? My question to the minister was whether he would investigate complaints to the effect that this year the excessive icebreaking may in itself cause extra flooding in the spring?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I asked for a complete report from my officials about the matter and I hope to have it some time over the week end. This year conditions on the St. Lawrence are described as unusual, and in view of that I have asked for a full technical report to cover all aspects of the situation, so that complete information is available for hon. members and others who are interested.

Mr. Robert McCleave (Halifax): My question is supplementary to the one asked by the hon. member for Saint John-Albert. Would the minister in his study also consider compensation to be paid for those home owners whose homes have been damaged as a result of icebreaking operations in the St. Lawrence river?

Mr. Hellyer: Without prejudice to the situation we will, of course, look into all aspects of the matter.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question.

Could the Minister of Transport tell us whether the report he requested from his department will include the first days of the cold season? Could he also tell us whether he intends to make a statement in the house next Monday, on motions, concerning this report?

[*English*]

Mr. Hellyer: Mr. Speaker, it will cover all aspects, including the one that has just been mentioned by my hon. friend. Whether a statement will be ready by Monday I cannot say until I have the report. Nevertheless, I shall consider the advisability of making a statement.

SYDNEY, N.S.—REPLY BY MINISTER CONCERNING PILOTAGE STATION

On the orders of the day:

Hon. Paul Hellyer (Minister of Transport): Perhaps I might answer a question asked by the hon. member for Cape Breton North and Victoria (Mr. Muir). He asked, first, whether the department intends to remove the pilotage station from North Sydney—in other words to change the base. At present the eight pilots are divided into two four-man watches who man the station 24 hours a day, week on and week off. There is living accommodation for them on the station and the pilot boat is based there. Their dispatch instructions come from the pilotage office in Sydney.

Modern methods of communication make it possible for ships to advise the pilotage office of their expected time of arrival well in advance of the time when a pilot is needed and, consequently, it is no longer necessary to maintain a visual lookout at pilot stations. We have therefore closed many of the stations that previously provided living accommodation, and pilots are now dispatched directly from their homes. This system is to be implemented in Sydney within the next few months. The base of operation for the pilot boat will continue to be North Sydney, and pilots will be transported to and from their assignments on the boat operating from its present location.

The hon. member has also asked whether the department intends to remove the services of pilots from Sydney harbour. The department recognizes the continuing need for a pilotage service in Sydney harbour and there is no intention of doing away with this service.

Inquiries of the Ministry

HEALTH AND WELFARE

COURT RULING TRACING LUNG CANCER TO CIGARETTE SMOKING

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I had intended directing my question to the Minister of Justice or the Minister of National Health and Welfare. In their absence possibly someone on the government side might take it as notice. My question is as to whether the ministers are aware of the significant United States appeal court ruling yesterday in which a cigarette company is held liable for the lung cancer death of a cigarette smoker? Further, would the departments concerned in this matter keep an eye on the situation?

Mr. Speaker: Order, please. The hon. member has made his representation to the government. I do not think the question can be accepted at this time.

PUBLIC WORKS

SPRINGHILL, N.S.—REPAIRS TO FENCE

On the orders of the day:

Mr. Robert C. Coates (Cumberland): My question is for the Minister of Public Works. Since the minister informed me in a written reply on June 12 that the repairs to a fence around the medium security penal institution in Springhill would cost $7,950, would he explain to the house how those same repairs could now cost $96,000, as he announced today? Even with the degree of inflation that is in evidence today, this amount appears to be excessive.

Mr. Speaker: Order, please. This is an argumentative question and cannot be asked in its present form.

VANCOUVER—CONSTRUCTION OF FEDERAL BUILDING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is directed to the Minister of Public Works. In view of the presently heavy and potentially increasing unemployment of construction workers in British Columbia due in part to the phasing out of major power and pulp mill projects, will the minister give serious consideration to advancing the date for the commencement of the construction of a three phase project in connection with the new federal building concept in Vancouver?

[Mr. Hellyer.]

Mr. Speaker: Order, please. I doubt whether this question, though important, can be asked at this time. If the hon. member considers there is urgency in the matter he might give notice of consideration at the time of adjournment.

Mr. Winch: I do so now, Mr. Speaker.

NORTHERN AFFAIRS

ROADS TO RESOURCES—INQUIRY AS TO SUBSTITUTE PROGRAM

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is perhaps supplementary to the one asked earlier today by the hon. member for Victoria-Carleton, and it is directed to the Minister of Finance. On October 31 last, motivated by a government announcement that the roads to resources program was to be discontinued, I asked the Prime Minister whether the government would consider instituting a similar program. The Prime Minister said that the government is considering the provision of assistance to the provinces—

Mr. Speaker: The hon. member should ask his question and not go through the entire history of the matter.

Mr. Simpson: With respect, Mr. Speaker, I intend to point out that the Prime Minister announced that the government was considering a similar program when economic conditions make it desirable to do so. My question to the minister is whether the government feels that economic conditions for that program are now desirable, or when does the government feel they may become desirable?

Mr. Speaker: Order, please. I have doubts about that question. I do not think it is acceptable.

WATER RESOURCES

PEMBINA RIVER—REPORT BY INTERNATIONAL COMMISSION

On the orders of the day:

Mr. George Muir (Lisgar): My question is for the Secretary of State for External Affairs. Could he report on Monday whether progress has been made toward ratification of the International Joint Commission report by the governments of Canada and the United States on the Pembina river project?

Hon. Paul Martin (Secretary of State for External Affairs): So far as the Canadian government is concerned, Mr. Speaker, I think I

can say that we have made some progress. I shall ascertain what is the position of the United States.

UNITED STATES SURVEY CREW IN NORTHERN ONTARIO

On the orders of the day:

Mr. Bud Germa (Sudbury): I wish to direct a question to the Minister of Energy, Mines and Resources. May I ask him whether at present any United States army or civilian water survey crew is working in northern Ontario?

Mr. Speaker: That question should be placed on the order paper.

COMPANY OF YOUNG CANADIANS

REQUEST FOR WITHDRAWAL FROM WESTERN PROVINCES

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): My question is for the Acting Prime Minister. Has the government received formal requests from any western provinces asking that the Company of Young Canadians be withdrawn from activities in those provinces?

Hon. Paul Martin (Acting Prime Minister): I am not aware that there are any formal requests, though I have seen some suggestions to that effect in the newspapers.

Mr. Johnston: Has a reported drive for charitable funds on behalf of the Company of Young Canadians, to replace the $400,000 reduction in the budget allocation, been submitted to the government for approval?

Mr. Martin (Essex East): I am not aware of that fact but I shall try to ascertain whether it is true.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert C. Coates (Cumberland): My question is to the Acting Prime Minister. Since the Acting Prime Minister and the Minister of Transport had an opportunity for a dry run at the top job, is it the intention of their party to provide equal opportunities to other aspirants for the job, prior to April 6?

Hon. Paul Martin (Acting Prime Minister): Why call it a dry run? I do not know why my hon. friend calls it a dry run.

Some hon. Members: Oh, oh.

Inquiries of the Ministry

LABOUR RELATIONS

INTERPRETATION OF PICARD REPORT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Labour and to ask him whether any clarification has been made of the interpretation of the Picard report as it affects the Montreal dock situation.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the injunction matter arising out of differences in interpretation of the report is still pending in the court of appeal of the province of Quebec. Furthermore, as I said in reply to a question put by the hon. member for Notre-Dame-de-Grâce a few days ago, the contracts, as modified by the Picard commission, have run out as of December 31. Further negotiations have commenced, however. A conciliator has been appointed to assist the parties, and the Picard report is one of the items that is being dealt with during the course of these new negotiations.

Mr. Starr: A supplementary question. Will it be fair to assume from the statement just made by the minister that the interpretation of the Picard report is not yet clarified?

Mr. Nicholson: I think that is a fair assumption, Mr. Speaker. That is one matter which will eventually be determined when the decision of the court of appeal in Quebec is handed down. I am sure that other questions requiring clarification will be dealt with when the new agreements are entered into.

KETTLE VALLEY RAILWAY—ALLEGED FAILURE IN INTERPRETATION OF AGREEMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I have a question for the Minister of Labour, Mr. Speaker. Has the minister received representations from the employees of the Kettle Valley railway stating that the Canadian Pacific Railway is not interpreting their collective agreement properly and asking for his intervention?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I will have to take that question as notice.

TRANSPORT

MURCHISON INQUIRY—DISTRIBUTION OF REPORTS OF COMMISSIONERS

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, while I am on my feet, during

my absence in the early part of the afternoon session yesterday the hon. member for Edmonton-Strathcona directed a question to the Acting Prime Minister asking why copies of the Murchison inquiry report have not been made available to members, since it has been made public.

I should make it clear, Mr. Speaker, that the Murchison inquiry took place as the result of a ministerial order made by me as Minister of Labour under section 35 of the Labour Standards Act. In accordance with the usual practice, copies of reports of such inquiry commissioners are made available to people who make representations before the commissioners but are not made available to members of parliament or others interested except on request. If the hon. member or any other hon. member of the house would like a copy of the Murchison report, I will be glad to supply one on application to me or to my office.

Mr. D. V. Pugh (Okanagan Boundary): A supplementary question, Mr. Speaker. Could many of the ministerial speeches that are sent out be dropped from members' lists, unless also requested?

Mr. Nicholson: I thought that I had had such a request from the hon. member for copies.

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the answer given to the question posed by the hon. member for Edmonton-Strathcona, has the report of the task force appointed by the Prime Minister, to which reference was made in *Hansard* on December 1, I believe it was, been completed, and is it available to members and others interested who make application for a copy?

Mr. Nicholson: Mr. Speaker, this question should really be addressed to the Prime Minister or the Acting Prime Minister, but in the interest of saving time I can say that an interim report has been submitted. While it is not usual or customary to table copies of interim reports that are submitted for the information and guidance of the government, in this particular case I believe the Prime Minister does intend to table the report. It is now being translated and will be tabled by the Prime Minister in due course.

Mr. Ballard: A further supplementary question. In view of the fact that the report of the Freedman commission is available, would the minister consider holding up the introduction of Bill No. C-186 until members have had a chance to study this report?

Mr. Nicholson: Mr. Speaker, as I have stated it is an interim report, but, as Minister of Labour I have seen and studied the report and I see no reason why consideration of Bill No. C-186 should be delayed. I am sure that hon. members will agree with that view when they have had an opportunity to peruse the interim report of the task force.

• (11:50 a.m.)

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Thursday, January 25, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order. When the committee rose last evening clause 2 (d), with an amendment moved by the hon. member for Burnaby-Richmond, was under discussion. Clause 2 (c) was allowed to stand. The committee is now considering clause 2 (d)

On clause 2—*Broadcasting policy for Canada.*

Mr. Fairweather: Mr. Chairman, I do not know whether it would be helpful, but I point out that the committee might consider the fact that we are now on the thirteenth day of our deliberations of this bill. If one adds the 12 days which the parliamentary committee on films, broadcasting and assistance to the arts took to consider the bill clause by clause, the total comes to 25 days, and as one who is deeply interested in and concerned about the efficient management of parliamentary business I feel we all have an obligation to exercise a bit of restraint and self-discipline. This is no criticism of the speeches which have been made; it relates, rather, to the way in which the debate has been developing.

I was interested to note that in the United Kingdom parliament, many of whose rules we have adopted in our own system, they were able last week to dissolve the last remnants of the British empire in the course of a debate which lasted two days and during which speeches were made by the principal people in the house including the prime minister, the chancellor of the exchequer, the leader of the opposition and the leader of the

Liberal party. In that time the British house considered the far reaching policy implications of the government decision and had a vote on the issue.

I am not suggesting for one minute, of course, that a bill as important as this one in connection with broadcasting could be given such brief treatment but I do feel, and I mean this very sincerely, that if we expect to be at all credible as an instrument for the consideration of legislation—and I think we would all subscribe to this wish—we should exercise a bit of self-restraint. Really, 13 days consideration of this bill after 12 days consideration by the parliamentary committee should lead one to anticipate more rapid progress.

Some hon. Members: Hear, hear.

Mr. Smallwood: As a member of this house I rise to say that I do not need a lecture from anybody. I am not happy about what the committee is doing and I do not think I need a lecture on how the business of the house should be carried on. I was elected by my constituents to do my duty as I see it and to speak on the activities of the C.B.C. whenever necessary. I feel I am bound to do this, and I do not appreciate lectures from anybody about what I should, or should not do.

Mr. Prittie: I would not want the committee to vote on this clause and on the amendment I moved without hearing some comment from the minister. May I summarize the arguments I presented in favour of the amendment last night? The bill provides that the publicly owned network is required to contribute to the development of national unity. I said that although I had some misgivings about the inclusion of these words at all, if they are important they ought surely to be a charge to all broadcasters both public and private. I would point out that private television and radio stations do have the right to editorialize, and I suggest that if such stations come into the hands of people who do not believe in national unity or the maintenance of Canadian confederation they could freely run all the editorials they wished denouncing confederation.

I also mentioned that there are more private radio and television stations in Canada than there are public ones and that if this aspect is important at all it should be incumbent on these people, too, to contribute to the development of national unity. If the minister does not believe that this is important, I should like to know why.

[*Translation*]

Mr. Pelletier: Mr. Chairman, on this same subject, I wonder whether the hon. member's argument cannot be turned so as to mean exactly the opposite. Like him, I have some doubts as to the advisability of including that paragraph in the bill, because its contents seems to me such a matter of course. I also share certain doubts as to the scope of the paragraph and the interpretations that can be made of it.

It is so normal to provide that a public broadcasting system will contribute to Canadian solidarity that the mere fact of mentioning it, of writing it out in full, may lead some people to believe that it is not a matter of promotion but of propaganda, which is, as I can testify, far from the intentions, both of the government, that has drafted the legislation, and of the committee which has considered the matter.

Personally, I would be most favourable to the deletion of this paragraph. It seems superfluous. It seems to me that, by including it, we are giving to certain people cause to think that there is a suggestion of propaganda, which is incorrect.

On the other hand, I would oppose still more the extension of the scope of this paragraph to all stations. I think that if this paragraph is justified somewhere, which I doubt, this justification is stronger where a public body financed with public moneys is involved.

So, I am against the amendment precisely because I question the advisability of the paragraph. The only justification I can find for it—and this is hardly worth saying—is that a Canadian institution cannot be used against the interests of Canada. Since this would be redundant, I believe that it should not be extended any further. Nothing would be gained, save bringing about still more erroneous interpretations.

Therefore, I think we should leave this paragraph where it is, emphasize it as little as possible and consider it as something that is said, even though it is needless to say it. Otherwise, it would be contrary to the true spirit of the wording and would create still more doubt and suspicion as to propaganda. I cannot understand that the hon. member who questions the present paragraph would now extend its scope.

[*English*]

Mr. Lewis: I know the hon. member for Hochelaga shares the doubt which some of us have about whether this wording should be in the bill at all. He said so. I am sure the

minister herself was concerned about the abuse which could follow the presence of such wording. However, I would urge the hon. member for Hochelaga and the minister to reconsider their position respecting the amendment, and I do so on two grounds.

• (12 noon)

If I followed the hon. member for Hochelaga correctly, and I know I did, in effect what he was saying was, "I am doubtful whether it is wise at all to have these words, and if it is unwise let us limit the unwisdom to the public sector only and not spread it further."

An hon. Member: That is what he said.

Mr. Lewis: Yes, that is what he said, and to me it does not appear to be very logical. If it is there at all you do not make it wise by limiting it to the C.B.C.; but if there is value in having it, then there is value in imposing the same moral obligation, which is what these words constitute, on the private sector.

There is another important reason why the amendment of my colleague, the hon. member for Burnaby-Richmond, ought to be considered favourably by members opposite who, I am sure, are as concerned about this problem as those of us who are speaking on it from this side. This is the fact that there is specific wording in subclause (d) to the effect that the broadcasting system as a whole should provide reasonable opportunity for the expression of conflicting views on matters of public controversy.

I suggest that is an important qualification in that subclause, in order that some management persons in the C.B.C., or in a private station cannot exclude people who may differ with them on the ground that in their opinion something may be said that is against Canadian unity. The clause is badly worded the way it is now.

I would like to ask the hon. member for Hochelaga, whom I have known and admired for many years, where is the moral superiority and logic in saying that anyone who wants to destroy Canada can do so if he has enough money? If he has enough money he can buy up all the prime time on television and radio stations across Canada and carry on his propaganda to destroy the country. That is the implication of this.

In a way we are in the position where we cannot talk against motherhood. If we say take away these words, it may be contended that we are against Canadian unity. If this moral obligation is to be placed in the law, surely it should be applicable to the entire broadcasting system. There is no reason, on this point, that there should be a difference between public and private broadcasting.

On reading the reports of the broadcasting committee discussions I noticed that the objection to placing this subclause higher up in clause 2 came from some people with private broadcasting experience. They do not want to be burdened with this. They are ready to burden the management of the C.B.C. with this provision, but not the management of private broadcasting companies.

I would like to hear better logic than I heard from the hon. member for Hochelaga to justify that kind of result but, as I say, in addition to that there is the fact that if we accepted the amendment of the hon. member for Burnaby-Richmond it would place the contribution to Canadian unity in the context which specifically permits reasonable opportunity for the expression of conflicting views on matters of public controversy. The manner of contributing to Canadian unity and building Canadian unity obviously differs in the minds of various people across this country.

There are all sorts of ideas in people's minds as to what in fact contributes to Canadian unity and what in fact does not, and how a stronger Canadian unity can be built in the future. Obviously that kind of public controversy should be permitted. I am certain I do not have to persuade the minister and the hon. member for Hochelaga on that point.

I suggest it is much better to have the reference to this in the clause which specifically recognizes the value and the need for reasonable opportunity for the expression of conflicting views on matters of public controversy. I do not intend to speak at length because we have spent a long time already on this bill. I have not spoken previously in the committee stage, but I do so now to urge the minister and hon. members opposite to accept an amendment which is reasonable, sensible, and which will carry forward their intention throughout the entire broadcasting system.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I am surprised at the stand taken today by the New Democratic party. I am an independentist. Some will say that I am acting against national unity, that at present, independentists have the right to buy time on private television stations and that the C.B.C. offers us free

time on the program pertaining to provincial affairs, but if we are deprived of the democratic means of making our views known, where shall we turn?

Mr. Chairman, I am against the use of violence or bombs to spread ideas, because I believe in democratic methods. Now, the principal democratic method is freedom of speech, and now some want to deprive us of our right to freedom of expression on television.

What means could we then resort to if we are prevented from using the democratic means? Do we prefer that violence be substituted to the freedom of speech? Such approach is completely unthinkable on the part of the New Democratic party.

Mr. Choquette: It is the democratic party.

Mr. Grégoire: It is the democratic party.

Once adopted in the field of television and broadcasting, we have no assurance that similar legislation will not be passed for newspapers? There you are, democracy is deprived of its true meaning.

Those who like so often to observe what happens in the British parliament in London, their homeland, have probably noticed that independentist or separatist members from Wales and Scotland have the right to sit in that house and that they benefit from the freedom of speech granted to all through mass media. They are allowed to exercise their right of speech. But, today, the ground is being prepared to interfere for the first time with freedom of speech.

Let us take a specific example. In 1942, the Canadian government organized a plebiscite asking the Canadian people whether or not it was in favour of conscription. Now, if the government had said: We are having conscription and those who are against it are against national unity, could we say that Quebec, were 95 per cent of the people voted against conscription, would have been denied the right to express its view over the Canadian radio and television networks because that would have been contrary to Canadian unity and because someone had decreed that it was contrary to Canadian unity?

Mr. Chairman, I ask the members of the New Democratic party to think about that. A while ago, I heard the hon. member for Hochelaga (Mr. Pelletier) go over the ideas expressed by the hon. member for Burnaby-Richmond (Mr. Prittie).

In his amendment, the hon. member for Burnaby-Richmond mentions Canadian unity. The hon. member for Hochelaga did not use the same expression. He said: Canadian solidarity. That is the term he used, and I was struck by it.

I am ready to acknowledge my solidarity with the whole Canadian people, from the Atlantic to the shores of the Pacific. But Canadian unity means to be one, to be part of the same group. What is meant by this oneness? Is it oneness of spirit? Does it include unity of religion? Does it include unity of political views? What does it mean?

The hon. member for Hochelaga speaks of solidarity and I am ready to make common cause with everybody.

I think that the hon. member for Burnaby-Richmond, as well as the hon. member for York South (Mr. Lewis), were referring to subclause (g) (iv) where we can read:

—contribute to the development of national unity—

To that I would agree.

The New Democratic party has included in its platform the theory of two nations. The Conservative party as well as the Liberal party, through its leader the right hon. Prime Minister (Mr. Pearson), have accepted the theory of two nations: the French-Canadian nation and the English-Canadian nation. Unity within each nation. Canadian unity comes from the unity between each nation. Canadian unity comes from the unity between two nations; it is then an international unity. That is not the same thing.

• (12:10 p.m.)

Then a term has been used here and I wonder if the hon. member for Burnaby-Richmond really thought about it when drafting his amendment. But I think that it is badly drafted and that he did not realize all the implications of his amendment.

I heard a while ago the hon. member for York South state that Canadian television should not be prejudicial to Canadian interests. Well, Mr. Chairman, I am firmly and sincerely convinced that when I am advocating unity in Quebec, I am not prejudicial to the interests of Canada. On the contrary, I think that it is in the best interests of Canada that Quebec should be independent. But who is going to decide that? Is it the C.B.C.? Is it the Secretary of State (Miss LaMarsh)?

Mr. Chairman, one can realize that such an amendment is senseless. I agree that subclause (g)(iv) could be deleted, because I feel that it does not mean much.

When one refers to national unity, the meaning to me is French-Canadian unity, but there is an English-Canadian unity too. This is the general principle already accepted by N.D.P., Liberal and Conservative members, in fact by all the members in the house: there are two nations in Canada. Since there are two nations in Canada, we must therefore speak of international unity or unity between the two nations. Nobody can deny that.

Though the subclause is somewhat meaningless, I believe it would be better to take it out altogether, as we cannot leave with the C.B.C. or the hon. Secretary of State the decision of saying what is for the sake of national unity or against it. It would be too large a responsibility for the C.B.C.

I am categorically and squarely opposed to the amendment of the New Democratic party for the reasons I have mentioned and I will say this: If you try to deprive the independentists of the democratic means they have, you will force them to resort to other methods.

Today, you can at least say that we are promoting our ideas in a democratic calm and peaceful way without resorting to violence or other similar means. Why? Because we realize that democratic means are more practical and more normal in this 20th century; but if you try to deprive us of those means, you will be the first responsible within this parliament if the independentists resort to more violent means. Why seek this? Think of your amendment, gentlemen, and you will be the first to vote against it. Of that I am sure.

[*English*]

Mr. Cowan: Mr. Chairman, in commenting on the amendment of the hon. member for Burnaby-Richmond I should like to say that I support it wholeheartedly on the ground that if it is good for the publicly owned sector of the television and radio world of Canada to be promoting national unity, it should also be good to have the privately owned sector of the television and radio world supporting the same idea. I agree 100 per cent with the hon. member for York South when he points out that one cannot move to delete the phrase, "contribute to the development of national unity", which appears in paragraph (g) of clause 2, without being accused of hatred and wanting to tear the nation apart which is something like opposing motherhood, although I know that many members of the N.D.P. do oppose motherhood by their favouritism toward abortion. No one would think of bringing in an amendment to remove this phrase from paragraph (g) (iv).

It would be interesting to many members of the house, I am certain, to ascertain or learn whether the hon. member for Hochelaga, since he does not believe that this part of paragraph (g) should be extended to paragraph (d), is thinking of moving that subparagraph (iv) of paragraph (g) be removed. I do believe that the private sector and the public sector should be on the same footing. I believe the hon. member for York South when speaking expressed wonder concerning why this section appeared only in the publicly owned sector of the act and not in the privately owned sector. I should like to remind members of the house that it is only the C.B.C., the publicly owned section of the radio and television world in Canada, which put von Thadden on a national network. Do you think that that contributed to national unity in this country? It was only the C.B.C. that had Lincoln Rockwell on a program of their section of the radio and television world.

Perhaps the cabinet has come to the conclusion that it should put a rule in here that would help control the nationally owned section of the television and radio world and is a little fearful of extending that same authority to the privately owned sector. But, bear in mind that the privately owned sector up to date has not caused the offence to those who are strongly in favour of national unity that the C.B.C. has caused in the past. The amendment that the hon. member for Burnaby-Richmond has moved is justified completely by the fact that the amendment is based on paragraph (g) (iv). If it is good in paragraph (g) (iv) it will also be good in paragraph (d). I favour wholeheartedly its acceptance by the parliament of Canada.

Of course there are many people in this country who when they start talking about national unity, think of only one narrow phase of the question. I would state that in my opinion the hon. member for Lapointe is a perfect example of those who believe that national unity can spread only one way. I should like to ask what control the cabinet is considering placing on the radio and television world of Canada with regard to discussions based on statements made by Ted Watkins, the celebrated football player for Hamilton who now lives in Burlington. I sympathize with Ted Watkins in the comments he has made. I believe him when he says that there is as much discrimination here,

although it may not be as blatant, as there is in the United States. Are steps to be taken to endeavour to bring together in national unity those two races, for one of which Ted Watkins is a very able spokesman and a voluble exponent.

In today's newspapers we read about the police chasing the Indians down around Sept Îles for having shot some caribou in the woods in order that they may feed their young. Are we to take steps to see that we extend the hand of national unity to those of the Indian race, or are we to chuck them into jail when they exercise their God given right to take food when they see it in the woods, no matter what time of year. They not only have a God given right to that; they have treaties signed by Queen Victoria which endorse it.

Now, referring to an angle of national unity that people do not seem to pay too much attention to, because national unity does exist in a marvellous way, I wish that the relationship between the Jewish race and the Anglo-Saxon as it is shown in Canada existed throughout all the various sectors of this dominion. I happen to have as a next door neighbour in the Old Mill Towers, which by the way has a community antenna television service which does not require a licence, my good friend Hon. Keiller MacKay, a former member of the Ontario supreme court and former lieutenant governor of Ontario. He made many, many right rulings while he was on the bench, which have proven to be pinnacles in the field of law.

The one ruling for which Hon. Keiller MacKay is given the most credit related to the regulation which stated that no one could sell property if that property was registered in the municipality of East York as not to be sold to Jews. He struck that regulation from the books of Ontario and stated that it was discrimination. It certainly did not contribute to national unity. Now, I say that if this clause—

• (12:20 p.m.)

Miss LaMarsh: Mr. Chairman, I hate to keep interrupting the hon. member but on a point of order—

The Chairman: Order, please.

Miss LaMarsh: Mr. Chairman, I hate to interrupt the hon. member but it is obvious that what he is trying to do is filibuster, and he is doing extremely well now.

Mr. Cowan: Mr. Chairman, no hon. member may impute motives to others.

Mr. Grégoire: You have no right to say that.

Miss LaMarsh: I should like to point out that it costs some $75,000 per day for parliament to sit, and much of this time has been taken up by the hon. member. No matter what I may think of his contribution, I could have no objection under the rules, provided he obeys the rules and sticks to the subject.

Mr. Cowan: Are you giving me a lecture? How much is the charge?

Miss LaMarsh: I think in the haunted corridors of his mind something said by some members here trying to get on with the nation's business might somehow find some reflection. We have agreed, and we could not do otherwise because of the rules of the house, that what we are saying must have something to do with the point we are discussing. We are dealing with a very clear amendment and there is no doubt that the hon. member has gone as far afield as he dares. He has not today brought any Spanish kings into the discussion, but I suppose if we do not bring him back to the point he will do that soon.

Mr. Cowan: He will.

Miss LaMarsh: If I cannot do anything else to bring the hon. member to the point, I have taken the precaution of putting in this envelope the sum of $5.48, which is the per capita cost of C.B.C. radio and television for every man, woman and child in Canada. If the hon. member will undertake neither to listen to nor watch C.B.C. radio or television for a year from this date, and to shut up about it, I will be glad to send him this money.

[*Translation*]

Mr. Grégoire: On a point of order, Mr. Chairman.

I feel the Secretary of State had no right to make those remarks. Under standing orders, we are allowed to look fully into pieces of legislation brought before the house. On the other hand, if those measures are badly drafted, the Secretary of State is to blame, and then we have the right to discuss the matter.

I readily admit that the Secretary of State is anxious to take her leave in order to work for the forthcoming Liberal convention.

However, she has no right to silence the members who wish to speak to this legislation. She has no right to enforce a dictatorship or censorship, and I strongly object to her last remarks. She cannot silence the members, because they have some rights that nobody should attempt to take away from them.

[*English*]

Miss LaMarsh: Here is your money.

Mr. Cowan: Mr. Chairman, will you ask for an apology from the hon. member for her imputation of motives.

Mr. Grégoire: The minister is offering me $5.

Miss LaMarsh: Oh, not you.

[*Translation*]

Mr. Grégoire: He was offered $5.48 to keep quiet, but since I represent 70,000 constituents, is the minister ready to pay me 70,000 times $5.48?

[*English*]

An hon. Member: You have an exaggerated sense of importance, Gilles.

The Chairman: Order, please. I should point out to the committee that the question we are now discussing is the contribution which the C.B.C. can make to national unity, not national unity itself. I hope that the committee, in order to get its work done, will confine remarks to the question now before it. It seems repetitious for me to say again that when the committee agreed the other day to discuss clause 2, paragraph by paragraph, there was inherent in that agreement the understanding that hon. members would confine their remarks to the paragraph under discussion. I hope all hon. members will do so.

Mr. Cowan: Mr. Chairman, I have already asked you whether you are going to ask for an apology—

Mr. Churchill: Mr. Chairman, I rise on a question of privilege. Have you not something more serious to consider? Is it not a rule as well as the custom of the house that bribery shall not be used in order to influence the attitude or the vote of an hon. member in this house We have had a blatant exhibition of an attempt at bribery today in connection with the hon. member for York-Humber, as proposed by the minister.

Mr. Douglas: And furthermore the amount offered is too high.

Miss LaMarsh: It seems that the hon. member for Lapointe wants 70,000 times that much. We know what he is, except his price is higher.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on a question of privilege.

I took care to specify that I was asking for 70,000 times $5.48 because I represent 70,000 voters and I will make it my duty to turn it over to them because I am thinking of my voters whereas what the Secretary of State is thinking of is the Liberal convention that will be held soon.

[*English*]

Mr. Cowan: Mr. Chairman, I have already asked you for a ruling on the action of a member of this house in imputing motives to another member of the house who is a duly and properly elected member here. I do believe a ruling should be made on that point. I am not filibustering this bill; I am discussing the amendment introduced by the hon. member for Burnaby-Richmond.

The Chairman: I am sure the hon. member for York-Humber is well aware of the very old rule of this chamber that one member is not permitted to impute motives to another, but I am sure there was no intention on the part of the Secretary of State to do that. Perhaps the hon. member will now proceed with his remarks and confine them to clause 2 (d) and the amendment thereto.

Mr. Cowan: Does the hon. member of Niagara Falls know the rule?

Miss LaMarsh: Mr. Speaker, I should like to say that if it is improper to suggest that somebody is filibustering, I would be happy to comply with the rules of the house and withdraw, if you suggest that is the proper thing to do.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I rise on a point of order.

As was indicated by the hon. member for Winnipeg South Centre (Mr. Churchill), under our rules, we are not permitted to offer a bribe to someone to keep him quiet. However, as was witnessed by several members, the hon. Secretary of State offered money to the hon. member for York-Humber, who accepted

it. You, Mr. Chairman, have been a witness to this and I say that it is contrary to our rules.

I wonder what means the house will use to prevent such action contrary to the rules of the house? There are so many witnesses that it could not go unnoticed. That is why, as a member, I think it is my duty to charge openly the hon. Secretary of State with having offered a bribe to the hon. member to keep him quiet.

Since the bribe offered by the Secretary of State contained the stated stipulation that the hon. member for York-Humber would not utter another word, should he take part in the debate, we would have to come to the conclusion that he did not comply with the terms of the agreement.

Mr. Chairman, I think that this problem should be settled first.

[*English*]

Miss LaMarsh: I know that the hon. member for Lapointe has been closely attending this debate and has been in the house almost from the beginning. He must have heard the hon. member for York-Humber complain bitterly to the chamber the other day when someone, I think a member of the N.D.P., suggested he turn off the set or change the channel. He complained bitterly that he could do that, but his taxes still went on. All I have done is offer to return to him from my pocket, openly, the amount of taxes which he is out of pocket now.

Mr. Grégoire: That is still a bribe.

Miss LaMarsh: He should no longer be concerned for those of us here trying to do the people's business. Even though he has not been filibustering for 13 days both in and out of the committee, this non-filibustering could not be much more effective in stopping the $75,000 per day business for the people, even if it were in fact that prohibited filibustering. I suggest that all I have done is try to speed ahead the business of the people. I cannot go back to the people and ask them to refund the $5.48 of his taxes from the $18,000 he gets, some of it for being in the house attending to business. I don't know how much his taxes are, and we all know it is part of the law of the land that I cannot even inquire, but I do not want him to be out of pocket.

It should be remembered that I invited him to take this money with a couple of stipulations, that he neither listen to nor watch C.B.C. for a year.

An hon. Member: Or talk about it.

• (12:30 p.m.)

Miss LaMarsh: We will have to have some sort of policing, I suppose, since he has accepted that invitation and my generous return to him of this portion of his tax money. I know he will be happy to sit here. I do not care how he votes. No one in the country cares how he votes.

Mr. Cowan: The people of York-Humber do.

Miss LaMarsh: Let him do what he wants in voting but let us get on with the business of the country.

The Chairman: Order, please. I think it would serve the interests of the committee better if we were to get along with the business before the committee.

Mr. Cowan: Taking my cue from your non-action, Mr. Chairman, with regard to a ruling on the imputation of motives and the question of bribery, I am offering a quarter to the Secretary of State for her to shut up, because that is all the contribution she has made to the debate is worth. To get around the amendment of the hon. member for Burnaby-Richmond—

Mr. Knowles: How those Liberals love each other.

Mr. Cowan: —I support it 100 per cent and I sincerely hope it will be carried by an overwhelming majority. If we should do what we can to develop national unity as set out in subclause (g) (iv), it should be set out for the private sector as well in subclause (d). Having said that, the Secretary of State is welcome, if she wishes, to come and get $5.48, if that is what is in this blank envelope, as I have not kept quiet.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

[*Translation*]

Mr. Grégoire: Mr. Chairman, before taking the vote, I should like to quote standing order 79 which reads as follows:

> The offer of any money or other advantage to any member of this House, for the promoting of any matter whatsoever depending or to be transacted in Parliament, is a high crime and misdemeanour, and tends to the subversion of the constitution.

Mr. Chairman, you have just witnessed a "high crime and misdemeanor". Is the house going to do something about it?

There is talk of subversion of the constitution. I think that the chairman of the committee of the whole of the House of Commons, who has been a witness to this crime should step in.

That is why, Mr. Chairman, I am awaiting your ruling on this subject.

[*English*]

Some hon. Members: Question.

The Chairman: The hon. member for York-Scarborough.

Mr. Winch: Don't carry on this stupid debate. Let us have the question.

Mr. Stanbury: Mr. Chairman, I hate to change the subject but I want to make some remarks about the amendment.

Mr. Cowan: You are not changing the subject. I was talking about the amendment.

Mr. Stanbury: I am very sympathetic with the point of view put forward by the broadcasting critic for the Conservative party, the hon. member for Royal, or the man I understood to be the broadcasting critic for that party. Therefore I am reluctant to make any contribution to this debate. However, I feel that the hon. member for York South has made a remarkable suggestion in saying that the hon. member for Hochelaga showed some lack of logic in his remarks.

In spite of all the respect that I hold for the hon. member for Burnaby-Richmond and for the contribution he has made to the formulation of this bill, I must say that I find no more logic in the suggestion that although a reference to national unity in this clause is entirely uncalled for and undesirable it should be extended to the whole broadcasting system.

I should like to state the situation as I see it, very briefly. Parliament should not in a statute direct a news medium, either broadcasting or print, as to its editorial opinions. I should think the same criticism might be directed to the amendment before us as was directed yesterday to the amendment put forward by the hon. member for Red Deer. In another way this might be considered a restriction on freedom. In fact, we in parliament would be directing the broadcasters of Canada to take a certain editorial line.

I do not think that would be the intention of the New Democratic party but it seems to me that would be the effect of this amendment. I suggest that the hon. member for Lapointe is quite correct in suggesting that his point of view, as repugnant as it is to all the rest of us in this house, is one that should be heard in Canada over the broadcasting media.

Some hon. Members: Hear, hear.

Mr. Stanbury: I suggest that the words in subclause (d) referring to the expression of conflicting views on matters of public controversy should be read again by the proposers of this amendment. It is certainly in the interest of Canadian unity that all points of view be expressed and that the general direction to the regulatory authority, which after all is what subclause (d) is, should make provision for that wide expression of conflicting points of view.

In my estimation, non-government media should not be directed in the kind of editorial policy they should pursue. On the other hand, parliament many years ago established a vehicle for the expression of public policy in broadcasting. That vehicle is our public corporation, the Canadian Broadcasting Corporation. One of the very reasons for its existence is the development and nurturing of national unity.

While we in this parliament do not want to direct the editorial opinions of the owners of other news media we have the right, on behalf of the owners of the Canadian Broadcasting Corporation, to decide a basic factor of that corporation's policy. That is why in the mandate of the national broadcasting service we give it some direction in subclause (g). We give it the direction that we feel is appropriate on behalf of the people of Canada, the owners of that corporation, for the corporation to follow as, in the words of Right Hon. R. B. Bennett, the agency by which national consciousness may be fostered and sustained and national unity still further strengthened. I appreciate the motivation behind this amendment but it seems to me not only undesirable but contrary to the principles of free expression and the basic purpose, the very *raison d'être*, of our public broadcasting service.

The Chairman: Is the committee ready for the question?

Mr. MacDonald (Prince): Mr. Chairman, listening to the arguments back and forth with respect to the amendment proposed by the hon. member for Burnaby-Richmond, I must admit that I have become more and more disturbed at the language we are attempting to insert in this subclause and the language

which is found a little farther on in the bill regarding the definition of the Canadian broadcasting system. I find it difficult as well to accept as being reasonable or sound the logic that advanced by the hon. member for Hochelaga and in the remarks of the hon. member for York-Scarborough.

• (12:40 p.m.)

It does seem to me that we are faced with the problem of deciding, not just for one segment of the broadcasting industry but for the industry as a whole, whether or not we shall give it certain direction in terms of the programming limits which should be applied to the industry. I suppose every time a new act is drafted, particularly in an area of such vital concern as broadcasting, we are always caught up with the great fixation of the moment, and I suppose that explains in very large measure why it has been found necessary by the government to include that phrase "national unity" in this bill.

National unity in the year 1968 is a great golden touchstone. Everyone wants to be in favour of national unity simply because we have become profoundly disturbed about the future of this country and about the viability of something as important to our country as national unity. We are attempting to decide whether and how we shall apply this gentle directive to the broadcasting industry, whether it shall apply, as the hon. member for York-Scarborough suggests, just to the area of the public broadcasting system or whether, as the hon. member for Burnaby-Richmond suggests, it should apply to the whole of the broadcasting industry.

I wonder whether the government has given sufficient thought to the insertion of this phrase in the bill because it seems to me that we have treasured in this country over the past 30 years the establishment of something that was very unique and important—a public broadcasting system, not a state broadcasting system. When we begin to move into areas such as those covered by the amendments proposed yesterday in the matter of national unity, we are in effect moving away from the concept of public broadcasting toward the idea of state broadcasting whereby the broadcasting system of the country becomes an extension of the state.

I feel this is not only a very dangerous direction for our country to take but also a very bad one for the broadcasting industry. While it may seem to members of the house at this time that there is nothing more important to any individual in this country than national unity, let me suggest in all humility that I think there is. I think that the individuals who make up a society are always more important. It may well be that there will be more important things in the future, even to Canadians, than national unity and that international understanding and the kind of relationships that will undoubtedly have to be established will have priority over national unity.

However, speaking more specifically on the amendment and on what is included in the bill, I think there is an even more insidious problem than the one I have mentioned. The amendment proposed by the hon. member for Burnaby-Richmond suggests the insertion of the words "and contribute to Canadian unity". I think we are reasonably certain of what we mean by Canadian unity, but the phrase contained in paragraph (g) (iv) uses the words "to the development of national unity". There is a subtle difference between the phrase "Canadian unity" and the phrase "national unity". Anyone who has studied the various epithets which have been thrown back and forth about the word "nation" and the so-called "two nations" or "deux nations" concept which has resulted in differences in interpretation, will realize that there is a hidden danger in the phrase "national unity" used in the bill. There is a possibility that it might be interpreted to mean the very opposite of what we are trying to achieve. It could mean the development of more than one national unity such as an English national unity and a French national unity or even various other forms of national unity such as a native Indian national unity. I do not think that is what is meant by the drafters of the bill, but certainly this rather general phrase is open to various interpretations.

If there is one other quality contained in the amendment proposed by the hon. member for Burnaby-Richmond it is the fact that he is very specific. He is not just using the term "national unity" but rather speaks about Canadian unity which encompasses the whole host of different ethnic, racial or linguistic groups that make up this country. In argument against the suggestion of the hon. member for Hochelaga who advanced the opinion that neither phrase is very good but at least "national unity" is better than "Canadian unity" I would make this point. If, for the sake of expediency, we have to include some reference to unity in the legislation it seems to me more reasonable that we should refer to

Canadian unity and steer clear of any ambiguity or difficulty of understanding which may arise with a term such as "national unity" which I think may open up the danger of some misunderstanding in future interpretations of this bill.

Frankly, I am not at all happy with the fact that we have to be preoccupied with what I think are the expediencies of the moment, but since we are faced with the bogey of division and separatism in our country today I suppose we have to nod in that direction. But I think we must be very careful not to direct the energies which have been used in this country through the years to establish an independent and public broadcasting system to the extent of making the broadcasting system of this country simply an extension or an arm of the state or of the government.

Mr. Prittie: I agree with almost everything the hon. member for Prince said. He has shown the futility of using this type of phraseology in the legislation. I will only say to the minister that if she will indicate that the reference to national unity will be withdrawn from subclause (g) (iv) I will be willing to ask the committee for permission to withdraw the amendment to subclause 2 (d).

[*Translation*]

Mr. Choquette: Mr. Chairman, I have a few remarks to make, having consulted with the Minister of Energy, Mines and Resources (Mr. Pepin), who has his L.L.D. and with whom I went to university, although he had the honour of completing his education before I did.

I should like to point out that the wording used in this paragraph (d) of clause 2 is of great concern to me, for if I remember rightly—I do not know whether the hon. member for Lapointe (Mr. Grégoire) remembers, for he was not as studious as we were—we were taught—

Mr. Grégoire: I may not have taken as much time as the hon. member for Lotbinière to get through with my four years as a law student. Perhaps it is on that account—

Mr. Choquette: Agreed, Mr. Chairman, but I was serious enough about my studies that I was admitted to the Quebec bar.

Mr. Grégoire: It is because in the province of Quebec, there is a saying that "law leads to everything so long as one gets out of it."

[Mr. MacDonald (Prince).]

An hon. Member: Before getting out of it, one must have got into it all the same.

The Chairman: Order.

Mr. Choquette: Mr. Chairman, we have been taught that there are some imperative legislation, prohibitory or penal legislation, perhaps also optional legislation.

I have never heard about suggestive legislation. Now the following can be read in the bill:

—that the programming provided by the Canadian broadcasting system should be—

"should be" means that it is suggested to broadcasters that they should provide a programming, in accordance with paragraph (d) and in case their programming does not meet the requirements of the act, there is no recourse against broadcasters, since they could always retort before the courts that the word "should be" does not make it mandatory.

• (12:50 p.m.)

Perhaps the idea is better expressed in the English version by the words "should be". However, both versions are official, and when we appear before a French-speaking judge to try to prove that our broadcasters have not provided programming in keeping with the criterions established in this paragraph, then the broadcaster is given full opportunity to exonerate himself by saying: Gentlemen, this is not an obligation; it is simply suggested to us that we provide this programming, and we are not bound to this bylaw, since this is an innovation. In other words, this legislation is suggestive and not imperative or obligatory.

I wonder, therefore, whether this text could not be submitted again to the legal counsellors of the department, so that they may find a more appropriate wording which will show the broadcasters that this is an obligation and not a simple suggestion.

Before going to the parliamentary restaurant, Mr. Chairman, I should like to make an observation on what is called national unity.

Someone said that the member for Hochelaga (Mr. Pelletier) had used the term solidarity. Indeed, I think the expression was used by the premier of Quebec, Daniel Johnson, who also spoke of Canadian solidarity, when he commented on the bill now under study. In fact, Mr. Johnson said that his government toyed with the idea, with the intention of setting up a Quebec broadcasting corporation. This seems to us to be absolutely illogical and unfeasible.

We agree on maintaining the C.B.C.; we want one corporation from sea to sea.

I wish to repeat what I said, Mr. Chairman. The only way to create this Canadian solidarity—call it national unity, binational or Canadian interpendence, it does not matter—for Canadians to agree, to have an atmosphere of sympathy among us, an atmosphere of solidarity so that French sounds become familiar to all Canadians just as English sounds are familiar to all Quebeckers.

In certain areas of the country you can simply ask people "What time is it?"—(Quelle heure est-il)—and for those people it might as well be Chinese or Japanese. In fact I am sure that if you ask the member for Winnipeg South Centre (Mr. Churchill): "On what street am I?" he will be aghast because French sounds for him are just as foreign as Arab sounds.

And that is the trouble with Canadians if I may say so, Mr. Chairman. It is essential that the French language should penetrate everywhere in Canada.

[*English*]

The Chairman: Order, please. I recognize the import of the remarks the hon. member is making but I think he is going a little far afield. The question before the committee is the amendment to 2 (d).

[*Translation*]

Mr. Choquette: In conclusion, Mr. Chairman, I say this: If we really want to establish programming on the basis of national unity or Canadian solidarity, the C.B.C. must open stations which will make it possible for the French language to be broadcast everywhere in Canada. Only then, shall we really reach our objective, for I am convinced that the hon. member for York-Humber belongs to a very small minority and, furthermore, that the French fact is considered as a Canadian asset. In fact, the new generation of English-speaking Canadians seem proud of the fact that the best way to distinguish ourselves from the American people is to promote and extend the French language in Canada.

Mr. Grégoire: Mr. Chairman, I should like to put a simple question to the mover of this amendment.

When the hon. member for Burnaby-Richmond wants to insert:

—should contribute to the Canadian solidarity—

—does he mean that any supporter of the Quebec independent movement or any thought regarding that movement should be banned in the broadcasting by C.B.C. and the private stations?

[*English*]

Mr. Prittie: I would not want to leave to the hon. member entirely the definition of Canadian unity. The hon. member for York South and I have suggested that if the principle which is being talked of is to be in the bill it should be included in 2 (d) because that subclause provides that broadcasters should afford reasonable opportunity for those who wish to express conflicting views on matters of public controversy. The hon. member obviously espouses views which conflict with the views of others on matters of public controversy; the same is true for Premier Johnson and René Levesque. Those types of programs should be aired, and broadcasters are charged to do precisely that.

The Chairman: Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: In view of the reply of the hon. member for Burnaby-Richmond, I should like to point out that if it is the responsibility of the public broadcasting system to contribute to national unity, to Canadian unity, private stations should also do their part. Thus, it would mean that broadcasting on both the public and the private network would be forbidden to those who do not contribute to Canadian unity, as the independentists.

In another paragraph apparently the broadcasting of matters of public controversy, is allowed. Besides, if "public controversy" is an indefinite expression, it is different with the amendment of the hon. member for Burnaby-Richmond who wants to ban broadcasting of specific matters, namely matters which would not contribute to Canadian unity or which would go against what is called Canadian unity.

The term "public controversy" is very broad but the amendment tends to exclude a specific point from the general terminology used. In doing that, a very specific point is excluded from the field of general controversy, that is everything that would not contribute to Canadian unity. That is what is implied by saying that programming should contribute to Canadian unity. Now, when independentists speaking on the C.B.C. or on private networks promote Quebec independence instead of Canadian unity it is claimed that

this is indulging in "public controversy". From that moment on, this goes against the amendment of the hon. member who should realize the situation.

[*English*]

Mr. Prittie: Mr. Chairman, since clause 3 deals with definitions, perhaps the drafters of the bill might redraft that clause to include a definition of Canadian unity. That might clear up the hon. member's argument.

Mr. Rapp: One o'clock.

The Chairman: Order, please. Since it is one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Assistant Deputy Chairman: Order. When the committee rose at one o'clock it was considering clause 2 (d) and the amendment thereto.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think that at this point there is only one thing to do if the Secretary of State wants the discussion to close as rapidly as possible. There is talk of national unity and Canadian unity. It seems to me that we could now considerably accelerate the business of the house if the Secretary of State would give us a definition of what national unity is. As soon as we have this definition, it may be possible to vote and end the discussion. Otherwise, we will be discussing for another week without knowing what is national unity, what is Canadian unity.

To my mind, Mr. Chairman, the only way to go ahead is for the hon. Secretary of State to give us the official definition of what she means by the words national unity. So I ask her to give us this definition right away.

[*English*]

Mr. Johnston: Mr. Chairman, I have been moved to speak in this debate by some of the remarks made this morning about national unity, the impossibility of defining it and the danger of leaving in the bill the suggestion that our entire broadcasting system should contribute to Canadian unity. I was particularly struck by the remarks of the hon. member for Prince who with his brilliant advocacy suggested semantic paralysis as the sole course of inaction possible for this institution at this time.

Language functions; communication is still possible. It functions because the majority of the people speaking a language, any language, basically understand what is meant by the words they use. While one can take a scholarly approach and argue fine points of linguistics or semantics, the world and the nation go on in spite of the intricacies of debate.

This institution depends on words, Mr. Chairman. If we lose our nerve in this matter we might as well go home. There is no bill that comes before us that could not be given the same kind of scholastic scrutiny which in the end result would paralyse us through our modern knowledge of language so that we could take no action. Fortunately, we do not use that approach to the large majority of the bills that come before us. But we do use it when we reach questions of value and abstract problems, and it then becomes too easy to lose our nerve.

I know that the hon. member for Prince is well aware of the companion developments that have gone on in a field he knows so well, morality. We are presented today with a new morality that again leads to paralysis. We no longer refer to ethics but to situational ethics, and again there are no values or guidelines or any firm ground on which to base important decisions in this field.

It is important, sir, to point out that national unity is being defined for us and it is being defined by the hon. member for Lapointe. Now that he has left the party with which he was formerly affiliated and has taken his position as an independent in this house he can no longer be as subtle as he could before. If this measure meets with the fervent opposition of the hon. member for Lapointe then we know that it does promote national unity. He tells us repeatedly that it is his task and function to destroy national unity in this country. Therefore he cannot be subtle now; he must see the danger to his position when it arises and react as he has been reacting today.

The hon. member for Burnaby-Richmond is right in his suggestion that his amendment to clause 2 (d) be accepted. The reputation of the hon. member for Burnaby-Richmond does not permit him to be devious in approaches to problems. He is the last member in this house I would want to accuse of being Machiavellian in his approach to any subject. However, I will admit that his approach in moving his

worth-while amendment was somewhat left-handed in that it seemed to be his wish to saddle private broadcasting with what he saw to be a burden that is imposed upon the public broadcasting system. I am sure that when he commenced his remarks that is what he had in mind. What he might describe as a burden some of us might describe as a liberating clause which would make the whole broadcasting system more aware of one of its prime duties to the country.

• (2:40 p.m.)

I cannot conceive that the hon. member for Burnaby-Richmond moved this amendment to subclause (d) in order to remove the subsequent phrase in subclause (g) dealing with national unity. I feel, therefore, that the minister and the committee must reject out of hand the suggestion that his amendment now be withdrawn and I submit to the hon. member that he would be most unwise to press that it be withdrawn. I say this because his party has already been caught out once on a plan which would have contributed to the disunity so desired by the hon. member for Lapointe.

We are now being besieged by letters and cards sent to us from people across the country with regard to Bill C-186. I am sure we have all received a printed form on this subject. I do not know who printed the form or under whose auspices it was issued. Perhaps the hon. member for Burnaby-Richmond could tell us because I think he is closer to this sort of lobby than we are.

Looking through this form again after this morning's discussion I found the following description of Bill No. C-186:

> It would provoke widespread inter-union conflict, incite racial and cultural rivalries and disrupt national unity.

We may have difficulties over semantics and we may feel at times it is hard to move in the direction in which we should like to move. But are we to believe that we are impotent to support a concept which can be disrupted? I believe the hon. member for Burnaby-Richmond made a worth-while contribution in moving his amendment and I suggest to him in the light of the drive which is being made now to have Bill C-186 revoked that he permit his amendment to Bill C-163 to stand and allow the committee to vote on it.

[*Translation*]

Mr. Grégoire: Mr. Chairman, may I ask once again the Secretary of State if she will be giving us the definition of "national unity" that we find in this bill? Is the Secretary of State in a position to give us this definition?

[*English*]

Miss LaMarsh: This is the kind of thing which I think each of us knows, though we may not know the words for it. I suppose that without being too facetious I might say that the hon. member, who has declared his own feelings about Canadian unity many times and has proclaimed his own position, should carefully enunciate what he stands for—and national unity is the direct opposite.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to make another remark.

The hon. Secretary of State just said to me: This is the kind of thing for the definition of which I cannot find words, which means that the expression may mean something to a person and something else to another. If even the hon. Secretary of State, who sponsors this bill, cannot find a definition for it, this means that in the mind of the C.B.C.'s leaders or producers, there may be a definition altogether different from that in the mind of the hon. Secretary of State or of the hon. members. Indeed, should everybody be asked to give a definition of national unity, we would probably come out with twenty or so different definitions. That is why I am asking that, before we come to a vote on something, someone tells us who will be assigned the task to give a definition, for even the hon. Secretary of State cannot do it. In fact I think that is something extraordinary. While the hon. Secretary of State is unable to define the expression, she says: It means something, but I would not know what, I cannot find appropriate words for it. She cannot find words but she says: It is the opposite of what you are thinking.

Mr. Chairman, where is all this leading us? If even the sponsor of this bill is unable to give us a definition of an expression, what does that mean? Something will have to be done about it.

[*English*]

Some hon. Members: Question.

Amendment (Mr. Prittie) negatived: Yeas, 17; nays, 37.

Mr. Sherman: I appreciate the indulgence which the committee has shown me in the current debate on this clause. There are one or two further thoughts I should like to express in this area of discussion.

As I suggested more than a month ago I have an amendment I should like to move at this stage of our debate on this subclause; I shall come to it in a moment or two. Before apprising the committee of the substance of my amendment I should like to say, first of all, that I opposed the amendment just moved by the hon. member for Burnaby-Richmond because I do not believe that the admonition to attend to the responsibilities of preserving and safeguarding Canadian unity should be imposed on private entrepreneurs, people who are engaged in private undertakings supported by private risk capital. These strictures should be no more imposed on them than any other strictures or admonitions of any kind.

I believe the position taken by the chairmen of the broadcasting committee, the hon. member for York-Scarborough, and the hon. member for Hochelaga, is the correct one. No hon. member could in conscience argue that the charge to contribute to national unity should not be a responsibility of the national broadcasting service, nor could he in conscience argue that direction of this kind should be given to private operators in this or any other field. The point of difference has been articulated by the hon. member for York-Scarborough. The point is that the national service is owned by all of us and as such has a responsibility to serve the national good.

• (2:50 p.m.)

If a private operator is militating against the national good, adding to the misfortunes of the country and its economy, our society and economy by themselves will take care of that problem. This has been demonstrated throughout our history. But in the case of a national public service the philosophic approach must be different. The national good is all-important and must be safeguarded. This is the reason I voted against the amendment proposed by the hon. member for Burnaby-Richmond.

I would be willing to dispense with my own amendment to subclause (d) if the committee in its wisdom should decide that the entire subclause be stricken from the bill. If this happens I will move my amendment as an amendment to subclause (g). My amendment reads that in subclause (d) of clause 2 the words "should provide reasonable opportunity for the expression of conflicting views on matters of public controversy," in lines 3, 4 and 5 be deleted and the following words be substituted therefor: "should be balanced in its treatment of matter of public concern." If adopted subclause (d) would then read:

> (d) the programming provided by the Canadian broadcasting system should be varied and comprehensive and should be balanced in its treatment of matters of public concern, and the programming provided by each broadcaster should be of high standard, using predominantly Canadian creative and other resources.

I intend to move this amendment at the end of my remarks but, as I say, I will be happy to withdraw it and move it as an amendment to subclause (g) should the minister and the committee decide that the legislation would be better if subclause (d) were struck from the bill.

I have stated my reasons for my concern about the balanced treatment of matters of public concern on two or three previous occasions this week and on two or three prior occasions, so I do not intend to subject the committee to further dissertation on those reasons. It was only within the past three or four days that I reached the conclusion that I should use the phrase "public concern" in my proposed amendment rather than "public controversy." After hearing the arguments advanced by the hon. member for Brandon-Souris, by my colleague from Winnipeg South Centre and by other hon. members I came to the conclusion that the term "public concern" would serve the purpose of my intent and my philosophy far better than the term "public controversy."

At this point I wish to refer again to something which was said most eloquently by my good friend and colleague, the hon. member for Prince. I am afraid he may come to the conclusion that I have an axe to grind with him, but this is not so. He and I are good friends and I hope will become better friends as our service in this chamber continues. However, I would like to discuss one or two points which he made on the subject of national purpose and unity and the fear and danger of stateism and state control of broadcasting.

The hon. member said, and I think he is right, that there may be some things more important to Canadians than national unity and that in the future we may have international connections and obligations which will outweigh purely national considerations. This is a valid prognosis of the direction in which many countries, including Canada, are moving. If this is the philosophy to which the hon. member subscribes, then I wish to ask him what he feels about the argument that the C.B.C. provides a valuable cultural and

philosophical defence of our sovereignty on this continent. Many people outside this chamber have argued with me that the C.B.C. has a valuable role to perform as a platform for anti-American views. Because of our geographical position we are subjected to a steady flow of overt and covert American influence and propaganda. These people say the only defence we have to this is the C.B.C. and therefore it is justified in any quasi-official, anti-American view that it propounds.

I have always felt this to be a sterile reason for the existence of a national broadcasting service. The existence of an institution cannot be defended simply on the ground that it is opposing something. This is a barren, uninspiring and destructive philosophy. If this philosophy is given due consideration, where does the validity of the argument advanced by the hon. member for Prince come in concerning things more important to Canadians than national unity? His argument and the argument of those who feel that our national unity and sovereignty are at stake do not square with me. You cannot run with the hare and hunt with the hounds. Either Canadian national unity is important to Canadians or it is not. If it is not we do not need people to argue in favour of a C.B.C. approach which in public affairs shows has impressed some people for some considerable time as being anti-American.

• (3:00 p.m.)

I would also question my hon. friend's approach to the necessity for the use of the term and to the meaning of the term "national unity" as it appears in this clause of the bill. He has argued compellingly that the use of this term in this bill perhaps lends emphasis to a kind of bureaucratic state or big brother approach to our national affairs which would inhibit our basic freedom and be altogether undesirable so far as the development of the Canadian national personality is concerned. I think this is a valid argument to raise on one level of our national discussion. However, I do not believe it applies legitimately to this part of the legislation because I would point out to my hon. friend that this term is used in subclause (g) of the proposed legislation, which starts out by dealing with the national broadcasting service.

The hon. member suggested that paragraph (iv) of subclause (g), for example, which refers to national unit, is open to all kinds of interpretations because we could be talking about unity of the French nation or unity of the Indian nation. In the context of the wording of the legislation I suggest that that is not a valid point. We are talking about the national broadcasting service. We are not talking about the broadcasting service of the French nation or the Indian nation. It is obvious to anyone confronted with wording of this type that what we are talking about is the broadcasting service of the Canadian nation. So when we go on from talking about a national broadcasting service to the question of national unity, surely it follows that we are talking about the unity of the Canadian nation as a whole from coast to coast. Therefore it is on these grounds that I challenge the remarks of the hon. member for Prince in respect of this terminology.

I have one other point. I know that a good many members of this committee, and certainly the minister, are concerned about the lack of speed with which this legislation is being processed at this stage. I submit, however, that appeals to urgency and speed at this stage of our procedure are unacceptable to a great many of us in this chamber and to a great many Canadians at large. We have just returned from a month's recess. I do not think many of us were taking a holiday. We are all aware of the political work which must be done at home and in other parts of the country during a recess. But we were on recess and were not in this chamber. Now that we are in the chamber dealing with one of the most important pieces of legislation to come before us there is no reason that we should not scrutinize every word and every phrase for as long as we wish until we are entirely satisfied that this legislation is right.

The hon. lady suggested that parliament is costing the Canadian taxpayers $70,000 a day. I suggest to the hon. lady that the C.B.C. costs the Canadian taxpayers far more than that. The C.B.C. costs the Canadian taxpayers $143 million a year. The Canadian taxpayers are paying the $70,000 a day for parliament whether we are talking about broadcasting or about something else. In fact they were paying it when we were on recess last month.

Miss LaMarsh: No.

Mr. Stanbury: Mr. Chairman, would the hon. member permit a question? Would he not in fairness to the hon. lady admit that she was asking simply that we stay on the point and discuss broadcasting?

Mr. Sherman: I admire the manner in which the hon. lady has taken the initiative

in framing this legislation and in piloting it thus far through the committee and the house. Therefore I concede the point in favour of the hon. lady.

My point, however, is that parliament has been charged with rushing through too much legislation. We have seen a perfect example in recent days in respect of the divorce bill. We have seen an example of how mistakes, errors, oversights and omissions can occur when we are asked to push through legislation of a far reaching nature in too brief a period of time. I know that in comparison with some other debates the broadcasting debate has been a lengthy one. But I am speaking in relative terms. Divorce, broadcasting philosophy, capital punishment, the unification of the armed forces and far reaching social issues of this kind demand close scrutiny and lengthy examination. A member of the other place recently found a glaring omission or oversight in the wording of the divorce legislation which to my knowledge was missed by all of us in this chamber.

Mr. McCleave: Not at all.

Mr. Sherman: Perhaps I stand corrected on that, but in any event it was not pointed out with such vigour that it was accepted in this chamber.

Mr. McCleave: It was pointed out by three members.

Mr. Sherman: But it was not pointed out with sufficient acceptability and vigour to make any difference in the final result of the legislation as adopted in this house. Now it has been pointed out by a member of the other place that an oversight, omission and weakness in the legislation exists, and so far as the Canadian public is concerned I dare suggest the view is that the other place has picked up a mistake made or an omission committed by the members of this chamber. I hope that in respect of legislation as important as this broadcasting legislation we will make no mistakes, will leave no stones unturned and will ensure that there are no omissions so that one year from now, two years from now or in the unlimited future we will know that we have a broadcasting system in this country which can stand the test of controversial criticism and such verbal explosions as have occurred from time to time in the last few years in so far as the national broadcasting service and parliament are concerned.

So I rise in defence of close, searching scrutiny of this legislation. I appeal to the hon. lady and to all hon. members to resist the temptation to deal with this matter with too much urgency and haste. We should make every effort to ensure that we come out of this debate with a viable piece of legislation that will be acceptable, rational and responsible and which does not contain glaring oversights and omissions.

These are the remarks which I wished to make at this stage, Mr. Chairman, in respect of this subclause. I am advised by a colleague in this chamber that a different amendment to this clause is contemplated and anticipated. In deference to the request of my colleague I will withhold formal movement of my amendment at this point. I have read it to the committee and perhaps in recent days have been outspoken in defence of the theory and philosophy contained therein.

• (3:10 p.m.)

Members of the committee know that what I am asking for is balanced treatment on matters of public concern so that all points of view are expressed and no one point of view is given expression and a platform to the detriment of any other. I have no way of knowing whether the amendment to be proposed by my colleague is going to call for the complete elimination of subclause (d), but in that case I would be in favour of that procedure. At a later stage of the debate when we reach consideration of subclause (g) I would then submit my formal amendment in relation to the balanced treatment of affairs of national and public concern.

Mr. Nowlan: Mr. Chairman, I thank my colleague, the hon. member for Winnipeg South, for deferring his amendment in respect of clause 2, subclause (d). In view of the fact that certain thoughts I expressed yesterday were misinterpreted I should like tc move an amendment to this part of the bill. I hope to allay the concern of some members on this side of the house and perhaps on the other side by removing the word "controversy" and substituting the word "concern". I think enough speeches have been made to indicate the different points of view held by hon. members. The minister has admitted that it is very difficult to draft legislation of this type. Without saying anything more I should

like to present formally my amendment to clause 2 (d). I move that:

Clause 2(d) be deleted and the following substituted therefor:

"the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide a reasonable, balanced opportunity for the expression of differing views on matters of public concern, and the programming provided by each broadcaster should be of high standard using predominantly Canadian creative and other resources."

I have copies of this amendment in English. Having listened to the debate during the last two days it is my hope that the amendment will find favour among hon. members as an attempt to strike a balance and, hopefully, to meet the problem which concerns my friend, the hon. member for Winnipeg South. Perhaps his concern will again be expressed when we reach consideration of subclause (g) which relates to the national broadcasting service, the C.B.C.

My amendment provides in a general way some framework within which the council may interpret broadcasting policy. The hon. member for Lotbinière raised an interesting point this morning regarding the word "should" rather than "shall" or "may". I gather that the word "should" has been used because clause 2 does not direct that certain things be done but rather provides a term of reference to be followed by the new board or council.

Mr. Choquette: It would be in the preamble.

Mr. Nowlan: It would have the effect of a preamble. Without getting into an argument on semantics or the legalistic interpretation of the words "may", "shall", or "should", I hope this amendment in respect of the word "controversy" and a reasonable opportunity for the expression of differing views will find a favourable consensus in this committee.

Miss LaMarsh: Mr. Chairman, I am prepared on behalf of the government to accept this phraseology if it is satisfactory to the committee.

Mr. Churchill: Hear, hear. You are learning.

Miss LaMarsh: If you stayed out of the house I would learn faster.

Mr. Prittie: Mr. Chairman, I wonder whether the mover or the minister could explain the difference, because it is not apparent to me.

Miss LaMarsh: I think it is intended that the amendment should read "and should provide reasonable, balanced opportunity", not "a reasonable, balanced opportunity".

Mr. Douglas: Could we have a copy of the amendment?

The Assistant Deputy Chairman: Order, please. Does the mover agree that the word "a" be removed from the amendment submitted to the committee?

Mr. Nowlan: That is agreed, yes. In answer to the hon. member for Burnaby-Richmond, who has had a very real interest in this legislation, I should like to point out that this amendment attempts to provide a balancing effect in respect of the direction of programming. The word in the amendment is "balanced", but there is also a substitution of the word "concern" for "controversy". The phraseology is different. The amendment attempts to balance any direction from this parliament in relation to programming of the broadcasting system. I think the word "balanced" helps to do this.

Mr. Douglas: Mr. Chairman, perhaps you would give us a moment to look at this amendment. I do not think there is any great quarrel with the purpose the hon. member has in mind, but perhaps the minister should discuss it with her drafting officer. It says "and should provide a reasonable, balanced opportunity"—

Miss LaMarsh: The word "a" has been dropped.

Mr. Douglas: It should read "provide a reasonable and balanced opportunity", or, "provide a reasonably balanced opportunity". It looks like sloppy draftsmanship.

Miss LaMarsh: I have shown it to the law officers.

Mr. Nowlan: In answer to the hon. member for Burnaby-Coquitlam I must say that the initial draft presented to the minister conformed a little more to his suggestion. However, she has just stated that her law officers, for one reason or another, suggest this form. I must admit that I thought "a reasonable, balanced opportunity" was better.

Mr. Knowles: You should have stood pat.

[*Translation*]

Mr. Grégoire: Mr. Chairman, before taking the vote, could you read the amendment in French?

The Assistant Deputy Chairman: I regret, but I do not have the French copy.

Mr. Grégoire: I have the English copy but I wonder whether I understand it well. Could you not read the amendment in French? I think it would be in order.

[*English*]

Mr. Churchill: Mr. Chairman, I must say in respect of the point of order just raised that it involves an unreasonable request. We have a very effective simultaneous translation system. An amendment may be read in French and I receive it translated into English. If the hon. member for Lapointe would act the way other people in this house do he would receive the translation of the English in French.

• (3:20 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, the hon. member for Winnipeg South Centre (Mr. Churchill) says that the simultaneous translation is the official translation.

We may wonder whether it is accurate enough. That is the reason why I ask the chairman whether he could not read us the official translation of the amendment.

The Assistant Deputy Chairman: I can translate the amendment but it would not be the official translation. If the hon. member wants to wait, we will have it translated.

[*English*]

Mr. Churchill: This is an unnecessary delay.

Mr. Knowles: It is a more pleasant delay than some we have had.

Mr. Churchill: Are you referring to those caused by the New Democratic party?

The Assistant Deputy Chairman: Order, please. Would the committee agree that we go to the next subclause and have this amendment officially translated and read a little later?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Churchill: Mr. Chairman, I think that is a rather ridiculous request. We have had exhortations from the minister to get on with the business. If this is established as a precedent Your Honour will be kept much longer in the chair than you are now, to your great disadvantage. The hon. member for Lapointe is fluent in both languages and understands perfectly well what is involved in the amendment. We should let it go at that.

[*Translation*]

Mr. Grégoire: I rise on a point of order, Mr. Chairman.

I shall point out to the hon. member of Winnipeg South Centre that I have never abused of that kind of request. I even think that it is the first time that I made such a request in five years. The reason for my doing so is that I am not sure as to the meaning of one or two words in that amendment. If I ask for its translation, it is because I have a serious reason and not only to hamper the debate.

[*English*]

The Assistant Deputy Chairman: Actually the remarks made by the hon. member for Winnipeg South Centre are right. However, standing order 43 provides as follows:

> All motions shall be in writing, and seconded, before being debated or put from the Chair. When a motion is seconded, it shall be read in English and in French—

Mr. Nowlan: Mr. Chairman, although I do not know too much about the rule I think it refers to a motion. This is an amendment and it needs no seconder.

The Assistant Deputy Chairman: I think it is an accepted rule of the house that motions or amendments should be submitted in both languages. That is the ruling I am making, although I do not have the actual authority that covers it. But even if it derives from nothing but precedent, that is what has been accepted by the house.

Mr. Leboe: I do not think there is such a rule, Mr. Chairman. I think it has been a practice of the house but it is not a rule.

Mr. Grégoire: Yes, it is standing order 43.

Mr. Leboe: What does standing order 43 say?

An hon. Member: That it shall be in English and in French.

Mr. MacDonald (Prince): Mr. Chairman, I should like to comment on the suggestion of the hon. member for Digby-Annapolis-Kings before we have the translation. I wonder whether there is not some redundancy in having the words "reasonable" and "balanced" together. I wonder whether the amendment would not read a little more effectively if the

wording were "reasonable opportunity" rather than "reasonable, balanced opportunity." It seems to me that we are saying the same thing twice and thus making the amendment rather meaningless. I wonder whether the mover of the amendment would be willing to strike out the word "balanced" and thus make his amendment a little more clearcut.

Mr. Sherman: If that proposal is acceptable, Mr. Chairman, it will alter the wording of the amendment put forward by the hon. member for Digby-Annapolis-Kings. In that case I would put forward my own amendment which asks specifically for balanced treatment for matters of public concern.

Mr. Nowlan: Mr. Chairman, with all deference to my friend, the hon. member for Prince, I must say that both words together may leave something to be desired, as was pointed out by the hon. member for Burnaby-Coquitlam, and there may be no difference between what is balanced and what is reasonable. However, I think the two words "balanced" and "reasonable" cover both sides of the street.

Mr. Knowles: Mr. Chairman, may I ask one of the Conservative members to tell us what is meant by the word "balanced"? Does it mean the same amount of words on both sides or the same amount of time on both sides? Or what does it mean?

Mr. Churchill: It is Conservative view as opposed to an N.D.P. view. Then you get balance.

Mr. Schreyer: Mr. Chairman, while you are pondering your decision or simply waiting for the official translation into French I should like to pose a question to the hon. member for Winnipeg South. Judging by his last remarks the hon. member appears to find inadequate the amendment proposed by the hon. member for Digby-Annapolis-Kings. Apparently the hon. member feels that stating that there shall be balanced opportunity for the expression of conflicting views does not suffice and that there must be in effect a clear statement that there shall be balanced treatment. I simply put to him this question: If there is balanced opportunity, does not that logically translate into "balanced treatment"? Does the hon. member not feel that he is perhaps quibbling a bit?

Mr. Sherman: Mr. Chairman I think the hon. member for Springfield is imputing an interpretation or a philosophical stance to me that is incorrect. I am satisfied with the amendment moved by the hon. member for Digby-Annapolis-Kings. I in part make a concession, as the minister is making a concession and as various other members of the committee are making a concession, in order to achieve a consensus and a degree of unanimity on this subclause so that we may move along with the legislation. Had this amendment not been proposed, or had the minister said it was not acceptable to her, I would have held out for my amendment which is, I concede, perhaps stronger in a certain semantic sense than the one advanced by the hon. member for Digby-Annapolis-Kings. In my view the objective of the achievement of balance in the treatment of matters of public concern is important. The term "balanced" is important, and I am satisfied to make a concession in the area of rigid language and accept a slightly more general or looser form of wording provided that the term itself is contained in the clause.

• (3:30 p.m.)

This is the reason I accept the amendment suggested by the hon. member for Digby-Annapolis-Kings, and the hon. member for Springfield is incorrect in assuming that the amendment is not satisfactory to me.

Miss LaMarsh: Mr. Chairman, is the table preparing an amendment or is someone else preparing an amendment? What are we waiting for?

The Assistant Deputy Chairman: What is being prepared right now is the official French translation of the amendment submitted by the hon. member for Digby-Annapolis-Kings.

Mr. Nowlan: Mr. Chairman, I apologize for not having prepared the amendment in both languages. What led to my omission is that we have actually been using both languages here, that is with the help of the simultaneous interpretation, in discussing this clause for almost two days. There is not a word used in the amendment which I have proposed that has not been discussed, defined, dissected and debated in this chamber for the last two or three days. I apologize for the delay which results from the request of the hon. member for Lapointe. I was somewhat surprised by the request because in advancing this amendment I was only trying to expedite the proceedings by attempting to correlate the different viewpoints which have been expressed on this contentious subclause. If other words had been used, as suggested by the hon. member

for Burnaby-Richmond, the situation would have been different. One wonders where the difference lies. The difference is only a subtle one of tone. I believe it is a difference in emphasis. As the hon. member for Winnipeg South suggested, the emphasis is on a reasonable opportunity being given for a balanced treatment, and different views exist on matters of public concern. Under my amendment there would still be opportunity to express different views, even if they did not meet the general consensus. This is why I proposed my amendment. In the future I will certainly attempt to present amendments in the two official languages, but in this case I do not know whether I could have found an official translator to do this for me during the noon hour.

Mr. Knowles: Mr. Chairman, with respect to the apology just made by the hon. member for Digby-Annapolis-Kings, may I point out to him that the rule does not require a member to submit an amendment in both languages. The rule merely requires that if requested the Chair must read it to the house or to the committee of the whole in both languages. It is a matter of courtesy for those who submit amendments to submit them in both languages, but it is not required. The requirement is on the Chair.

The Assistant Deputy Chairman: How can the Chair do this without having the original text? The ruling applicable is contained in standing order 43 when the Speaker is in the chair and, according to standing order 59, the same ruling applies when the house is in committee. It is certainly proper to submit an amendment in both languages.

Some hon. Members: Oh, no.

Mr. Thomas (Middlesex West): Mr. Chairman, in view of the fact that it costs a great deal of money each day for parliament to function, could we not stand this subclause and go to another clause until the French translation is obtained?

The Assistant Deputy Chairman: As a matter of fact this was the suggestion made by the Chair, that we stand this subclause until we receive the official translation and that we go on to the next clause. However, there was not unanimous consent to the suggestion.

Mr. Olson: Mr. Chairman, I rise on a point of order with respect to the ruling because I think it might create a serious precedent. The precedent which will apparently be created is that no member of the house, whether English or French speaking, will be permitted to move an amendment in committee unless he submits it in writing in both languages. In my opinion this is contrary to the rules, practices and precedents of the house. It has been a matter of courtesy for members to prepare four or five copies of any amendment they intend to propose, one for each party. But there is no requirement that this be done. It is merely required that the amendment be handed to the chairman in writing in either official language, not in both languages. The reason I am apprehensive about this ruling is that if it is allowed to stand, hon. members who are not capable of preparing an amendment in both languages will be prevented from having it accepted by the Chair or presented to the committee.

No member of the committee has the right to demand that an amendment be presented to him in writing in one particular language. All he has the right to demand is that the amendment be read by the Chair, and when it is read by the Chair it is translated simultaneously into the other language. I have no objection to, and I think it is a good practice for, hon. members to present their amendments in writing in both languages for the sake of convenience. However, we now find ourselves in a situation where apparently a precedent is to be set that unless an amendment is presented to the chairman in writing in both languages it will not be accepted or presented to the committee. This will set a precedent for future procedure on amendments.

Mr. Pugh: Mr. Chairman, I agree entirely with the last speaker but I would point out one thing to Your Honour, namely that the official language in Canada is either English or French. When a member makes a speech in the house we do not have to wait for an official translation because we have simultaneous interpretation. The same situation applies to any amendments that are moved or any statements from the Chair. It has been the practice for a number of years now to ask questions in the house either in English or in French, and no one jumps up and asks for the speaker to put the question in the other official language. May I conclude by saying that there are two official languages in the house. If one language is used, whether in writing or in speech, surely that is enough.

• (3:40 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, on the point of order and before you make your ruling, I should like to point out to the hon. member who has just spoken, that it is not a matter of whether the speech of an hon. member should be officially translated a second time since there is no provision in our standing orders to that effect. It is not either, as was suggested by the hon. member for Medicine Hat (Mr. Olson), to oblige an hon. member to move a motion in both languages. Again, there is nothing on that matter in our standing orders.

However, standing order No. 43 states and I quote:

All motions shall be in writing and seconded, before being debated or put from the Chair.

It does not say in both languages. I continue:

When a motion is seconded, it shall be read in English and in French by Mr. Speaker if he be familiar with both languages; if not, Mr. Speaker shall read the motion in one language and direct the Clerk at the Table to read it in the other, before debate.

It is as simple as that, Mr. Chairman. The reason for that reference is the fact that when someone speaks, we are provided with simultaneous interpretation. But a motion is much more important than a speech. One may have a general idea of a speech without necessarily having a precise understanding of every word and every term. However, when the question is put on a motion or on an amendment, then, every word, every term has a definite and strict significance. That is why our standing orders state that:

When a motion is seconded, it shall be read in English and in French.

It might be argued that the Speaker is in the chair. Then, as you have so clearly shown, Mr. Chairman, standing order No. 59 will apply, and I quote:

The standing orders of the house shall be observed in the committees of the whole house—

We are indeed in the committee of the whole.

—so far as may be applicable, except the Standing Order as to the seconding of motions limiting—

So this means that in the committee of the whole, a seconder is not required for a motion. It is enough for a member to move it. That is the limitation. And I quote:

—limiting the number of times of speaking and the length of speeches.

There is nothing here contrary to clause 43:

When a motion is seconded, it shall be read in English and in French by Mr. Speaker.

The reason for this is very simple and I shall repeat it. It is that those who wrote the bills saw to it that the members be not required to be satisfied with a non-official or informal translation.

I do not wish to blame the interpreters. I know the problems of the work they have to do; it takes an expert and a professional to translate immediately at least the general line of thought of a speaker. But a translation that is exact, precise and official is not the same thing.

That is why those who laid down the standing orders saw to it that the members before voting would be supplied with the exact sense and the exact wording and that is why they wrote:

—it shall be read in English and in French by Mr. Speaker.

Not "or" in French, it is written:

—it shall be read in English and in French.

Mr. Chairman, the fact that we have been waiting for the official translation of this motion for the last 15 minutes shows they were right.

Mr. Choquette: The member presents the amendment to the chairman and it is up to the latter to translate it, it is not up to the member who moves it.

Mr. Grégoire: The member who moves the amendment is not required by the standing orders to translate it. That is admitted, as the member for Lotbinière mentioned. The mover of an amendment such as the member for Digby-Annapolis-Kings (Mr. Nowlan) is in no way required to translate it, he has moved it in one of the two languages and that is enough. It is up to the Speaker or the chairman of the committee of the whole to translate it. I recognize that the Speaker having to preside over the discussion with complete impartiality, is entitled to ask the assistance of the official translators.

This is quite normal and the Speaker or the chairman of the committees of the whole could not be asked to give an official translation, since they must be fair-minded. It is not up to either of them to make the translation.

That requirement of the legislator that the Speaker read a motion in French and in English is so fair and wise that on reading the English text of this motion, I find two phrases

which have been mistranslated. Personally I would hesitate to translate them, because it is difficult to find the proper terms in French to convey their meaning.

For instance, are we going to say "opportunité balancée" for "balanced opportunity" and translate word for word? I know we have "balanced feeds" for livestock, but are we going to say "opportunité balancée"? Personally, I cannot translate the expression and I cannot blame our interpreters for not having found a translation forthwith.

Again, when we say "differing views", do we mean "vues différentes"? What is translation for then? The legislator has provided that when the official translation is asked for, the Speaker must give it. I find that quite in order. To my mind, the member for Medicine Hat must not object to it, because should a motion be written in French only, the English-speaking members may not understand it. But if they know French as my good friend for Medicine Hat does, they may not always understand and interpret it correctly.

That is why I suggest that the committee chairman has interpreted the standing orders properly, and I believe the point of order was not well taken.

[*English*]

The Assistant Deputy Chairman: Order, please. I am sure the committee will be happy to know that we have a French translation of the amendment moved by the hon. member for Digby-Annapolis-Kings.

An hon. Member: Is it official?

The Assistant Deputy Chairman: It is official.

[*Translation*]

That clause 2 (d) be deleted and the following substituted therefor as follows:

"the programming provided by the Canadian Broadcasting system should be varied and comprehensive and should provide reasonable, balanced opportunity for the expression of differing views on matters of public concern, and the programming provided by each broadcaster should be of high standard using predominantly Canadian creative and other resources;"

• (3:50 p.m.)

[*English*]

Is the committee ready for the question?

Mr. Patterson: On a point of order, Mr. Chairman. I wonder if you would be kind enough to render a decision on the question that has been raised, or to reserve the matter?

[Mr. Grégoire.]

The Assistant Deputy Chairman: Order, please. If the hon. member is rising on a point of order, there is no point of order because the French translation has been officially read.

Mr. Patterson: With respect, Mr. Chairman, I believe the point of order still exists because there is a possibility this matter may be gravely misunderstood. If the decision or ruling of Your Honour is maintained, without the matter being considered adequately, we shall face impossible situations in future. I respectfully suggest that the Chair reserve its ruling until Monday. In the meantime, consideration could be given to the matter.

Mr. Churchill: Mr. Chairman, my recollection of the remarks of the Chair earlier is that amendments must be presented in writing in both languages. If that is a correct recollection of what the chairman said, then it is to that that the objection is being raised. The objection is to what the chairman said. Unless the chairman alters that decision it will stand in the records for the guidance of future chairmen of committees. I think that the chairman must now clarify the situation.

If I have correctly quoted the chairman's statement and the situation is not clarified, respectfully, in that case, I should have to make an appeal to Mr. Speaker.

The Assistant Deputy Chairman: Because of the many ramifications of the decision I think, before any decision is finally made on the matter, there should be some consultation with Mr. Speaker. The matter is réservé. Is that agreed?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Nowlan) agreed to.

The Assistant Deputy Chairman: Shall the subclause as amended carry?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: The committee will now revert to subclause (c).

Miss LaMarsh: This paragraph was stood in view of the amendment moved to it by the hon. member for Edmonton-Strathcona. He asked me to look at it and see whether I might accept it. I have done that, Mr. Chairman, and have told him why I cannot accept

it. I am sure he will want to say something further before other questions are put, and after he has said something I might make a contribution. I recall he did provide copies in both languages.

Mr. Nugent: Mr. Chairman, my amendment to paragraph (c) was to add between the words "expression" and "subject" in line 19 thereof as follows:

—and the right of Canadians to receive all broadcast programs available to them.

So that the amended clause would read as follows:

(c) all persons licensed to carry on broadcasting undertakings have a responsibility for programs they broadcast but the right to freedom of expression and the right of Canadians to receive all broadcast programs available to them subject only to generally applicable statutes and regulations is unquestioned.

My French being what it is I will not bother to read the French version, but it is available.

The reason behind my amendment is a simple one, and I did speak to it the other night. We want to be careful in this bill to preserve freedom of expression along with the duties of broadcasters. I therefore thought it appropriate to add these words. Having the right to freedom of expression, we should also have the right to freedom to receive the programs that are broadcast.

A similar amendment to mine had been moved by another hon. member which added the words "by any means whatsoever", but I thought this carried the concept too far. This would have left it open to the interpretion that there should be no interference in any way with any kind of cable distribution system or any other method of rebroadcasting or distributing programs. My amendment merely reserves the right to receive all programs. I believed that by removing those offensive words, which I thought went too far, my amendment would be acceptable.

The minister has indicated that she is not prepared to accept the amendment, and she has been kind enough to give some of her reasons. However, since there has been so much agitation and a fair amount of lobbying on this question, and so much has been made of the right of an individual who has a T.V. set to watch whatever programs he desires, I feel a refusal to accept this amendment would be the worst kind of censorship. In my opinion, the bill should specifically state that we want to preserve the right to receive all programs, in the same manner and to the same extent that we felt it necessary to include in this clause the right to freedom of expression.

If the minister does not want to accept the amendment, then I hope she will be kind enough to indicate her reasons and whether a variation of the amendment would be acceptable. In other words, Mr. Chairman, would I be fair if I were to ask the minister whether her objection is simply to the ideal of emphasizing the freedom to receive, or is it based on the fact that, as worded, the amendment is capable of an interpretation that would create difficulty for regulatory authorities in the control of cable distribution systems, and so on, and the solution of problems posed thereby? Perhaps the minister would say a few words about that.

Miss LaMarsh: Mr. Chairman, the objection I have to this amendment found support both from the Department of Justice and the Board of Broadcast Governors. In a general way, may I say that I do not think any of us believe there is or should be a restriction on the reception of programs that are received in the normal course. However, signals must come from a properly licensed station. For example, if a pirate station were set up outside the 12-mile limit, although the people might be able to receive its broadcasts, we would not want them to receive them unless the station were licensed. Being a pirate station it would not be licensed and the B.B.G. would have no authority over it.

Technically it would be possible to set up a broadcast or a rebroadcast station and make its programs available to everyone. However, I do not think the B.B.G. should be required to license them simply because such stations are technically feasible. Other considerations come into play, such as whether or not a C.A.T.V. or a rebroadcast station of some kind should be licensed in a given area. Sometimes the B.B.G. turns down such applications because they believe that a broadcasting station will at some time in the future be built in the area and this would be more in the interests of the community concerned.

The difficulty that both justice and the B.B.G. inform me they see in this amendment is that the phrase it seeks to add to the bill means different things to different people. They feel that it would make the bill unnecessarily restrictive if it were open to the interpretation that signals that were echnically possible of transmission ought to be received by all. These signals may come from a

C.A.T.V. station, or an originating station within or without the 12-mile limit.

There is no quarrel wih the proposition that operators who are licensed and lawfully transmitting signals should be able to broadcast to all. However, we do get into this problem. Consider, for example, the C.A.T.V. operator. Let us say that he wishes to rebroadcast four United States signals. In giving this operator a licence the B.B.G. requires that he also carry at least the national program of Canada from his local station. If people have the right to receive all programs, this operator technically could pick up 10 or 12 signals, but he would be able to transmit only about six. So a conflict arises there in that the hon. member contends that people have the right to receive whatever programs are available to them, and these programs would be available if the C.A.T.V. operator broadcast them.

The law officers of the crown and our technical advisers, the Board of Broadcast Governors, do not feel there should be any stricture on the right to receive programs, any more than there is a stricture on the right to read newspapers. But if parliament were to endorse such a broad principle and say that all programs should be available to the people, this may cause considerable difficulty in the application of our licensing requirements which have to be set out in the different parts of the act.

Mr. Baldwin: Might I ask the hon. lady a question. Does she mean by her remarks that in the eventuality a pirate broadcasting station were to be set up outside the three-mile limit—

Miss LaMarsh: It is 12 miles.

Mr. Baldwin: —the government is reserving unto itself the right to prohibit people from receiving such signals, be they radio signals or television signals? Does her rejection of the amendment proposed by the hon. member amount to this?

Miss LaMarsh: But we would not be licensing such stations, Mr. Chairman. All stations must be licensed by the B.B.G. If this amendment were accepted it would mean there is a right to receive all programs from the United States. We cannot stop people receiving these programs; this could only be done by jamming the signals. But this would mean, at least theoretically, that if in a given area 10 or 12 signals could be received the people there would have a right to receive them if they had television sets.

• (4:00 p.m.)

They cannot receive all these signals unless something brings them to their sets. The C.A.T.V. operator might reply by saying: "I have six stations I want to transmit. The regulations say I cannot. I must transmit all 12, because parliament says everyone has a right to receive everything that is available." Having considered this for quite a long time and taken advice both from my own officials and from the Board of Broadcast Governors, because this is something I am quite concerned about, I feel bound to follow their advice and indicate that I cannot accept the amendment.

Mr. Nugent: It would appear from what the minister has said that part of the difficulty arises because my amendment includes the phrase "all programs". I am reluctant to drop the point. I understand the minister's dilemma, but I do not think we are too far apart. Suppose I put in the expression "and the right to receive programs" rather than "all programs". That might ease the difficulty.

My reasoning is simple. In this clause we are pointing to responsibilities which the government feels it is necessary to enunciate. I feel there is a right to receive programs, subject to rules and regulations, just as there is a right to freedom of expression, subject to rules and regulations. This seems to be the place at which to include a reference to this right. I gather that the minister herself feels that this is a proper attitude to take and that our difference arises from the wording itself. If I am correct in this assumption I wonder whether the hon. lady would mind indicating whether she thinks it is possible to work out a form of words which would simply remind us of the right to receive programs, and to have those words included in the bill without offending the feelings of those who will be called upon to handle this act and who fear it might be made unworkable.

Miss LaMarsh: I am not happy about the proposal to put this in subclause (c), because this subclause deals with the obligations and rights of licencees. It might be better in (e) or in a separate subclause altogether dealing with the right of Canadians to hear programs. I have told the hon. member what my advisers think of this. I am told that the ramifications are too wide, and I am advised not to accept the amendment.

I realize, of course, that nothing sinister is intended by the hon. member—it seems absurd that anything sinister could come from him—but I think, on reflection, that I

should accept the advice of my officials in this regard.

Mr. Pugh: Might I ask another question? The minister suggested there might be a possibility of incorporating the amendment in a separate subclause. I had the impression from her words, and their manner of delivery, that she was loath to turn it down and would like to find some way round the difficulties she mentioned. She says she is bothered because we are dealing with a subclause affecting licencees. I have the feeling that deep down she recognizes there is discrimination as between those who receive a loud and clear signal and those further away who get a much poorer signal but who still have the right to listen to it and who, by the use of cablevision, would be able to get a loud and clear signal just as though they were living near the border. Would the minister consider the matter from this point of view? Perhaps she could come up with a proposal of her own along the lines put forward by the hon. member for Edmonton-Strathcona, and incorporate it in the bill.

Miss LaMarsh: Possibly the hon. member for Edmonton-Strathcona would like 2 (c) to stand again. This would give him a chance to talk with some of the law officers of the crown in an attempt to find words which could be placed in a separate subclause.

Mr. Nugent: I think that would be a good idea. I am sure it is the wish of the committee generally that we should express approval of the right to receive. Let us leave it until Monday and in the meantime try to find a formula which will not have the consequences that the minister's advisers fear.

Mr. Baldwin: I have not intervened in this discussion so far, but I believe it would be a serious error of judgment if we were to leave the subject in the absence of an indication that there is no restriction on the right to receive programs. I understand the minister's position. She has been given certain advice and feels compelled to pay attention to it. But the only inference flowing from what she has said is that there may be, on the part of the government, the right to prohibit reception in some cases. I hope the minister and her officials, bearing this in mind, will strive diligently to come up with something which rejects such an implication.

Mr. Alkenbrack: I did not join in the discussion on some of the previous clauses of this bill but I do so now because I support the amendment put forward by my hon. friend from Edmonton-Strathcona, particularly that part of it which stresses the right of Canadians to receive all broadcast programs available to them subject only to generally applicable regulations or statutes. I agree that this right is unquestioned. The matter of community antenna television is very important to my riding at present. There has been much confusion about it, and concerning the granting of franchises for C.A.T.V. in Prince Edward-Lennox.

• (4:10 p.m.)

On June 20 last year, as recorded at page 1713 of *Hansard* for that date, I opened the subject by asking the then minister of transport, Mr. Pickersgill, whether or not he had received applications from persons in the town of Napanee, and recommendations from the mayor of that town requesting departmental approval of cable television services within the municipality. Although I had given the minister notice of it, Mr. Speaker suggested that I put my question on the order paper.

Two evenings later, on June 22, I raised the matter during the adjournment debate. My words are recorded at pages 1863 and 1864 of *Hansard* for that date, when I put the case requesting approval of cable television facilities of the town of Napanee. I do not want to be repetitive by quoting my own words, but I do wish to quote again a letter from the mayor of Napanee to the then minister of transport. This was in support of the application of Mr. Reg Dawson, a citizen of the town of Napanee who applied more than once, without success, for a franchise to operate C.A.T.V. as a public service to the citizens of the town. The mayor's letter reads as follows:

> It has come to my attention that one of my citizens, Mr. Reginald Dawson, has presented an application to your board by which he is seeking to secure a licence or franchise to instal cable T.V. in our town of Napanee.
>
> During the last three years we have had several outside groups make contact with our council and public utilities with the idea of supplying us with this type of T.V. service. However nothing has been finalized, and we now have a local group headed by Mr. Dawson who are endeavouring to bring cable T.V. to Napanee. I might add that due to our town being located in a valley, regular T.V. reception is very, very poor and like all other growing municipalities we are anxious to have the best for our citizens.
>
> I note with interest that Smiths Falls, also Belleville in eastern Ontario and Fergus and Elora in western Ontario have been granted a licence to instal cable T.V.

Therefore I sincerely hope that you will give your support to the application that has been presented to your department from citizens of the town of Napanee.

Thank you, I remain,

Yours very truly,

Lorne A. Smart,
Mayor of Napanee.

Franchises have been handed out all around us but Napanee has been ignored. Just an hour ago I communicated by telephone with the town of Picton, which is the county town of the county of Prince Edward. I am pleased to hear that a franchise has been granted by the government for C.A.T.V. there. Picton can well use such a service because most of the town is situated at a low altitude, below and on the north side of MacAulay's mountain. I am glad to hear that a franchise has been granted there to a local and reliable firm.

My question is one being asked by hundreds of Napanee citizens, why is the franchise for Napanee being withheld? I note that there is at least one other application besides that of Mr. Dawson. I note that it is in the name of an Ottawa man, who has made an application to serve the towns of Prescott, Gananoque and my native town of Napanee.

I contend, and I am sure all members of the committee will agree, that these franchises should go to applicants who are local, taxpaying citizens of these towns if they are able to perform the necessary service. The government has no right to grant these franchises to large syndicates which operate remotely out of larger centres, and which have no real local interest in a town like Napanee other than the acquisition of thousands of dollars or revenue per year. This revenue would be siphoned off to the larger centres and would not be spent within the local municipality. For that reason I repeat what I said last June 22.

I contend, and I am sure the minister agrees, that a responsible local application such as this from a resident of the municipality, where cable facilities are economically and physically feasible, should be quite in order. Indeed, it should command top priority. I contend that the Department of Transport has no right to withhold a franchise for this service providing the operator of it agrees to comply fully with the regulations governing the lighting and marking of his tower so that it will not endanger the flight of aircraft.

As Mayor Smart pointed out in his letter, franchises have been granted in other towns in Ontario, and yet the Napanee franchise is refused for no good reason at all. I appeal to the hon. lady, whose bill we are dealing with, to use her good influence to see that a franchise is granted to the local applicant for the town of Napanee, in order that the best interests of all may be served. Television reception in Napanee is far from perfect because of the town's low altitude. We are entitled to prompt consideration and I intend to ask for early appointments with both the Secretary of State and the Department of Transport for Mayor Smart and his council—

Miss LaMarsh: Mr. Chairman, I do not like to interrupt my hon. friend but I have absolutely nothing to do with that licence. It is the happy duty of my hon. friend, the Minister of Transport, to reign over that particular empire. Much as I would like to see Mayor Smart and his people, it would only be wasting their time.

Mr. Alkenbrack: I fully realize that the hon. lady does not have the responsibility, but I have merely asked her to use her influence with the Minister of Transport.

I congratulate the hon. lady for the constructive criticism she made of the C.B.C. not very long ago. Her criticism was of programming and management. Of late, criticism has been levelled by the general public at that body. I just wish to say that I have received many letters of condemnation regarding some of the ill taste that has been displayed in programming. I am sure that the management of the C.B.C., both executive and programming, will respond to the reasonable and firm protests of the Canadian viewing public, and will exercise proper restraint with respect to the character and quality of T.V. programs.

I remind them that the character of these programs to a great extent is commensurately reflected in the character of our people. Their influence on our people is in direct ratio to the quality of the programming. In this regard I am reminded of that ever reliable axiom, "Habit crystallizes into character."

I also wish to say that this chamber is the place where this bill can be turned into good legislation, legislation that will be an influence for good and which will provide reliable guidance to the executives of the C.B.C.

• (4:20 p.m.)

Although I am also one of those who at the present time asks for better value for our dollars invested and for better economic practice in the C.B.C., I am still one of those who

has confidence that despite our present troubles good judgment and good management will result from our current far-flung national criticism of this body and from the legislation that we are slowly but efficiently bringing forth.

I have heard that members of the cabinet are becoming very impatient at the time we are spending on this bill. I should like to remind these impatient ministers, whose interests are now diverted to personal glories on the Liberal leadership hustings, that this is a very poor time for them to portray impatience because the majority of people look on this legislation with intense interest. I should like to remind the government that Canada deserves—and let us hope that from our deliberations here, will get—better broadcasting services and better value for the tax dollar.

Mr. Herridge: Mr. Chairman, I rise to congratulate the minister for the flexibility in accepting the amendment moved by the hon. member for Digby-Annapolis-Kings. In so doing, I believe she has shown that she is willing to listen to criticism from the opposition side of the house. I am of the opinion that we could rapidly conclude this aspect of the debate with regard to the content of C.B.C. programming, matters of good taste, additional forms of programming and so on, if the minister would simply rise and say to the house, "I will recommend to the C.B.C. that in its operation it pay due respect to the principles enunciated by the Minister of Justice when he made a statement to the nation that in his opinion the state has no right to enter the bedrooms of the nation". From then on I am sure we would be quite safe. Would the minister do that?

Miss LaMarsh: Mr. Chairman, I think the hon. member should know that it is not under the 1958 statute, and is not likely to be under the current statute, my responsibility to give instructions to the C.B.C. So far as the Minister of Justice's principles are concerned, I think he can stand on his own feet.

The Chairman: There has been a suggestion that subclause 2 (c) stand. Is it the wish of the committee that this be done now?

Mr. Cowan: Mr. Chairman, I would prefer to speak to the question of subclause 2 (c) today rather than on Monday. However, I will be here on Monday as well as today. I regret having to indulge in personalities, but I must say, after listening to the hon. Secretary of State when she appeared before the broadcasting committee—I have the minutes of proceedings and evidence here in front of me and will read them to you shortly—and from her explanation today that it is quite apparent she does not understand a community antenna television operation. There is nothing the matter with the C.A.T.V. operation either in Canada or elsewhere in the world. The comments which have been directed toward the C.A.T.V. operation are beyond my belief for ignorance.

I was first elected to this House of Commons in 1962 and saw the hon. member for Niagara Falls here when I came in as a member of the opposition. There is no member of this house for whom I have a higher regard. She stood up today and said that she has a recommendation from the Department of Justice. I marked down her words. She said: "I am bound to accept this recommendation of the Department of Justice and the Board of Broadcast Governors". I should like to ask her why she and I stood up together and voted the Diefenbaker government out of office when we would not accept a ruling of the Department of Justice from a man by the name of Dreidger who was advising the Diefenbaker government regarding import and export taxes. It is a very short time since she and I stood together and refused to accept the statement of the Department of Justice as passed on to us by the then minister of justice, Hon. Donald Fleming.

In 1963 the hon. member for Niagara Falls and I stood together with many other members of this house and turned out the Diefenbaker administration. Now, after we have come to the seats of the treasury benches we get another opinion from the Department of Justice. If the Department of Justice makes such magnificent recommendations that they must be accepted by the minister and if they are so important she is bound to stand by them, why has Mr. Dreidger been moved to Hamburg, Germany where he is the third or fourth assistant consul.

The Chairman: Order, please. I am sure the hon. member realizes that he is now well outside the ambit of the clause which is before us. Perhaps he would return to the actual subclause.

Mr. Cowan: I am referring to the statement of the Secretary of State to the effect that she is bound to accept the recommendation of the Department of Justice. I am pointing out that in the past she did not consider herself bound

to accept the recommendation of the Department of Justice. I have made the point that if Mr. Dreidger is so wonderful, why is he still not in the Department of Justice.

Just now the Secretary of State made the statement that if the people have the right to receive all the programs on the air what do we do about places where there are 12 programs available on the air but the receiving set of the C.A.T.V. can only bring in seven? This would mean that there were five which could not be received. All Canadians have the right to read whatever magazines and periodicals they wish to read. Thank God the cabinet has not started to interfere in that field. Does that mean we must buy every magazine and periodical? We have the right to buy them, but when we do not buy them this does not interfere with the importance of the right to information wherever we can get it. If we subscribe to a service which brings in only five out of the eight or ten available channels on the air, that is our business; it is our money we are spending.

As I said before in the month of October, I believe, when this bill was first introduced, this is perfect legislation for the past but pays no attention to the future development of radio and television in this world. I sincerely believe that television as we know it today is on the way out and that the C.A.T.V. systems will take over the entire field in time. On the question of C.A.T.V., I have in my hand here minutes of proceedings and evidence No. 6 of the standing committee on broadcasting, films and the assistance to the arts for Tuesday, November 28. On that day Hon. Judy LaMarsh, Secretary of State, was present. As reported at page 166, in answering a question asked by Mr. Jamieson, Miss LaMarsh said this:

—I am not very familiar with the economics of them—

That is, the C.A.T.V. systems. Then on page 167, in answer to another question by Mr. Jamieson, Miss LaMarsh said:

—but of my own knowledge I do not know that much detail about it.

Then, as reported at page 167 in answer to a question of mine she said:

And they fill those five channels with other than local stations. The local station is not capable of being received on the C.A.T.V. that one gets in one's individual home. It blanks out.

Now, in respect of that third quotation I have given you I say to the Chairman and to others in the House of Commons that every time a C.A.T.V. operation has been licensed in the Dominion of Canada the application has been submitted through the Department of Transport which refers it to the Board of Broadcast Governors. Finally, the licence is granted if the department so decides. There has never been a C.A.T.V. licence granted in Canada which did not have, as the first specification, that the system must pick up the local available Canadian station. Someone will say that he knows of a C.A.T.V. system on which one cannot receive a local station.

• (4:30 p.m.)

If there is a C.A.T.V. station in this country on which you do not get a Canadian station, and I know for a fact there are several, it is because no Canadian station is available in that territory. I am told by men who know, one of whom is generally sitting in the house, that there are C.A.T.V. installations in British Columbia that have nothing but United States stations on them because no Canadian stations can be received. If a Canadian station could be received the Department of Transport, under the Minister of Transport, would specify in the licence that the Canadian station had to be on the dial of the C.A.T.V. installation. There is not a single C.A.T.V. installation in Canada on which a Canadian channel that is available has been shut off, because the Department of Transport has always specified that Canadian stations which are available in the location must be carried on C.A.T.V.

If the Secretary of State is going to worry about the fact that some wires today in the cable system will only bring you five or seven channels when there may be ten or 12 channels available in the area, let her stop worrying too much about that. The C.A.T.V. systems operation is progressing so fast, and I have mentioned this in the house before but take the time to repeat it today, that wires which will take up to 30 channels are now available. If the Secretary of State, the Department of Transport and the Board of Broadcast Governors are going to worry about some places having 12 programs available but only five channels on the C.A.T.V. installation, let me assure them that a wire can be put in which will carry more channels on the C.A.T.V. installation in Canada than there are programs available for the area. This is a straight statement of fact which nobody can deny. In Hendersonville, North Carolina, there is a C.A.T.V. installation today that has 23 channels on the wire although there are not 23 programs available in that area of North Carolina to fill these

channels. They have a wire there that is bringing in all the available channels, with a lot of other blank channels as well. I mention 23 channels to you because to my knowledge that is the maximum in use at the present time.

Let me remind the minister that the electrical industry in the world today can produce wires that will carry 30 channels, so she need not worry about any channel being kept off by the C.A.T.V. system. If a channel were kept off the C.A.T.V. operator would be doing so contrary to the requirements of the Department of Transport.

This is not the principal point in this discussion on the amendment of the hon. member for Edmonton-Strathcona. This point involves the right to receive programs available in an area. I have said in this house many times, and I repeat it again now—the little episode which occurred at noon today does not bother me in the slightest—that I have the highest regard for the hon. member for Niagara Falls. I am not buttering her up but stating an opinion I have held for several years. One of the things I admire about her is that she is not only the Secretary of State, she is also the hon. member for Niagara Falls.

When there was a move afoot, on behalf of certain interests I will not name, to move the Barrie T.V. station into the metropolitan Toronto area where it would interfere with the reception of two television stations from Buffalo there was a meeting held of interested members who wanted to protest the possibility of such a thing happening. Five cabinet ministers showed up at that meeting, one of whom was the hon. member for Niagara Falls.

If the cabinet believes that the only right we should give to the public is that those licensed to carry out broadcasting undertakings must accept the responsibility to protect freedom of expression, why were those ministers protesting the move of the Barrie station? If the Barrie station had been moved it would have interfered only with our right to hear or receive programs from two Buffalo stations. We now have the minister stating that we are giving the broadcasters the right to freedom of expression, unquestionably. Why was there such a protest about the Barrie station moving into the Toronto area and interfering with the reception of two Buffalo stations? I still say that what is sauce for the goose is sauce for the gander.

If there were justification for protest against that threatened move by certain financial interests, well known in this house, why have we taken the position of telling a C.A.T.V. operator that we are not interested in reception now but only interested in the unquestionable right of a station to broadcast? Only a few months ago five cabinet ministers were present at a meeting to protest this proposed move. As far as I can see now, two of those five at that meeting are here in the house. It is very strange that they were protesting about that interference with reception, but now tell us that all the government is willing to grant is the unquestionable right to freedom of expression. We are talking about the right to receive all programs that are available in an area. If the public wants to pay out money they should have the right to do so and get what they want in the area.

I can remember in the early days of radio, going back some 40 years now, when there was a big radio operation in Chicago which, over the course of the years, developed into one of the biggest radio houses in the world. That operation had the slogan "mighty monarch of the air", and hammered home again and again the advertising phrase "the air is full of things you should not miss". This phrase sold millions of radio sets in the United States and Canada. I am sure many members of this house will recall that advertising slogan. The operator of that station was not foolish enough to suggest that the air was full of things and we should not miss any of them. It is a simple fact that the public is only able to hear and understand one program at a time. This operation did not suggest that the air was full of things and we should not miss any.

We are not demanding that every program in an area should be made available to every Canadian who wants a C.A.T.V. installation. However, we are saying that if a Canadian family wants to pay money to get programs, other than those available to him through the local T.V. station, that family has the right to spend money to that end.

What justification is there for the statement that a C.A.T.V. application should be turned down because a second station may be built in an area? I am thinking of Napanee, Gananoque, and Prescott, to which I referred some time ago by using a letter I received from the Secretary of State. We were told that the applications were turned down because the establishment of a second T.V. station in that general area might be inhibited. I pointed out at the time that the next station to go in there, according to the white paper and the

report of the committee on broadcasting, would be a C.B.C. station. Certainly, any interference with a second station would not bother the C.B.C. because it pays no attention to money. Why should the people in the Prescott, Gananoque and Napanee area have been deprived of C.A.T.V. service in the past, at the present and for heaven knows how much longer, because the cabinet is rescheduling, prolonging and drawing out operations? We must bear in mind that the cabinet is cutting back the expenditures of all departments, including the C.B.C., in this rescheduling and drawing out operation. I say to you that as far as the residents of that area are concerned, the air is full of things they should not miss. Why do they have to wait until the cabinet finds there is enough money left over, after equalization payments to the provinces, to extend the C.B.C. into the Kingston area?

The people in these areas should have the opportunity of choice today. I could not agree less with that if there were 15 programs available in the Prescott-Napanee-Gananoque area. If they want a C.A.T.V. system with only five channels, that should be their choice.

There is one other point I should like to deal with in respect of what the Secretary of State said in commenting about the amendment of the hon. member for Edmonton-Strathcona. She talked about putting out signals. C.A.T.V. installations do not put out signals; they are only a reception area. They receive; they cannot put out signals under the licences that are granted to them by the Department of Transport. I am not arguing that C.A.T.V. should be given the right to put out signals; but when they are only receiving, why should there be a limit on the number of stations that can be licensed throughout the Dominion of Canada?

• (4:40 p.m.)

I am old enough to remember the time when the government used to try and collect a little tax on radio receiving sets. I call it a tax, because if I am not mistaken it was $2 and at a later date it was increased to $2.50. A tax was put on receiving sets throughout Canada in the days of the Canadian Radio Commission, following the Aird report. If there ever was a more unpopular tax than even the tax on tea in Boston, it was that radio tax which the government tried to collect from the people of Canada. It was called, euphemistically, in government circles a licence fee, but to the people who were called upon to pay it, it was a tax.

There are men in this house of an age to remember the days when an uproar developed with regard to this tax. If a family had two or three radios in its home, did they have to take out a licence in respect of each radio, or did the $2 licence fee cover the radios used by the household? The interpretation was first given that you had to have a $2 licence for each individual set. Then, there were radios in motor cars. The government had not changed its mind on the matter and said that you had to have a licence, or pay this fee, for a receiving set installed in a motor car.

I do not know whether this next statement is any credit to me or not. I think it is, although many in the house may disagree with me and think of it as a black mark against me. I can tell you that I am the man who said to Mackenzie King in the course of a general election, which the Liberals won, that they should remove that tax on multiple radio sets in homes and on radio sets in motor cars. If any hon. member wants to check on this he will find that there was a general election at that time and I made this suggestion. I came down from Toronto and the matter was discussed by a large number of Liberals.

Today we do not have a tax on receiving sets anywhere, and I do not think Canadians as a whole would go for it any more; they are much happier paying for the C.B.C. through the general taxation to which they are subjected than having people coming around and checking on the number of sets they have. Members of the house will remember that people used to go around counting the aerials over houses. Then people did not put aerials up, in order that the inspectors, as they were called, could not count them. The inspectors would then knock at the door and ask how many sets were in the house, because people were hiding the aerials. All that is past and gone, but not forgotten.

We have not imposed a licence fee or tax on receiving sets in years. Are we going back to that system now? I say to you, as a Liberal, that the public have the right to know. It is only about six years ago that the daily newspapers of Canada carried a tremendous advertising campaign, and the theme of it was the public's right to know. Is the cabinet of Canada, in 1968, going to deny the public's right to know by stating, "We will not put the C.A.T.V. system into this area in which somebody wants to operate a station, because the

local television operator might lose a little money if we did"? I could not care less whether the local television operator loses money as a result. Does the cabinet care about how much revenue the newspapers are losing to television? Why do they worry at this time about the local T.V. operator and whether or not he is losing money?

I would ask members of the house to read pages 166 and 167 of the report to which I have referred. This afternoon the hon. member for Queens was talking about the way in which C.B.C. puts programs over the air. He pointed out that when the C.B.C. starts to build up a program to prove that the earth is flat, they get the finest looking and most suave people they can find to prove that it is flat. Then, they get a bunch of dumb bunnies to prove that it is round. A few snide questions are asked about those who contend the world is round, thoughts are expressed on the other side, and finally the people appearing on the C.B.C. who contend the world is round are called "squares".

If you want to read some insinuating questions on this subject, read pages 166 and 167 of the committee report for November 6. You will find a T.V. station owner who is on the broadcasting committee of the House of Commons asking the very kind of question to which the hon. member for Queens referred today when he talked about a program to prove that the world is flat. The general tenor of the questioning on pages 166 and 167 is that C.A.T.V. systems will put the local stations off the air. I do not like to say it, but it is a straight statement of fact. He was questioning the Secretary of State, and she does not know too much about C.A.T.V.

In several places on those two pages she says that the local Canadian station is blanked out. I can only say that there is not a case in Canada where the local Canadian station is blanked out, but that answer is in this official government report. These are the answers of a lady who I think is smart, smart, smart. I have read those statements. The hon. Secretary of State said that she was not very familiar with the economics of this matter, and of her own knowledge she did not know much detail about it. We have her answers and are supposed to take them as being official. There are more facts on this subject than appear in the reports of the committee on broadcasting, films and assistance to the arts.

I do not think for one moment that the Secretary of State alone is responsible for the attitude that she is defending in the house. She said this afternoon, "I have to accept the opinion of the Department of Transport; I have to accept the opinion of the Board of Broadcast Governors". She would not be here piloting this bill through the house if she were not representing the idea of the entire cabinet as to suitable and satisfactory legislation with respect to a broadcasting policy for Canada.

I am certain that the cabinet does not know as much about C.A.T.V. as the Secretary of State. She has at least made a little study of it. I know a former member of the cabinet who knew a lot about C.A.T.V., because he was concerned with keeping it out of areas in which there were T.V. stations. He only kept it out because he knew a great deal about it. He was not interested in the welfare of the general public who were being deprived of programs because of his action.

I have said before that I have been hoping the cabinet would have the good sense to alter clause 2 (c), as suggested by the hon. member for Edmonton-Strathcona. Perhaps the cabinet would propose a new clause or even withdraw the clause for a while until a clause could be inserted guaranteeing freedom of information to all and the right to receive information to all. But no, the Secretary of State stands up today and says she cannot accept the suggestion and justice department tells her she should not. She says, also, that the Board of Broadcast Governors advises her—you have to admit, informally—that she should not change the policy as expressed in clause 2 (c).

I have said before, and repeat again, that if this clause is passed by the Pearson administration, it will deny Liberalism. It will deny the public the right to know. I do not care how many people do or do not look at C.A.T.V. programs, but if there is somebody in Canada who wants to look at a C.A.T.V. program and there is a commercial operator ready to make the installation so that he can look at it, then the operator should be allowed to make the installation and the member of the public should be allowed to look at the C.A.T.V. programming. It is as simple as that.

• (4:50 p.m.)

I have protested against this ridiculous situation where the broadcaster has the right to express himself but the public does not have the right to receive these expressions if

they so wish. I have mentioned before, possibly at a meeting of the committee on broadcasting, that some years ago I secured in Toronto the opinion of the supreme court of British Columbia regarding cablevision out there. In the committee I reminded the Secretary of State, who is an able lawyer, she had said to me in a private discussion one day that I should read the decision of the supreme court of British Columbia on the matter of cablevision because I would find the Canadian government had the right to tax and to licence the operators. I said to her in committee that I had obtained the decision of the supreme court of British Columbia and that I had had it for some years in Toronto. However, now that I was in Ottawa I would obtain another copy.

I received from the supreme court library xeroxed copies of the decision of the supreme court of British Columbia. The point at issue in this decision was that the province of British Columbia was endeavouring to regulate the C.A.T.V. receiving sets and to tax them on their commercial business. The cablevision operators objected to coming under provincial control. They went to the court on the matter, and the province of British Columbia, through the public utilities commission, prosecuted the Victoria Cablevision Limited and two other receiving station operators. The decision was that cablevision does not come within the jurisdiction of the provincial governments but is a federal matter. It is interesting to note the various references made by the judges of the British Columbia supreme court by previous decisions of the Privy Council that the transmitting of a signal and its reception cannot be separated.

The province of British Columbia was trying to do that very thing by arguing that the C.A.T.V. installation in British Columbia, which was receiving signals from, say, the United States came under provincial jurisdiction and therefore the province could tax and regulate it. The judges of the supreme court of British Columbia dismissed the argument of the province and said it was a federal matter. I would draw the hon. members' attention to the fact that the decision of the supreme court of British Columbia handed down on March 22, 1965, has never been appealed.

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[Mr. Cowan.]

Mr. Cowan: It was my understanding that the subclause would be stood until Monday so that the Secretary of State could receive further advice from the Department of Justice and from B.B.G.

Miss LaMarsh: I should like to make it clear that it is not for me to get that advice but rather for my hon. friend from Edmonton-Strathcona. I understand he is in the process of doing that. I certainly agree the subclause should stand until Monday, if that is the wish of the committee.

The Assistant Deputy Chairman: Shall subclause 2 (c) stand?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall subclause 2 (f) carry?

Some hon. Members: Carried.

The Assistant Deputy Chairman: Shall subclause 2 (g) carry?

Mr. Prittie: Surely we should consider the four paragraphs under subclause (g) one by one.

The Assistant Deputy Chairman: Does the committee wish to consider the four paragraphs of subclause (g) in order?

Is paragraph 2 (g) (i) carried?

Mr. Thompson: No, Mr. Chairman. I assumed that subclause 2 (c) would be carried over until Monday, but in view of the fact that we have stood this subclause and have moved on to paragraph 2 (g) (i), there are a few remarks that I should like to make before we call it five o'clock. The remarks which I have made during the committee's study of Bill No. C-163 were a result of the viewpoints that have been expressed to me in copious correspondence which came to me from constituents. In my previous remarks, I stressed the point that it is our responsibility in approving the legislation before us to ensure that the guide lines which we lay down for the management will be effectively implemented by them. I think this has not been the case during recent years in the programming by the C.B.C. and by private television, although I believe we are dealing strictly with the public broadcasting corporation.

What concerns me about the general trend of programming is the responsibility which the public broadcasting corporation bears in this respect, and with which we cannot deal

effectively in the house, toward those institutions in our country that form the very fibre, the very warp and woof, of the Canadian way of life. I am concerned, too, about those younger people who do not have the selective ability to turn off the television set when there is something on it which they do not wish to see or which perhaps they should not see. It is a truism that television at the present time is potentially capable of strengthening and unifying our country, but if it is not properly supervised and controlled it can have the opposite effect. I think that the vast majority of parents in this country who cannot be at home all the time to supervise the turn of the dial on the television set are concerned about the lack of control by the C.B.C. management over programming.

Therefore I suggest the addition of a few words to paragraph 2 (g) (i) which, as was the case with the amendment which I moved to subclause 2 (c), are very mild in tone. In spite of that, they are of great importance in setting down guide lines for management in their control of programming. Therefore, I wish to move:

Paragraph 2 (g) (i) be amended by adding the following: "... while safeguarding sound family life. No program may be shown which could be considered encouraging to criminal activity".

May I call it five o'clock, Mr. Chairman.

• (5:00 p.m.)

The Assistant Deputy Chairman: Since it is five o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

Mr. Speaker: It being five o'clock the house will proceed to the consideration of private members business as listed on today's order paper, namely, public bills and private bills.

RIGHT OF PRIVACY ACT OF 1967

MEASURE TO PROVIDE SAFEGUARDS, PENALTIES, ETC.

Mr. H. W. Herridge (Kootenay West) moved the second reading of Bill No. C-19, an act respecting the right of privacy.

He said: Mr. Speaker, I wish to speak to Bill No. C-19, an act respecting the right of privacy, since the subject is of great importance to the maintenance of democratic institutions and procedures. It is of increasing importance in the type of society that is evolving today.

I first heard of wire tapping just before the first world war when the miners of Sandon and Silverton in the Slocan country were on strike. The miners discovered that management was wire tapping conversations between the two villages of Sandon and Silverton. After the miners discovered this, they got two Gaelic speaking miners to carry on all discussions over the telephone, and from that time on management was in a bit of a fog.

I next heard of wire tapping when wire tapping was used with respect to certain illegal information in connection with race track results and things like that. The information relayed related to gamblers who were carrying on their work illegally. Then, throughout the years, I heard of wire tapping again in connection with its use, along with certain other mechanical devices, by spying agencies and those who were engaged in criminal activities.

Since then I have read numerous books, such as "The Intruders"—The invasion of privacy by government and industry—by Senator Edward B. Long, and "The Eavesdroppers" by Samuel Dash.

This matter came to prominence generally to the people of Canada when a landed immigrant, E. P. O'Neal, otherwise known as "Casey" bugged the meetings of the pulp and paper workers of Canada in Vancouver as the result of co-operation with personnel of the R.C.M.P. At that time, Lloyd Craig, who was a personal friend of mine and well known to me, died in his bedroom. I might say that his loss is mourned by the entire community of Castlegar and by all those in the trade union movement who respected his character, his integrity and what he tried to do for the formation of the Canada pulp and paper workers union organization in British Columbia.

May I quote from the report of the commission of inquiry into invasion of privacy. I wish to quote part of that report to indicate the urgent need for amendment to the Criminal Code to correct the situation. I shall begin quoting part of the report at page 4:

The chief officers of the International Union became alarmed at what was happening and contacted a man who was going under the name of E. P. O'Neal at that time and who was then secretary of the British Columbia Federation of Labour and employed him as an organizer to attempt to bring order out of the chaos which had arisen.

The report then goes on to say:

The pulp and paper workers of Canada organization scheduled a convention at the Ritz Hotel in Vancouver for November 5, 1966. O'Neal conceived

the idea of attempting to ascertain knowledge of their future actions and plans. He already was acquainted with two officers of the security and intelligence branch of the Royal Canadian Mounted Police and discussed his problem with them.

I shall deal at greater length with the activities of these gentlemen on this subject at a more appropriate time. I continue:

As these two individuals, Cpl. Reed and Const. Ouellette were in that branch of the force to which the questions of security of the state are assigned they were naturally interested as policemen in some of the individuals who were taking part in the activities of this union. There is no evidence as to the background of these individuals but I have no doubt that their reputations and actions were discussed.

It is clear that the three of them discussed the best ways and means of obtaining the information that O'Neal sought. The corporal suggested to O'Neal that he might plant an informer in their group and procure some information. With this advice O'Neal did not agree. There were several discussions during which O'Neal raised the question as to the use of "bugging" devices and asked them if they could recommend someone who could render him such a service.

The officers at first decided against taking this step but subsequently they called a private detective named Bud Graham who had been a former member of the force and who had served along with Reed and told him that he would be called by a "labour leader or someone high up in the movement." Then Reed advised O'Neal to contact Graham and make his own arrangements with regard to the undertaking he wished him to take on.

At this juncture it may be appropriate to consider the position of the force as a whole. Counsel for the Royal Canadian Mounted Police asked that I find that as a force that body was in no way involved in the events which took place in the first week of November at the hotel. Counsel further asked me for a finding to that effect.

In considering this request I am faced with the fact that no evidence was tendered by the force as such, although a responsible officer of that body was at Miss Christie's elbow instructing her at all times. Any cross-examination which might have elicited the facts was strenuously objected to, and finally ended in the filing of an affidavit of the minister claiming privilege and the invoking of the Official Secrets Act. All of these actions effectively stopped any evidence being elicited which would have enabled me to decide whether or not Reed and Ouellette were conducting a "caper of their own."

Reed and Ouellette are experienced members of the force. At the time of their interviews with O'Neal and with Graham and all their subsequent actions they were officers in the Royal Canadian Mounted Police. The Royal Canadian Mounted Police as a force has not taken any steps to explain its position and I find it impossible, unless there is evidence to the contrary, to come to the conclusion under the circumstances that any information obtained by officers of the law was not obtained officially. Consequently, I feel I cannot come to the conclusion that the force has divorced itself from the actions of Reed and Ouellette.

[Mr. Herridge.]

My one criticism of those two officers is they did not clearly impress Bud Graham with the fact that his employment by O'Neal was in no way official and that O'Neal was employing him to further his own ends. They certainly left the impression but not the word with Bud Graham that employment by O'Neal was official. Mr. Graham, stated that he had a clear impression that what he was doing was for the general benefit of Canada and helping the force of which he had formerly been a member, which statement I accept.

Graham, after consultation with O'Neal, arranged for quarters in the Ritz Hotel and proceeded to plant his devices. From these he was able to monitor or tape all conversations that took place not only in the convention but also in the bedrooms of the leaders of this movement.

One room that was monitored was the bedroom of Lloyd Craig who at that time was president of the Pulp and Paper Workers of Canada. His room was shared with one, Macphee, who apparently was the "Grey Eminence" of the movement. Craig was suffering from a grave deterioration of his internal organs including his heart. During the night before the convention opened he died.

I wish to refer to one or two other statements in this report.

• (5:10 p.m.)

I find that as the law now stands Graham is in no way to be censured for his actions. What he did was done on the advice of his counsel. O'Neal himself was advised by Graham that he, O'Neal, had nothing to fear from the police as no crime had been committed and advised him not to admit anything. O'Neal did not take legal advice and instead of evading questions or stating "no comment" gave a blanket denial to the newspapers in which he denied any knowledge of the facts narrated by Graham. This denial Mr. Fleishman submitted triggered him in his subsequent actions and advice, which have already been characterized above.

Of course, Mr. Speaker, when Mr. O'Neal was giving evidence under oath before the judge he had to admit that he had told a confounded lie on that occasion. I mention these facts, Mr. Speaker, to indicate that there is nothing in the law to prevent this type of operation being conducted in the country at this time. That is why I, among others in this party and I am sure in the house as well, am keen to get the situation remedied.

I should like to quote an article from the Toronto *Star* for August 31, 1966, which indicates what can be done in this respect:

Ben Jamil, head of Continental Telephone Supply Co. in New York city, which claims to be the biggest manufacturer of electronic bugs, told the *Star* he has made whopping sales to the Canadian government.

Mr. Jamil, inventor of the olive-in-a-martini transmitter (the toothpick is the antenna), says $30 million worth of bugs were sold to Canada by his and associated U.S. companies "in less than a year—the past year."

Though the majority of the equipment went to private and industrial buyers, "a healthy proportion was sold to the Canadian government," Jamil said.

Was much of this destined for the R.C.M.P. directorate?

"It wouldn't be fair for me to tell," Jamil replied. "Why don't you ask them?"

By "them" he means the Canadian government.

I should also like to read a brief extract from "Current History" for July, 1967:

Wiretapping and electronic eavesdropping: Con The right to privacy is indeed the most comprehensive of all rights. A society which cherishes liberty and human dignity cannot do without it; a society which seeks to suppress freedom cannot tolerate it.

Then the Toronto *Star* for September 7, 1967 carried the heading "Lawyers asked to demand ban on bugging except by police". According to the article, at a meeting in Quebec city lawyers were asked to pass a resolution that was drafted by the Civil Liberties and Criminal Justice sections of the Canadian Bar Association for submission to a convention. I understand that that resolution was later adopted almost unanimously with provisions to protect our national security and to deal with certain very difficult criminal elements.

I should also like to quote briefly from the Ottawa *Journal* for August 25, 1967. I was very pleased to read this statement. The report is datelined Calgary and reads as follows:

Solicitor General Pennell said Wednesday electronic eavesdropping and wiretapping should be banned except for national security purposes and crime fighting, with permission given by a court.

I hope the Solicitor General (Mr. Pennell) will remind the Minister of Justice (Mr. Trudeau) that he has failed to include an amendment of this type in his bill which makes many worthy amendments to the Criminal Code. I am pleased to hear that the Solicitor General is in favour of legislation to stop invasion of privacy by wire tapping and other mechanical methods of eavesdropping, but I repeat that I hope he brings this question to the attention of the Minister of Justice before the bill amending the Criminal Code is finally adopted so that a clause dealing with this very important subject can be included.

I suggest, Mr. Speaker, that all bills on the order paper concerned with this subject should be referred to the justice and legal affairs committee of the House of Commons for consideration along with the present amendments proposed to the Criminal Code. This would give an opportunity to hear witnesses on the matter and to make a report to parliament.

My bill, Mr. Speaker, simply undertakes to deal with this situation. It provides for the protection of our national security and makes provision for dealing with certain criminal elements.

Clause 6 of my bill reads as follows:

Sections 3 and 4 of this act shall not apply where a person is duly authorized in writing by a judge of a Superior Court of criminal jurisdiction to conduct a search or investigation, at the request of the Minister of Justice of Canada, in cases affecting the national security of Canada.

Clause 7 provides:

Sections 3 and 4 of this act shall not apply in the case of a peace officer or other person acting in the course of his duties and duly authorized in writing by a Justice of the Peace or a Magistrate to conduct a search or investigation for the purpose of the administration of justice, at the request of the Attorney General of the province concerned.

Finally, Mr. Speaker, paraphrasing the explanatory notes of the bill, may I point out that Mr. Justice Brandeis has referred to the right of privacy as being the right most valued by civilized men. Several outstanding jurists in Canada share the same opinion, and I am glad that the Solicitor General also shares that opinion. It is advisable to protect that right adequately and to stop the various forms of invasion of privacy.

The purpose of this bill is to provide that wire tapping and eavesdropping are prohibited except in the case of the administration of justice and the security of the state. I know other hon. members want to say a few words on this bill, so I shall be very pleased to resume my seat at this time.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, it is always a pleasure to follow my hon. friend from Kootenay West (Mr. Herridge), particularly on an occasion such as this when he has given such thoughtful consideration to a matter which affects fundamental civil liberties.

It has been said that it was relatively simple to prohibit snooping by eavesdropping in the days when the human ear was the sole instrument for picking up sound; but today there are so many sophisticated electronic devices which do the same job without the snooper being anywhere near the premises that a whole new range of considerations apply.

The kind of equipment reported used by the Sargent inquiry will soon be considered

primitive in comparison with gadgets that we are now told are being tested. I understand that it is possible to direct electronic beams from far away on to a window pane to pick up its vibrations and translate them into sounds, thus eavesdropping on conversations in the room behind the window.

George Orwell forecast that by 1984 dictators or governments will be able to listen in on everything that is going on behind closed doors. It will soon be possible to bug every cottage and boardroom in the country.

The question then arises what do we do about this? My hon. friend from Kootenay West has presented a constructive and responsible bill which certainly requires the most serious consideration. I suppose the most recent event to cause widespread interest was that arising from the royal commission of Judge R. A. Sargent. According to the Vancouver *Sun* for August 10, 1967 the royal commission conducted by Judge Sargent on the invasion of privacy heard more than 100-000 words of evidence from 80 witnesses during 57 days of public hearings between December and June of last year.

• (5:20 p.m.)

The inquiry was triggered by the electronic bugging of a Pulp and Paper Workers of Canada union convention last November.

The *Daily Colonist* of Friday, October 18, last says:

> Snooping of this modern kind is abhorrent in principle, and creates mechanical Peeping Toms to an extent that could be dangerous ... It strikes at the root of individual freedoms.

The Victoria *Daily Times* has this to say:

> It is an integral part of the free and democratic system of life in Canada that the state shall not infringe on personal rights, and privacy is a right which will have to be more jealously guarded as time goes on—
>
> Commissioner Sargent would make unauthorized eavesdropping a crime, along with possession of equipment which is capable of infringing privacy or receiving or monitoring police calls—

The inquiry conducted by Judge Sargent has stimulated serious consideration particularly on the west coast, by members of the Canadian Bar Association, civil liberty groups and by concerned citizens. The Montreal *Star* of August 18 says:

> Electronic eavesdropping—whether it be wire tapping or some other form of bugging—is a repugnant invasion of the right to privacy. And the bugging business is booming. It has become a tool of industrial espionage, it has been employed by labour unions in jurisdictional disputes, it has been used by individuals to eavesdrop on their neighbours and their spouses.
>
> [Mr. Matheson.]
>
> But to suggest an absolute prohibition against the practice might, in special circumstances, endanger the national security.

This is along the lines of the remarks made by my distinguished and experienced hon. friend. The article continues:

> There is merit in some of the recommendations of the British Columbia's one-man Royal Commission into the Invasion of Privacy by R. A. Sargent, a retired county court judge. He has called for legislation outlawing electronic eavesdropping by anyone except police and federal authorities under restricted conditions, and he has suggested that the mere possession of equipment capable of infringing privacy or receiving or monitoring police calls be made a crime.

The editorial concludes:

> The safeguarding of individual liberty must be a primary aim of any democratic society. The Prime Minister has called for a conference of federal and provincial governments to establish a bill of rights for all Canadians; we recommend that the right to privacy be included.

I know that the Solicitor General (Mr. Pennell) who is an experienced advocate and a person to whom much of the responsibility in this field has been assigned is, along with his colleague the Minister of Justice (Mr. Trudeau), deeply concerned about this problem. The *Sun* of Saturday, August 19, makes a contribution which is worth bearing in mind. It says, quoting the fourth amendment to the United States constitution:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue but upon probably cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

The editorial concludes with the words of Judge Louis D. Brandeis of the United States supreme court:

> The most comprehensive of rights and the right most valued by civilized man is the right to be left alone.

On this, the writer comments:

> The U.S. Supreme Court knocked out blanket warrants because they provide no adequate judicial supervision or protective procedures. It acknowledged the seriousness of the crime situation in that country but asserted it was not right that the freedom of the many should be sacrificed to combat a relatively few members of society who do wrong.

What can be done about this situation? The question has been raised whether it affects, primarily, property and civil rights and ought therefore to come within provincial jurisdiction or whether in fact it is an area which can be dealt with under the Criminal Code. It has been suggested in British Columbia that there

should be safeguards introduced and penalties imposed to discourage the use or possession of electronic listening devices.

The attorney-general of that province, Mr. Bonner, feels that the appropriate statute is the Criminal Code of Canada under federal jurisdiction which would ensure uniform enforcement of "anti-bugging" laws in all the provinces.

A few days ago I was reading the biography of Norman Birkett "The Life of Lord Birkett of Ulverston" by H. Montgomery Hyde. Many of us recall that this great jurist was in Ottawa in 1947 and that he spoke with great effect in Washington before the bar association in 1950. I note, according to this biography, that in 1957, he was asked by the British prime minister, Mr. Macmillan, to become chairman of a small committee of Privy Councillors which all three political parties in parliament had agreed should hold an immediate inquiry into the exercise of the prerogative power of the Home Secretary of intercepting telephone communications—telephone tapping as it was commonly known. Lord Birkett, as he later became, was of Liberal persuasion. The other members of the committee were Lord Monckton representing the Conservatives and Mr. Patrick Gordon Walker for the Labour party.

The committee was given the widest possible terms of reference, in particular to consider and report upon under whose authority, to what extent and for what purposes this power had been exercised and to what use information so obtained had been put, and to recommend whether, how, and subject to what safeguards this power should be exercised and in what circumstances information obtained by such means should properly be used or disclosed. Incidentally, I believe that at this stage none of us who are now speaking to this bill know what actual conditions and practices prevail in Canada. I, certainly, do not have this information; I am not aware of any of the facts.

The report which Birkett himself drafted was presented to parliament, and contained these interesting conclusions:

1. The right of the power to intercept communications can only be surmised, but the power has been exercised from very early times; and has been recognized by a succession of statutes covering the last 200 years or more.

2. The power is identical with the power to open letters and rests on the ancient power to intercept communications.

I might mention that there is another view, namely that the power rests on a comparatively modern statute, the Telegraph Act of 1868.

3. The power to intercept communications is exercised for the prevention and detection of serious crime and for the preservation of the safety of the State.

4. The power is now almost exclusively exercised by the Metropolitan Police, the Board of Customs and Excise and the Security Service. It is used with the greatest care and circumspection, under the strictest rules and safeguards, and never without the personal considered approval of the Home Secretary.

5. The use of the power has been effective in detecting major criminals and preventing injury to national security.

6. The exercise of the power in these limited spheres should be allowed to continue under the same strict rules and supervision and in the special circumstances set out above.

(5:30 p.m.)

And finally:

7. The interference with the privacy of the ordinary law-abiding citizen or with his individual liberty is infinitesimal and only arises as the inevitable result of intercepting the communications of some wrongdoer. It has produced no harmful consequences.

My hon. friends who are interested may read the report of the committee of privy councillors appointed to inquire into the interception of communications which was presented to the British parliament in October, 1957, and may note that Mr. P. Gordon Walker, the labour member, had minor reservations which are contained on page 38 of the committee's report. Some of these are rather interesting, and are worthy of being referred to right now. I shall do so only in summary form. Mr. Gordon Walker stated:

In my opinion public concern about telephone tapping is such that if the interception of communications for the detection of crime continues as in the past there may be some danger of a weakening of the popular approval without which the police cannot in the long run carry on effectively.

I think that is a novel, ingenious, and probably very wise argument. He also said:

One of the factors determining the evolution of policy in regard to the interception of communications has been the state of public opinion towards the exercise of this power... the interception of letters to prevent the transmission of illegal lottery material was abandoned in November 1953; shortly afterwards the interception of letters believed to contain obscene matter was similarly discontinued. In my view the interception of communications should never have been used for either of these purposes;—

Mr. Gordon Walker concluded:

Public repugnance to the interception of communications has, it seems to me, increased and there should therefore be a further restriction

upon the use of this power for the purposes of the detection of crime. In future the interception of communications should, in my submission, no longer be regarded as an admissible method of detection in what may be called ordinary cases of crime ... but should be authorized only when the Secretary of State is satisfied that there is the most extreme and urgent reason.

He goes on to spell out what he means.

The application of these new and much stricter standards of judgment by the Secretary of State should, I suggest, be such that the interception of communications for the detection of crime would in practice cease to be used for long periods of time. It would be a power held in reserve for unusual and extraordinary cases of the utmost urgency, in which there could be no doubt that the use of the power would carry overwhelming public support.

He makes a distinction between interception of communications for the detection of crime and for security reasons and purposes, and I think this is borne out by every study of the matter made throughout the world. Mr. Gordon Walker made this important point:

A far larger proportion of the information that the security service must discover is obtained by interception of communication than in the case of the Police or the Customs. A great deal of this vital information could be discovered by no other means. There cannot, therefore, in my view be the same sharp restriction of the use of the interception of communications by the Security Service as I recommend in regard to the use of this power for the detection of crime.

Even in the field of security the strictest possible limits should be set to the use of the power to intercept communications.

Then he states out what he thinks are two legitimate considerations, as follows:

(1) direct counter-espionage and protection of high secrets of State;

I doubt that there is anybody who would seriously challenge that conclusion. Then he sets out the second, and remember that this is Mr. P. Gordon Walker of the Labour party:

(2) the prevention of the employment of Fascists or Communists in connection with work, the nature of which is vital to the state.

Anyone who has gone into the recent studies resulting from the defection some years ago of Philby, and noted the inter-relationships between the various departments of the British government as they may relate to defence and foreign affairs, must appreciate that here we are dealing with an extremely sensitive area.

It is interesting to look at page 41 of the report of the committee of privy councillors inquiring into the interception of communications in Brtiain. On that page there is a table listing the number of interceptions authorized by the British secretary of state. Running through the years from 1937 to 1956 I notice that under the heading "Police, Customs, Post Office and Security," interceptions by telephone totalled as few as 17 in any one year and never went higher than 231, and I would point out that this is in the United Kingdom which has a population several times that of Canada. The figure for the interception of letters is somewhat larger, ranging from a low of 90 in 1945 up to 1,192 in 1940.

Under the heading "Drugs, Lotteries and Obscene Publications" only ten interceptions by telephone are recorded, all of these taking place in the year 1955. Interception by letters ranged in total from as few as two in some years to a high of 714, and in five of the years from 1937 to 1956 there were no letter interceptions whatever. I believe these figures show the great reserve in the use of this power in Britain. They demonstrate that this privilege of the British secretary of state has been used with great circumspection, and I believe there has been no serious challenge to the conclusions of this committee which indicate that this power has been used wisely and well.

I congratulate the hon. member on his contribution to a very important subject. I have no doubt that there is much classified information available to the government. If not there will be shortly, when the royal commission on security reports, which will assist parliament to do the right and wise thing to preserve the high standard that now prevails in this country and, if anything, see to it that that standard is enhanced and improved.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, the story of wire tapping, eavesdropping and bugging is in a sense the story of the erosion of our own personal rights and freedoms as science enables us to extend our ears to listen in many directions, even through walls and into places we cannot get physically. At the outset of my remarks, I wish to correct one false impression which the hon. member for Kootenay West (Mr. Herridge) may have left with the house when he said that in the case in British Columbia Craig died from a bug. I want to correct that. Craig died from heart failure; he did not die of a bug.

Mr. Herridge: Mr. Speaker, I read it into the record that he had this heart trouble. I did not suggest he died from a bug.

Mr. Deachman: I am glad that we now have that corrected. Eavesdropping is an

antique word, describing the act of hanging around the outside of a house or window to hear what is going on inside. Science has enabled us to progress ever since we began to learn something about electrical communication.

Wire tapping is also a pretty old word which is still in use. It describes the act of tapping into a wire and physically attaching something to it whereby one can listen to a conversation being conducted over the wire. More recently there came the word "bugging", but even it is fairly old. It refers to devices which pick up signals from an induction current wire, and which magnify the sound coming from a considerable distance away, thus enabling people to listen through walls and across considerable distances. More modern devices are coming into use all the time, and they are being used by all sorts of people to pry into other people's affairs.

• (5:40 p.m.)

These devices are not used just by criminals. As was pointed out by the commission of inquiry which investigated the invasion of privacy in British Columbia, automobile dealers in the city of Vancouver have found listening devices to be very handy in determining what price to set on a car. You simply walk into the car lot where you are met by a man known in the trade as a "liner". His job is to show you up and down the line of cars until you get an idea of the kind of car you want to buy. When you are hanging around a certain car looking as if you are about to talk seriously about it, he brings in a man known as a "closer". This is a man who is able to close a contract. He has the confidence of management. This man takes you into a little room where he discusses the price with you while the manager listens over the bugging device. Then he excuses himself from the room. I do not know for what reason, but we all know that we have to excuse ourselves from time to time.

After the "closer" leaves the room, the man and his wife talk together while he and the manager listen to the conversation. They speak about the price of the car. The woman tells the husband the amount of money he is able to spend. So, the manager and the "closer" then discuss what the price should be, what the offer will be, and then return to the room where the deal is closed. It works very well. The best automobile companies in Vancouver were using this method. These people appeared on the stand and gave evidence before the commission of inquiry into the invasion of privacy. For weeks after that, one could hardly get anybody in Vancouver to buy a car except in the middle of a field. This is an example of commercial bugging used every day in business.

Some of the other ways in which bugging can be carried on are interesting. I should like to cite a few of these in case hon. members should run across them in the course of their duties in the House of Commons or when they go to cocktail parties. I should like to quote from the Ottawa *Citizen* story by Bruce Phillips of February 20, 1965. This story comes from Washington. The article begins by asking a question:

> Are you a martini drinker? Be careful the next time you take one. It may be listening to you.
>
> It sounds outlandish and it is, but the electronic martini (microphone in the olive, antenna in the toothpick), is only one of a bizarre collection of snooping devices paraded before a senate investigating committee this week.

Then in a later paragraph the article continues:

> As a dramatic demonstration, the committee chairman, Senator Edward V. Long, was startled to be told by one of the witnesses that a bowl of roses on his desk was bugged.

There are paragraphs which contain some explanation of some of the other devices currently in use:

> A small dish-type antenna, freely available through the mail-order catalogues, called the "big ear", which magnifies sound a million times and can monitor conversations a block away. It costs $18.95.

That would be plus the tariff, exchange and sales tax if one were to buy it in Canada.

> A laser-type beam which can be aimed at a room several blocks away and transmit back a television picture, with sound.
>
> A small transmitter which can monitor telephone conversations from any distance, and is practically undetectable.

Then, the writer gives some advice concerning what we should do in this kind of world:

> People who must talk in a room, he said, should unplug the telephone, turn on the shower and bathroom faucets, and turn on a radio or television set full volume.

We need to do that in caucus, but we do not have any taps there to turn on.

> A private detective from San Francisco, Harold Lipset, showed some of the devices perfected on the west coast. They include a tie-clip microphone, an ordinary office stapler concealing a microphone, and a portrait with a transmitter buried in the framing.

Mr. Lipset said there were 10,000 businesses in northern California alone which used devices to spy on their employees, and without citing his source he said 5,000 federal government offices also have snooping equipment.

In such a world what can we do to defend ourselves? I have here a number of clippings dealing with the ways in which such devices are used in Canada. This is not simply information which came from United States stories concerning uses there. This has to do with usage on this side of the border. The library of the House of Commons keeps a considerable file known under the old fashioned phrase "wire tapping". In that file one finds all sorts of clippings dealing with the amount of bugging which goes on in Canada. The following appears in the Ottawa *Citizen* for April 9, 1964:

Ernest Nuttall, 63, whose testimony helped acquit John Wasylenchuk of Burnaby, B.C., of second-degree murder charges in Seattle last week, said his own telephone was tapped.

"People have no idea of the extent of wire-tapping today," he said in an interview. "They would be amazed."

Nuttall said: Police secretly have telephone company officials make records of telephone conversations.

In the same story another policeman denies this. Then, there is a story in the Edmonton *Journal* for August 12, 1964 which in part reads as follows:

Thomas O'Dwyer, an Edmonton real estate man who has become a central figure in a mysterious controversy involving the Alberta government, said Tuesday he suspects his phone is being tapped by the RCMP.

In another dispatch of the Canadian Press from Toronto which appears in the Ottawa *Journal* for May 6, 1964 we find the following:

A Conservative member of the legislature said Tuesday that wire tapping and "bugging" of private conversations is prevalent in his own community of London, and probably throughout Ontario.

John White (PC—London South) told Attorney-General Wishart that auto dealers in London and the Bell Telephone Company used concealed microphones to listen in on conversations.

Then in the Toronto *Globe and Mail* for August 28, 1964 we find the following:

A. W. Miller, a lawyer who has acted for several clients whose phones were tapped, will contend that the law, the only one of its kind in Canada, is ultra vires, and should be quashed.

This was in respect of a bylaw in the city of Edmonton which would prevent wire tapping.

There is plenty of evidence in these clippings concerning wire tapping of all kinds which is done commercially, which is done criminally, which is done by the police and which is done every day in major cities across Canada. The argument made on the side of the authorities is that crime proliferates in our cities and that they in turn use these scientific devices so that they can pry into the bedrooms or bug our paper clips in order to prevent crime and combat it. This is a danger to freedom. It constantly erodes our freedom. We will not be able to live as we have lived in the past under the old laws which denied police officers the right to use bugging devices to combat crime. At the same time, the criminal will have all the advantages of using these devices for the purpose of committing crime.

When we consider passing legislation of this kind which empowers a person to use such devices, we must remember that we are slowly eroding away a piece of our own freedom and that we must do it only after careful thought.

• (5:50 p.m.)

This is not really the only way in which we are eroding our freedoms today as a result of the science we are building around us. Here, in the government, we are adding more and more computers to our operations. As these computers become more sophisticated and are able to contain more information, as they are cross-linked and connected with each other, we are approaching the day when the government will be able to press a button and up will pop instant history. The computer will provide statistics regarding our health, our finances, our ability to pay our bills, our army records, the number of times we have passed through stop streets or violated parking meters and all sorts of things. This information will be placed on cards and stored as a record of our actions. Whatever we build by way of communication devices may extend our capability and may improve our standards of living, but at the same time will mean we must live more and more in glass houses. That is perhaps one of the penalties we pay for the kind of progress we are making in the whole field of communications.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, the hon. member for Kootenay West (Mr. Herridge) deserves our compliments for taking a different approach to the suggested legislation respecting the right of privacy. He seeks not to amend the Criminal Code but brings a new bill before us which highlights the right of privacy, not the right to invade it.

I submit we should not develop a national anxiety neurosis about wire tapping and bugging devices. I know when the hon. member for Kootenay West travels westward to his home on the Kettle Valley railway he has time to worry that possibly these things are present around him. I should like to submit that all these measures of private members, of a similar vein, should not be pressed at the present time. Not only is the Department of Justice hard pressed with other Criminal Code amendments and the upcoming federal-provincial conference on the constitution, but there are other valid reasons for taking a little more time before bringing into force any legislation analogous to the legislation put forward by many members.

First of all, the report of the royal commission on security has not been tabled. It likely will take a very careful look at this whole field of wire tapping and will make recommendations. When the bill of the hon. member for Winnipeg North (Mr. Orlikow), of a similar vein, was being debated, we learned that the Canadian Bar Association had this whole matter under consideration. Although the bar association did not get far with this subject at the last annual meeting, apparently it will be thoroughly studied in the interim. Likely when the next meeting is held in September of this year we will receive a very thorough and considered report on the views of that association. It seems to me there is not so much urgency about this matter that we would be prevented from waiting until we hear from this learned body.

I agree that this field needs to be controlled and regulated, but there is no necessity for ill-advised haste in this connection. I should hope that members will stand bills of this nature until next September rather than press forward with them. That is my own personal view of the matter. I am advised that the Department of Justice has received a number of recommendations in respect of wire tapping and electric eavesdropping devices. The deputy attorney general of British Columbia has forwarded a resolution of the Vancouver city council in favour of a Criminal Code amendment restraining wire tapping.

By a resolution dated October 26, 1964, the council of the corporation of the city of Toronto indicated that it is categorically opposed to the unrestricted use, whether in the process of law enforcement or otherwise, of any kind of mechanical or electronic device for intercepting or overhearing words spoken in conversation by one person to another, not intended to be heard by the person using such device. They expressed the belief that the use of such device is an offence against an individual's right to privacy, and as such should be forbidden under all circumstances except where a superior court judge otherwise orders for the purpose of criminal investigation.

The bill at hand, of course, recommends that a peace officer or magistrate have the power to otherwise order the use of these devices. The Bell Telephone Company of Canada, by a letter dated February 14, 1966, urged in fact that the government sponsor legislation in respect of wire taping and offered in co-operation in studying the subject.

Mr. Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Knowles: Perhaps someone could tell us the business for next week.

Mr. Pepin: I am very sorry, Mr. Speaker, that I do not have the information. I will see to it that the house leaders receive it as soon as possible.

Mr. Knowles: Might it be the broadcasting legislation?

Mr. Pepin: Perhaps it will be announced on television tonight. Mr. Speaker, before we leave, let me say I have just been informed that we will continue the debate on the new broadcasting policy.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, January 29, 1968

The house met at 2.30 p.m.

UNITED NATIONS

NORTH KOREA—STATEMENT RESPECTING SEIZURE OF U.S. SHIP

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, on Friday last a number of questions were raised with regard to the serious situation which has developed as a result of the seizure of the United States ship known as *Pueblo* by North Korea and their continued detention of that United States naval vessel and its crew. It was suggested by the hon. member for Ontario that I should make a statement today.

I am sure all hon. members will understand that the fullest possible statement cannot be made at the present time because of the important discussions and consultations that are now still under way at the United Nations. The United States authorities have stated categorically that at the time of its seizure on the evening of January 21 the vessel in question was in international waters. We accept the United States statement with regard to the ship's co-ordinates at that time. The information available to us strongly indicates that this point does lie in international waters and not in territorial waters. North Korea has alleged otherwise but so far had not put forward any evidence in support of its contention.

The ship in question was under United States command and not under the command of the United Nations in Korea. The dispute therefore is essentially one between the United States and North Korea. We do not consider it to be a violation of the Korean armistice of 1953. Canada therefore on that account is not involved. However, we are concerned with the potential danger to international peace which this incident involves. We have a particular responsibility as a member of the Security Council to make every effort to find a peaceful solution.

On Thursday last when I was not in the house questions were asked about our obligations to Korea under the declaration made by the 16 contributing countries in the United Nations force. Canada's present obligations to Korea derive from the 16-nation declaration on Korea issued at Washington on July 27, 1953 immediately following the signing of the Korean armistice agreement. That declaration includes this statement:

> We affirm, in the interests of world peace, that if there is a renewal of the armed attack, challenging again the principles of the United Nations, we should again be united and prompt to resist.

The United Nations command remains in Korea with the full sanction and authority of the Security Council. Canada still has a liaison officer attached to the United Nations command but the last of the Canadian contingent, which was the third largest national force sent to Korea as a result of the Security Council's appeal in 1950, was withdrawn in 1957, four years after the conclusion of the Korean armistice agreement.

• (2:40 p.m.)

There is not at this time any specific Canadian commitment to supply military forces or equipment. Should the situation in Korea develop adversely, and I sincerely hope it will not—it is certainly a matter of concern that there has been in recent months a marked increase in the number of incidents investigated by North Korea—it would be for the Canadian government and parliament, in the absence of a new United Nations resolution, to decide whether the situation fell within the meaning of the 16-nation declaration of which this country is a signatory. In any event the matter would have to be referred to the Security Council before any action could be taken by the United Nations.

The Security Council met on January 26 at the request of the United States. The Canadian representative, noting the council's primary responsibility for international peace and security, supported inscription of an item on the increase of tension in the area of Korea and welcomed the decision of the United States to seek the assistance of the United Nations to help it solve a difficult problem through diplomatic channels. Our ambassador suggested that one possible way of bringing about a speedy and equitable solution might be an arrangement for an intermediary or intermediaries.

At a second meeting of the council on Saturday there was unanimous support for the further Canadian suggestion that progress might best be achieved by private consultations which would enable members of the council to consider and develop any ideas or suggestions they might have. This seemed to be the best way of dealing with the immediate problem of the *Pueblo*.

Those consultations, in which all members of the council have been participating, have been proceeding over the week end in New York and in a number of national capitals. They proceeded this morning, and they are taking place again at this very moment. A number of ideas have been explored I think in a useful and constructive fashion. I am encouraged to date by the sense of responsibility and restraint, as well as by the sense of urgency, which have marked these consultations. I must say that the government of the United States has displayed moderation and a commendable desire to seek a solution through diplomatic means. I hope all countries which may be involved in the consequences of failure to resolve the controversy will show an equal determination to seek a settlement through peaceful means.

Furthermore, members of the Security Council, and this includes Canada, have a special responsibility to seek a reasonable and early solution. I can assure the house that the government is following this matter very closely, is in continuous contact with the parties concerned, and I hope the end result of these consultations will be the resolving of this matter in a way which will not add to the dangers in the situation.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like first of all to say it is reassuring to know that the Secretary of State for External Affairs recognizes that we are in a position of special responsibility along with other countries in connection with this grave dispute which, of course, is a serious threat to international peace. While we are not directly involved here, as there is not a breach of the armistice, there is always the possibility that developments can lead to this.

So I think we have a particular responsibility not only to do what can be done in the interests of international peace, not only to discharge our responsibilities as a member of the Security Council, but also in view of our own situation as a signatory of the armistice. Certainly we cannot be mere spectators, and it is reassuring that the Secretary of State for

[Mr. Martin (Essex East).]

External Affairs recognizes this. I would commend the activity and energy of our ambassador, who has helped buy time, which is important, of course, in reaching a solution. It is important also, I think, in connection with the safety of the members of the crew, which is a factor that we cannot overlook. I therefore wish to urge that this government continue to make every possible contribution in seeking solutions to this very serious problem.

One cannot help but be impressed by the number of disputes and the recurring difficulties arising in connection with what one might call divided countries, of which this is one. My understanding is that none of these divided countries is a member of the United Nations. While I have no doubt there are very considerable difficulties involved in this question, I think it would be useful for our country to explore the possibility of involving these divided countries with the United Nations, as members if possible; because it seems pretty clear that the absence of membership in the United Nations is one of the added difficulties involved here. Therefore, if I may presume to do so, I would urge upon the Secretary of State for External Affairs a full exploration of the possibility of reducing future difficulties by a closer involvement of these countries with the United Nations.

The Secretary of State for External Affairs has emphasized the seriousness of this particular dispute, with which all members of the house would agree. We encourage the minister and the Department of External Affairs to explore with all possible energy every possibility of reaching a solution.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure members of the house will welcome the statement by the Secretary of State for External Affairs. I think we should look upon it as very commendable that a great power like the United States should have referred this serious incident to the United Nations rather than taking unilateral military action which could have far reaching consequences for the peace of the world.

It seems to me that from Canada's viewpoint there are two main points to be underscored. The first is that we do not look upon this incident of the seizure of the United States ship *Pueblo* as a violation of the North Korean armistice of 1953. I think we have to see this incident in the context of the cold war and the long series of incidents that have

arisen out of espionage and counter-intelligence carried on by both ships and planes. There have been many of these instances over the past few years, and this is simply another one of them.

• (2:50 p.m.)

I am glad the Secretary of State for External Affairs has made a clear declaration with respect to Canada's position. I noticed that last Friday the United States state department called together the diplomatic representatives of the 16 countries which were signatories to the Korean armistice agreement. Although that meeting may have been called merely for the dissemination of information, in the light of some of the statements that have been made by congressional leaders in the United States to the effect that their country was still at war with North Korea, and that if hostilities were resumed it might be necessary to use tactical nuclear weapons, I think it is imperative for Canada at this time to make abundantly clear that we do not regard the *Pueblo* incident as a resumption of hostilities in North Korea, and that consequently Canada has no military obligation.

The second point that must be understood is that the immediate task is to secure the return of the ship and its crew to the United States. I do not think there is any value in arguing now about the location of the ship. This is something that will have to be determined by some international body or some intermediary. The United States claimed that the ship was 25 miles from the mainland, and later set the figure at 15.4 miles from the Korean island of Ungdo. North Korea claims that the ship was 7.6 miles from the mainland and was in its territorial waters.

I think the most pressing problem is to secure the services of an intermediary acceptable to both sides who can try to find a solution under which the ship and its crew can be returned. Later, if it were found there was some invasion of territorial waters, whatever indemnification is necessary could be set at that time. The difficulty will be in securing an intermediary who is acceptable to both sides to be appointed by the United Nations, in view of the fact that North Korea is not a member of the United Nations.

I hope the Secretary of State for External Affairs is giving some thought to the possibility of using the neutral supervisory commission, which was accepted by both sides on July 27, 1953 and which might now be acceptable to both sides as an intermediary. I think this incident points up the necessity of having established at the United Nations some type of international tribunal which can ascertain the accuracy of facts in a dispute of this nature and report these facts to the Security Council.

I think the minister and our representative at the United Nations are to be commended for the contribution they have already made in pressing for an intermediary who will be acceptable to both sides, but I think the important thing at this stage is for the government to make it abundantly clear that this isolated incident, regrettable though it may be, cannot be looked upon by Canada as a violation of the Korean armistice agreement and that it does not involve Canada in any military commitments.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to join with the members of the opposition to congratulate the Secretary of State for External Affairs (Mr. Martin). We think that he displayed great wisdom until now, for this is a special case. Indeed, it is in similar circumstances that world wars often break out and the minister knows that perfectly well.

Not only is it our duty to see to it that the 1963 treaty is not violated by either country, but also to bring out the truth, in order to give justice to both parties.

Nevertheless, we find it rather strange—and I think that will be the stumbling-block for the United Nations, which will probably have to settle the question—that only one party, the United States, is represented at the United Nations, since the other party, North Korea, is not a member of the organization and therefore will probably not be present to defend itself.

But the first thing that strikes us, we who are not military men, is to hear that a spy ship was navigating in either territorial or international waters, and the crucial question will be to determine the location of the ship. The United States, naturally, will say that it was in international waters, and North Korea will maintain that it was in her territorial waters. I think it will be rather difficult to get at the truth, because only the crew of the American ship really knows where the ship was.

Allowances will have to be made but, once again, the Secretary of State for External Affairs was very prudent. We must be increasingly careful because, while we want

to make allowances, we do not want the United States to blame others for its own errors.

The matter now before the Security Council of the United Nations will surely be discussed thoroughly. We feel that unless the whole matter is clarified completely, it could lead to a third world war. Our authorities, and especially the Secretary of State for External Affairs, must therefore at all cost continue their good diplomatic work in order to prevent all those squabbles that could degenerate into a world war.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we in our party join in the expression of gratitude that has been mentioned by the other speakers in relation to the statement by the Secretary of State for External Affairs. I might say that while he is right in explaining that this is not actually a transgression of the armistice agreement in Korea, technically the United States and North Korea are at war because they never have signed a peace treaty. This makes the situation all the more serious.

Furthermore, there have been continuing provocations of increasing intensity across the demilitarized zone. Early last year it was my privilege to be at Panmunjom to see the actual evidence of such provocations and to speak with soldiers who had been involved in what was then apparently a pattern of provocation on the part of the North Koreans. However, we do share the minister's expression of satisfaction at the degree of temperance shown by the President of the United States and his government. We hope Canada will maintain the initiative in attempting to have an intermediary appointed in the hope of settling the problem by peaceful means.

It is interesting to note that if only the U.S.S.R. were a little bit interested in peace, she would join others in attempting to work out a settlement of this affair. It is interesting to note also that the second practical suggestion to come out of the Security Council, in addition to that which came from Canada, has come from the country of Ethiopia. Perhaps it is worth mentioning here that both countries played a very important part in the Korean war, and both are members of the Security Council today and tomorrow in an worthy way the free nations of the developed part of the world; the other is in like position with respect to the emerging nations of Africa. I only hope that the initiative taken by these two countries may be pursued in the Security Council today and tomorrow in an effort to force that body to make practical suggestions that will result in some section being taken to bring together the two parties concerned in this affair in the realization that the rest of the world wants a settlement and wants it quickly.

[Mr. Gauthier.]

• (3:00 p.m.)

While we may express gratification at the show of moderation by the United States we must still recognize that time is short. If the United Nations is to be of any assistance at this time it must move very quickly. Our representative on the Security Council, supported with all the strength of the government, should push forward our efforts so as to make the Security Council an effective instrument to deal with the problem facing it as a result of the North Korean affair.

BRITISH COLUMBIA INDIAN RESERVES MINERAL RESOURCES ACT

REPEAL OF PROVISION RESPECTING SURRENDER OF ENTITLEMENT

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-198, to amend the British Columbia Indian Reserves Mineral Resources Act.

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, it seems that the degree of co-operation between the federal and provincial governments reaches its zenith when somebody desires to take away Indian rights. This is what happened in 1943 when the British Columbia Indian Reserves Mineral Resources Act was passed by this parliament as a result of an agreement entered into between the province of British Columbia and the government of Canada without consultation with or the advice of our native Indian people.

One provision of the act requires that the native Indian people must surrender, in other words give up, their entitlement to mineral resources on the reserves before these resources can be exploited and developed. This is an obstacle in the way of any such development and this bill seeks to remove it by repealing the act itself.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INDIAN HOUSING PROGRAM

Question No. 734—**Mr. Nielsen:**

Is the housing improvement program for Indian people as described in press release No. 1-67107 dated November 8, 1967, of the Department of Indian Affairs and Northern Development available to the Indian people of the Yukon and the Northwest Territories and, if so, how many houses have been built in each territory under the program?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): No, but the previous Indian housing programs which have been in effect in the Yukon and the Northwest Territories have been accelerated and continued. During the fiscal year ended 1966-67, 41 houses were constructed for Indian people in the Yukon Territory; in the Northwest Territories 98 houses were constructed under the Indian housing program during the same fiscal year.

LIBAU, MAN., POSTMASTERSHIP

Question No. 850—**Mr. Schreyer:**

1. In ordering the transfer of the postmastership at Libau, Manitoba, did the Postmaster General receive any recommendations in this regard from the Winnipeg District Office of the Post Office Department?

2. Did the Post Office Department inform the Postmaster at Libau at any time from July to September, 1967, that a competition would be held prior to the appointment of a permanent postmaster for that district?

3. Was such a competition held and, if so, how many applicants were there?

4. What percentage of the postal subscribers of the Libau Post Office district signed the petition submitted to the Postmaster General October 30-November 10, 1967, asking that the postmastership not be transferred?

5. Was Mr. Ewald Greening selected for appointment as Postmaster in 1964?

6. If so, was he in fact appointed at that time and, if not, for what reason?

7. As of January 1, 1963, on how many occasions have law enforcement officers been called upon by the Post Office Department to assist in the transfer of Post Office locations or postmasterships within a given postal district?

Hon. Jean-Pierre Côté (Postmaster General): 1. Yes.

2. No. On appointment as temporary postmaster, he was made aware that the appointment was temporary pending the appointment of a postmaster on a permanent basis.

3. No.

4. The term "postal subscribers" is not used by the Post Office Department. A record is maintained of the number of householders served from each post office in rural communities. A householder is defined as a person who occupies a house or an apartment, alone or as head of the household. The relationship of householders to "postal subscribers" is not available from departmental records.

5. Yes.

6. No. The initial selection was changed in favour of another applicant because of the latter's superior education and related clerical experience.

7. None.

PUBLIC SERVICE ARBITRATION TRIBUNAL

Question No. 882—**Mr. Caouette:**

1. When was the Public Service Arbitration Tribunal set up, and what are the names of the judges of this Tribunal?

2. How many cases were heard by this Tribunal since its inception, and (a) are the hearings public (b) are the decisions published?

3. Does this Tribunal have a Record Office and, if so (a) who is the clerk (b) where is the Record Office located?

Hon. Walter Gordon (President of the Privy Council): I am informed by the Public Service staff relations board as follows: 1. The Public Service Staff Relations Act, which came into force on March 13, 1967, made provision for the establishment of a Public Service arbitration tribunal to arbitrate disputes arising out of the negotiation of collective agreements between the government as employer and the various bargaining agents representing its employees.

The statute provides that the tribunal is to consist of a chairman, appointed by the governor in council on the recommendation of the Public Service staff relations board, and two panels of other members, each panel consisting of at least three persons appointed by the board as being representative of the interests of the employer and employees respectively.

Mr. Justice Andre Montpetit of Montreal was appointed chairman of the tribunal for a three year period effective June 1, 1967. Appointments to the panels were announced by the Public Service staff relations board on January 19, 1968. With these appointments, the compostion of the tribunal is now complete.

Members of the employer panel are: Mr. Marius G. Bergeron, Q.C., of Montreal; Mr. A. Gordon Cooper, Q.C., of Halifax; Mr. R. G. Herbert of Vancouver; Mr. R. V. Hicks, Q.C., of Toronto; Mr. Jean Massicotte, Q.C., of Montreal.

Members of the employees panel are: Mr. R. Burns of Montreal; Mr. D. Coupland of Ottawa; Dr. L. Francis of Ottawa; Dr. S. Jamieson of Vancouver; Mr. W. Leonard of Regina.

These appointments, which are for a period of two years, become effective February 1, 1968. Members of the arbitration tribunal are eligible for reappointment. The appointment of panel members took place following consultation with the employer and the various employee organizations.

2. None. (a) The Public Service staff relations board has authority to make regulations regarding the establishment of rules of procedure for hearings of the arbitration tribunal. The board, however, has not deemed it necessary at this stage to make any regulations in this regard. In the absence of such regulations, the tribunal has authority, subject to the act, to determine its own procedure. The question as to whether its hearings will be public therefore is a matter for decision by the arbitration tribunal. No decision has been made. (b) This is a matter which has not yet been decided.

3. There is no record office as such. Under the legislation, requests for arbitration are to be made by notice in writing to the secretary of the Public Service staff relations board whose office is located in the Booth Building, 165 Sparks street, Ottawa.

QUESTION PASSED AS ORDER FOR RETURN

INDIAN STATISTICS, SASKATCHEWAN AND BRITISH COLUMBIA

Question No. 678—**Mr. Howard:**

1. What is the number of Indians, as defined in the Indian Act, who are registered as such in the province of Saskatchewan?

2. What was the total amount of money spent by the Indian affairs branch in the province of Saskatchewan during the fiscal year ended March 31, 1967, and of this how much was spent for (a) salaries for Indian affairs branch personnel (b) expenses for Indian affairs branch personnel (c) capital projects (d) welfare or relief assistance for Indian people (e) clothing for Indian people?

3. What is the name of each Indian person who was employed by the said branch and the amount of money each received with regard to his activities relating to each of the following Indian reserves (a) Standing Buffalo (b) Carry the Kettle (c) Pasqua (d) Okanese?

[Mr. Gordon.]

4. What is the name, position held by, and salary of each person employed by the said branch in its (a) commissioner's office in the province of British Columbia (b) regional office in the province of Alberta (c) regional office in the province of Saskatchewan?

5. What is the name, position held by, and salary of each person employed by the said branch in its (a) Athabasca Indian agency in the province of Alberta (b) File Hills Indian agency in the province of Saskatchewan (c) Fort Vermillion Indian agency in the province of Saskatchewan?

6. During the fiscal year ended March 31, 1967, what was (a) the total number of houses built, and (b) the total amount of money spent for materials and labour on the said houses, in each of the Indian agencies of Athabasca, File Hills, and Fort Vermillion, and how many (a) Indians and (b) non-Indians were employed in each of the said agencies on the construction of the said houses?

7. During 1966, how many homes on Indian reserves were destroyed by fire and how many Indian people died as a result of the said fires?

Return tabled.

CANADIAN CONSTITUTION

ATTENDANCE OF OPPOSITION REPRESENTATIVES AT COMING CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Prime Minister. Has the Prime Minister reached any decision on whether provision will be made for representatives of opposition parties in the house to attend the federal-provincial conference early next month?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think letters went to my hon. friend and other leaders over the week end in this regard; I hope they did. In any event I will be in a position to make a statement tomorrow, I think, on the administrative arrangements for the conference generally and covering the matter raised by my hon. friend.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker. Would the Prime Minister also let us know what are the plans for parliamentary sittings during the period of the constitutional conference?

Mr. Stanfield: A further supplementary question, Mr. Speaker. Would the Prime Minister also indicate tomorrow to what extent it is proposed that the conference will be open and to what extent it is proposed that it will be closed?

Mr. Pearson: I have already suggested to the provincial heads of government, Mr.

Speaker, that the first day's session be open to the public. At the end of the first day we would then consider whether we could extend that procedure or whether for the purpose of negotiations and discussion during the next day some executive sessions might be required. I would hope that the final session could also be made public. I have made these proposals to the provincial governments.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. Would the Prime Minister tell the house whether the administrative arrangements include—perhaps this will be covered in tomorrow's statement—a position paper or white paper setting out the proposals of the government regarding important constitutional issues which would be available to all members of the house?

Mr. Pearson: Mr. Speaker, I see no reason why that should not be done. I will certainly take it under advisement and try to cover it tomorrow.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ANNOUNCEMENT FOLLOWING PROVINCIAL REPRESENTATIONS

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. In view of his statement to the press to the effect that the cabinet will take another look at the government's national medicare insurance program which is due to come into force on July 1, may I ask the Prime Minister whether the cabinet has considered the representations of the provinces and can assure the house and the country that it is the intention of the government to allow provinces which are desirous of doing so to proceed with medicare as of July 1 next?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, unfortunately I was not able to attend cabinet last week. We will be discussing this matter during the current week and as soon as this discussion, which will bear on the examination that has been going on, is completed I shall be very glad to make a statement to the house.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the indication in the recent Gallup poll that has just been published that 55 per cent of the persons interviewed expressed a desire to have the government proceed with medicare as prescribed, will the government be more likely to give favourable consideration to this question?

Mr. Speaker: Order. The hon. member knows that he should ask a question directly.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will the Prime Minister also take into consideration the resolution passed at Montreal over the week end?

Mr. Pearson: I do not know to which resolution my hon. friend is referring, because 60 or 70 resolutions were passed.

Mr. Knowles: The one on medicare, Mr. Speaker.

CONSUMER AFFAIRS

CONSIDERATION OF PRINTING LABELS IN BOTH LANGUAGES

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. With regard to the announcement by the minister of a study into the printing of labels in both official languages being made by his department, can the minister tell the house whether manufacturers associations, co-operative associations, etc., have been invited to submit opinions on this move?

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, I stated in Montreal that one of the fundamental rights of the consumer is to be able to understand what he or she is buying. This implies being able to buy a product that is labelled in his or her own language.

I have been in touch with the Packaging Association of Canada about this problem. There are constitutional aspects to it that we have not finished looking into. There are also certain international trade treaties that have relevancy to the question. The government will, I am sure, announce a firm policy in this regard when the question has been researched.

Mr. Johnston: A supplementary question, Mr. Speaker. I wonder whether any study might await further reports from the royal commission on bilingualism and biculturalism in which this matter may be dealt with.

Mr. Speaker: Order, please.

Inquiries of the Ministry

HOUSING

INQUIRY AS TO FURTHER GOVERNMENT ACTION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the fact that the 149,000 housing units completed during the past year are 8 per cent fewer than the figure for the year before, does the Prime Minister consider that the change in ministers responsible for housing will be sufficient to correct the situation or does the government have any new plans—

Mr. Speaker: Order, please. This question is not acceptable; it is an argument.

Mr. Hees: As I never wish to be controversial or provocative, Mr. Speaker, may I rephrase my question. In view of the situation that I have outlined does the government have any new plans to lay before the house—

Mr. Speaker: Order, please.

Mr. Hees: —at the present time?

Mr. Speaker: Order, please. The hon. member for York South.

[*Later:*]

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I rise on a question of privilege. A few minutes ago the hon. member for Northumberland put some misleading figures on the record which I believe should not be allowed to stand.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Hees: They were not misleading.

Mr. Speaker: Order, please. Whether the figures cited by the hon. member for Northumberland are right or wrong is not a question of privilege, and the matter cannot be raised as a question of privilege. It is a matter of debate, and the minister will have to find an appropriate time to make his argument.

[*Later:*]

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. In view of the importance of the matter will he inform the house as to the number of housing starts expected in Canada in 1968 and how this figure compares with 1967 and 1966?

Mr. Speaker: Order, please. I would think that this is the kind of information which should be given on motions. If I may say so, both questions asked by the hon. member for Northumberland were perhaps not entirely according to the rules. He knows very well that questions should be asked directly and not prefaced with statements. We would not have become involved in this difficulty if these statements had not been made by the hon. member. In any event I suggest to the minister that the only way he can give this information is by way of a statement on motions.

Mr. Benson: I have already given it, Mr. Speaker.

THE CANADIAN ECONOMY

HEATING OIL AND GASOLINE—REPORTED PRICE INCREASES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to address my question to the Minister of Finance. Last Friday I asked the minister whether his department is investigating the increase in gasoline and fuel oil prices in the west and the proposal to raise those prices in the east. Since a report this morning indicates that Shell Oil has already raised its prices, has the investigation that the minister told us would take place been completed? If so, what is the finding?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the investigation is not completed.

INDUSTRY

SYDNEY, N.S.—INQUIRY AS TO GOVERNMENT ASSISTANCE TO STEEL INDUSTRY

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to address a question to the Prime Minister. Is he in a position to say today that his government has reached a decision with regard to the request from the government of Nova Scotia for assistance in the steel problem at Sydney? What is the position of the government in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have sent a letter to the premier of Nova Scotia making a further proposal for assistance by the government. I

do not see why that letter should not be made public but I think that before doing so I had better get in touch with the premier of the province. If he has no objection I shall be glad to make it public.

EXTERNAL AFFAIRS

VIET NAM—PROPOSED EXPANSION OF INTERNATIONAL CONTROL COMMISSION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I wish to ask the Secretary of State for External Affairs whether his attention has been drawn to a statement reported to have been made by the Prime Minister of India to the effect that she would like to see the personnel and staff of the international control commission in Viet Nam strengthened and expanded in order to enable that commission to carry out effective border patrol work with respect to the border of Cambodia. If so, could the Secretary of State for External Affairs say, since Canada and India appear to be ad idem on this matter, whether further efforts will be made to obtain the agreement of Poland?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, we have been having some discussions with the government of India. We should like to see the commission strengthened in this area.

Mr. Fulton: Mr. Speaker, I do not think the minister got the point of my question: Since India and Canada seem to be ad idem on the matter, will further representations be made in an effort to get the agreement of the government of Poland, the third member of the commission?

Mr. Martin (Essex East): Yes, Mr. Speaker.

Mr. David MacDonald (Prince): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs report to the house any recent information from Canada's representative on the commission who recently travelled to Hanoi to sound out the recent peace feelers which have been coming from that government?

Mr. Martin (Essex East): Mr. Speaker, I am not yet in a position to report on that visit, but I expect to hear from the commissioner as soon as he returns from Hanoi.

Inquiries of the Ministry

FINANCE

BANK OF CANADA—STATEMENT ON SECONDARY RESERVES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Finance, Mr. Speaker. On Friday I asked the minister whether he would consider making a statement with regard to the Bank of Canada's decision in setting the statutory secondary reserves. He said he would take my request under consideration. Can the minister now say what is the situation with regard to that matter?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I find that on January 24 the Bank of Canada itself made a statement on that matter. I might supplement what it said by saying to the hon. member and the house that the action taken by the Bank of Canada has not changed the practical situation, nor had it any purpose of that kind. In fact between January 1 and January 24 the secondary reserve ratio averaged well above 9 per cent even though there was a minimum requirement of only 7 per cent.

Mr. Lambert: Then I think the minister should have had the courtesy to table in the house any statement or correspondence between him and the Bank of Canada, so that hon. members could discuss this matter.

Mr. Sharp: May I ask permission now to table the statement which was made by the Bank of Canada?

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Lambert: But that procedure does not allow for comment.

REQUEST FOR ACCELERATED DEPRECIATION ON FARM STORAGE

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, is the Minister of Finance in a position to report on my question concerning accelerated write-offs on farm storage built in 1967?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been inquiring into this situation. As the house will appreciate, these tax concessions are only effective if they are temporary. Any tax concessions made to promote building lose their purpose if continued

indefinitely. I have not yet made a decision whether to reintroduce those concessions. They have now been out of effect for one year.

FLOODS

BRITISH COLUMBIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of National Defence about a subject I discussed with him earlier. Consequently he has had notice of my question. Can the minister give the house and country any information about any activities that his department may engage in with respect to the very serious situation in the Bella Coola valley in British Columbia, which is liable to be flooded at any moment?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I have checked with my department. We have not had a request for help from the provincial authorities. We will, of course, respond quickly to any call in this particularly grave situation. We checked further this afternoon with the area commander to know whether he can be of immediate assistance if the entire situation is reviewed.

[*Translation*]

SHIPPING

ST. LAWRENCE RIVER—INQUIRY AS TO WINTER NAVIGATION

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a question to the Minister of Transport?

Is the minister in a position to say now whether he has received the report he has been expecting from the officials of his department since the beginning of winter on shipping on the St. Lawrence river? Furthermore, would the minister tell us if he intends to table his report in the house and to comment on it?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, unfortunately I was delayed this morning in arriving at Ottawa. Just before I came into the house I was briefed. I hope to have most of the points raised in that briefing down on paper so that they can perhaps be given tomorrow to hon. members who are interested.

[Mr. Sharp.]

AGRICULTURE

REPORTED SUGGESTION FOR CHANGE IN CONTROL OF WHEAT BOARD

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I wish to direct a question to the Prime Minister. Can the Prime Minister advise the house whether the Minister of Agriculture was advocating government policy when he is reported to have said publicly that the Canadian Wheat Board should become the agent of the federal government instead of the agent of the farmers? Would this policy, if implemented, mean public control over the acres that could be planted in western Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall have to consult with the minister to see if in fact he said that.

VETERANS AFFAIRS

INTRODUCTION OF LEGISLATION RESPECTING PENSION INCREASES

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Veterans Affairs. Accompanying the cheques to disability pensioners in January was a notice that the adjustment to take care of the increase, which is to be retroactive to January 1, will be made after parliament has passed the necessary legislation. Can the minister say when this legislation will be introduced?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I think I indicated when I made the announcement that we would take advantage of the first supplementary estimates to come before the house in the hope that the house will approve an item in those estimates to authorize payment of the adjustment.

Mr. Chatterton: A supplementary question, Mr. Speaker. Can the minister then say when those supplementary estimates will be introduced so that veterans will know when their adjustment cheques will be issued.

An hon. Member: Haven't you heard of austerity?

Mr. Teillet: I cannot answer that, I am afraid.

Mr. H. W. Herridge (Kootenay West): I wish to direct a supplementary question to the Minister of Veterans Affairs. Can he inform the house of the latest development with respect to the translation of the Woods report? What has happened in that regard?

Mr. Teillet: Mr. Speaker, perhaps I might answer the earlier question with respect to estimates. I have been informed that the supplementary estimate will be ready early in February. My latest advice is that the Woods report should be ready very shortly, perhaps by the middle of February. However, I hesitate to make that a firm statement in view of recent experience.

Hon. E. D. Fulton (Kamloops): Would the Minister of Veterans Affairs issue a further announcement with their cheques advising veterans that parliament cannot deal with the legislation until the government introduces it, so that the responsibility can be properly attributed?

Mr. Speaker: Order, please.

Mr. Chatterton: Mr. Speaker, I wish to direct a supplementary question to the minister. In his absence on December 21 last I asked whether the government was giving consideration to an increase in the war veterans allowance payments. Can the minister answer that question now?

Mr. Teillet: Yes, Mr. Speaker. This matter has been very seriously considered, and while some W.V.A. recipients will receive a very small adjustment in view of the G.I.S. the decision has been made that no increase will be given at this time.

Mr. Herridge: As a supplementary question, in view of the decision not to give an increase at this time, would it be possible to increase the permissive income ceiling to accomplish the same effect?

Mr. Teillet: I am quite sure that has been done. I understand it was raised from $600 to $800 for a single person and from $900 to $1,200 for married people. I shall get the specific dates and supply that information to my hon. friend.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Minister of Finance whether he will bring forward the appropriate estimate to cover the promised increase in pensions for disability pensioners inasmuch as an estimate can be passed at any time and I am sure the house would pass this one very quickly.

[*Later:*]

Mr. Churchill: Mr. Speaker, the question I addressed to the Minister of Finance should have gone to the President of the Treasury Board, who was anxious to answer it.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I wonder whether my hon. friend would repeat his question.

Mr. Churchill: It is very simple. In the interests of the veterans of this country would the President of the Treasury Board bring forward as soon as possible the appropriate estimate to cover the promised increase which was announced quite some time ago? An estimate can be passed any time.

Mr. Benson: Mr. Speaker, we will bring it forward just as soon as possible. I understand the increase will be effective as of January 1, as indicated by the Minister of Veterans Affairs.

PROPOSED TRANSFER OF HOSPITAL FACILITIES, SAINT JOHN, N.B.

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Has the minister received a communication from the Royal Canadian Legion asking for a delay in the transfer of the D.V.A. hospital facilities at Saint John West and, if so, what was his reply?

Hon. Roger Teillet (Minister of Veterans Affairs): Yes, Mr. Speaker, we have received such a representation. On the surface it appeared to be reasonable and at the moment we are re-examining the date of that transfer.

Mr. Bell (Saint John-Albert): Will the minister keep in mind the assurances that were given that no operational transfers would take place until new facilities are available?

Mr. Speaker: Order, please.

EXTERNAL AFFAIRS

GREECE—DIPLOMATIC RECOGNITION OF PRESENT GOVERNMENT

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Are the recent press reports true that Canada has

extended diplomatic recognition to the present government of Greece?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, like other governments we are continuing our relations with Greece.

Mr. Thompson: A supplementary question. From the reports it seemed to me that deliberate action had been taken by the Canadian government in that the reports stated that Canada was now re-establishing diplomatic recognition. Is that not true?

Mr. Martin (Essex East): Mr. Speaker, recognition is accorded to the head of state, who continues to be the king, and we announced on Friday that we are continuing relations with the government of Greece.

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON LEGISLATION TO BE DEALT WITH

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. Either today or tomorrow will he indicate to the house what items of legislation the government wishes parliament to deal with during the remainder of the present session?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we will be very glad to look into that possibility and make available to the house what we would like to get passed before we prorogue this session but, of course, whether we will be able to do it all will depend on the progress we make on the legislation now before the house.

AIR TRANSPORT

INQUIRY AS TO IMPLEMENTATION OF REGIONAL POLICY

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister inform the house when the regional air policy, announced by the former minister in September, 1966 will be implemented?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this is a general policy question on which I do not think it would be appropriate for me to comment. It is a very complicated problem but I would be glad to discuss it with my hon. friend at an appropriate time, perhaps when the departmental estimates are before the house.

Mr. Dinsdale: In view of the fact that this matter is of utmost importance to western Canadians I am sure the minister will want to take urgent action.

Mr. Hellyer: Yes, Mr. Speaker, urgent action is exactly what is required.

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of that fact that the number of unemployed persons in this country increased by 87,000 in the 12 months prior to December 1 last, according to the latest figures available from the Dominion Bureau of Statistics, does the government have any immediate plans to lay before parliament to stimulate the economy and correct this situation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, long experience has taught me to look into my hon. friend's figures before I reply to any of his questions.

Mr. Hees: Mr. Speaker, may I assure the house that the figures I used in both questions I asked today were from the D.B.S. and were absolutely correct.

NATIONAL DISASTERS

SICILIAN EARTHQUAKES—ASSISTANCE BY CANADA

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. The other day an hon. member asked him about the possibility of Canadian assistance to the victims of the earthquakes in Sicily and the minister referred to keeping in touch with the International Red Cross. Would he inform the house whether further inquiries have been made, whether the government has decided to offer assistance to the victims of these disasters and, if so, to what extent?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am not in a position to give a definite answer today but I hope to do so very soon.

COMMONWEALTH RELATIONS

RHODESIA—PROPOSED CONFERENCE IN CANADA

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister and I regret I have not given him notice of it. In view of the crucial importance to the future of the commonwealth that the problems of Rhodesia be satisfactorily resolved, has the Prime Minister given consideration to the suggestion made, I believe by the Prime Minister of Zambia that the right hon. gentleman should take the initiative in arranging a commonwealth conference in Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there would not be much purpose in having a conference of this kind to deal with this particular subject without the wholehearted approval of the government of the United Kingdom because that is the government that still remains primarily responsible. There have been exchanges of views between commonwealth governments as to the holding of a commonwealth prime ministers meeting, but no decision has been reached on whether it should be this spring, next autumn, or indeed when. I have had some correspondence with the heads of two commonwealth governments in Africa, including the President of Zambia, and I hope to have a talk with the Prime Minister of the United Kingdom when he visits Ottawa toward the end of next week.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. Now that the Canadian government has recognized the government of Greece would the minister follow the same precedent and establish relations with the government of Rhodesia, which is similarly illegal?

Hon. Paul Martin (Secretary of State for External Affairs): No, sir.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to address a question to the Minister of Labour which is of very great concern to the fabric and woollen industry in Canada. Has the minister replied to a telegram from the employees of Saltsman dry cleaning enterprises about the refusal of that company to conform to the minimum wage law proposed by the New Democratic party?

Mr. Speaker: Order, please.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I wish to direct my question to the parliamentary secretary to the Minister of Transport. It relates to his question earlier today. I should like to ask him whether he has ever heard of the saying attributed to Mark Twain that one should get his facts straight before—

Mr. Speaker: Order, please.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

In view of the resolution endorsed and adopted during the week end by the Liberal convention concerning the monarchic system in Canada, does the Prime Minister intend to adopt such legislation during the present session?

[*English*]

EXTERNAL AFFAIRS

VIET NAM—REPORTED USE OF POISON GAS

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Secretary of State for External Affairs with reference to recent public charges by Dr. Vennema regarding the use of poison gas by United States forces in Viet Nam. Since Dr. Vennema was in Viet Nam under the auspices of the external aid office, has the minister made an investigation of these very serious charges and, if so, to what extent?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I understand that the information which appeared in the press was contained in a letter sent by Dr. Vennema to a friend in the United States. I have asked the external aid office to contact Dr. Vennema. Dr. Vennema has reported that his statement was taken out of context. We are waiting now for a further direct report.

Inquiries of the Ministry

TRADE

POSSIBLE IMPORT OF FROZEN BEEF FROM ARGENTINE

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, my question is for the Minister of Agriculture. Is it true that the government is considering importing frozen beef from the Argentine?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I can assure the hon. member that the Department of Agriculture is not. I cannot speak for other departments, but to my knowledge they are not.

HOUSING

TORONTO—PROPOSED DEVELOPMENT OF MALVERN LANDS

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I have a question for the President of the Treasury Board. I am sure the minister is aware of the shortage of housing in the metropolitan Toronto area despite the fact that last year was a record year for starts in Canada and that this year will be another record year—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Would the hon. member kindly resume his seat.

An hon. Member: That is all he wanted to say anyway.

Mr. Speaker: The hon. member is trying indirectly to put statistics on the record.

Mr. Stanbury: I was just making preliminary remarks. I have not mentioned any statistics.

Some hon. Members: Order.

Mr. Stanbury: Can the minister report on the progress being made toward development of the Malvern lands owned by the federal and Ontario governments in partnership? Will homes be available at Malvern by next fall, as promised by the Ontario government?

Mr. Speaker: If the hon. member is only worried about next fall the question should be placed on the order paper.

Mr. Stanbury: I am afraid they would have to be started before then.

[Mr. Martin (Essex East).]

CO-OPERATIVES

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. In view of the fact that for some three years now successive ministers have indicated the government's intention to bring down a national co-operatives act, may I ask the minister if work has proceeded to the point where such legislation will be introduced at this session?

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, I said to the Canadian Co-Operative Association last year and also when a delegation from that body visited me later that we wished to bring down amendments to the Canada Corporations Act which would be linked with any new Canadian co-operatives bill. We are also looking into certain constitutional aspects. I am hopeful that when we bring down amendments to the Canada Corporations Act in the very near future we will be able to introduce a new bill in the co-operatives field.

Mr. Douglas: Mr. Speaker, I should like to ask a supplementary question in two parts. First, do I understand it is the intention of the minister that there should be a separate co-operatives act as requested by the co-operative organizations and, second, will such legislation be introduced at this session?

Mr. Turner: Mr. Speaker, it would be my intention to have a separate co-operatives act. With regard to whether we will be able to introduce it at this session, I rather doubt that.

WOMEN

INQUIRY CONCERNING APPOINTMENT OF REPLACEMENT TO ROYAL COMMISSION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Prime Minister. On December 5, in regard to my question concerning a replacement for the member who resigned from the royal commission on the status of women, the Prime Minister replied that he hoped to make an appointment before long. Can the Prime Minister now say when the appointment will be made and whether he will consider an appointment from an unrepresented section of the population, the trade union movement?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have been in touch with a very well qualified gentleman in this field and have asked him whether he would fill the vacancy which has resulted from the resignation. I am waiting to hear from him.

VETERANS AFFAIRS

MEANS TEST FOR LOAN APPLICATIONS UNDER LAND ACT

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Last Monday I asked whether the government would give reconsideration to the directive stating that veterans who apply for loans under the Veterans Land Act will be subject to a means test. Has the government given consideration to the matter and what is the decision?

Hon. Roger Teillet (Minister of Veterans Affairs): First of all, Mr. Speaker, I cannot accept the statement of the hon. member about a means test. The purpose of the directive was simply to ensure that in the use of the funds being made available to establish veterans no hardships would result and therefore these examinations would be very carefully made so that no one would suffer in the allocation of the available funds.

Mr. Chatterton: Mr. Speaker, may I ask this supplementary question. So that members will be in a position to answer questions from veterans when the flood begins, will the minister ensure that members will be able to acquire copies of directives Nos. 4 and 5 which outline this procedure?

Mr. Teillet: I have inquired into this. It is my understanding that it is not usual to supply members of parliament or anyone else with interdepartmental documents. However, I am quite sure that the substance of those directives could be made available. I believe this information has been made available to the hon. member already.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a related supplementary question. Is the minister now in a position to inform the house of any change in the regulation with regard to income ceilings for recipients of war veterans allowances?

Mr. Teillet: Mr. Speaker, I have the information with me. I could not locate it a moment ago. I was quite correct in saying that the increase in casual income ceilings is from $600 to $800 for a single veteran and from $900 to $1,200 for a married veteran. These regulations were approved by order in council on January 4 and the direction went out to the offices on January 9.

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the right hon. Prime Minister whether he has heard lately from the royal commission on security and whether he is able to advise us when we may expect a report from that commission?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. I discussed this matter with one or two members of the commission over the week end. I was informed that they hope to have their report completed by this summer and to be able to present it then.

COMPANY OF YOUNG CANADIANS

QUEBEC—REPORTED PURCHASE OF SPORTS CARS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the right hon. Prime Minister. Can the Prime Minister say whether he is in receipt of a letter of complaint from a card carrying Liberal in Pointe Claire, Quebec, to the effect that the Company of Young Canadians, Quebec branch, has recently purchased $33,000 worth of sports cars?

Mr. Speaker: Order, please.

Mr. Simpson: Has the Prime Minister had time to check that complaint?

Mr. Speaker: Order, please.

HEALTH AND WELFARE

POSSIBLE TRANSFER OF FOOD AND DRUG DIRECTORATE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, can the Prime Minister tell the house whether, in light of the increasing interest in consumer affairs being taken by the food and drug directorate, it is considered likely that the directorate will be transferred from the Department of National Health and Welfare to the new Department of Consumer and Corporate Affairs?

Mr. Speaker: Order, please. This question might be placed on the order paper.

GRAIN

REQUEST FOR POLICY STATEMENT RESPECTING PRICES

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the major resolution passed by the meeting of western Liberals, at which I believe the minister was present, having to do with grain prices and the price of wheat in particular, can he say whether he intends to make any policy statement before prorogation of this session of parliament?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, any statement I had to make in respect of that western Liberal meeting was made in Winnipeg.

Mr. Schreyer: I was not attempting to cast any aspersions on any statement the minister may have made at that time. I should like to know, however, whether he has any intention of making a policy statement to the house in that regard.

Mr. Greene: Mr. Speaker, the representations of that responsible organization, like the representations of other responsible organizations, will be considered. If there is to be any statement made by the government it will, of course, be made in this house in the proper fashion.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Friday, January 26, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: When the committee rose on Friday clause 2 (g) (i) was under consideration, with an amendment proposed by the hon. member for Red Deer. Clause 2 (c) was allowed to stand.

On clause 2—*Broadcasting policy for Canada.*

Mr. Thompson: Mr. Chairman, at the close of the debate last Friday on Bill C-163 I moved an amendment to clause 2 (g) (i). I did so because I am convinced that if this bill is to be of any use to the management of the C.B.C. and if it is to give us any assurance that the management in relation particularly to programming, will be more effective than it has been under the former arrangement it is necessary that guide lines be laid down in a more effective way than is the case with those already in existence. It may seem that the amendment is a very minor one and does not in any way really change the intent of this clause, but I believe it is important because it lays down a guide line that is vital to the well-being of this country. During this debate I have spoken as a parent concerned about what is being presented over our public broadcasting system that may be damaging to family life and the welfare of our youth in an age which has more pressures and temptations than ever before.

The amendment deserves to be given very serious consideration by the minister. It also certainly deserves the support of the members of this house who I believe are just as concerned as I am about the environment in which young people generally and our own children find themselves today. Television can be a tremendous force for good if it sets objectives directed toward supporting that aspect of our society which is vital to the future of our country. There is no more important aspect than home and family life. It is my belief that the public broadcasting system has a greater and more real responsibility to the parents, families and young people of this country than perhaps even our educational institutions, and I do not detract from their responsibility in any way. Certainly television, if it faces up to its responsibility in this area, could be a tremendous force for good, and it is in this light that television management should view its responsibility.

Many of my constituents and others from all provinces of Canada who have written me are concerned that, unfortunately, the C.B.C., our public broadcasting system, is producing the opposite effect in its television broadcasts. It would seem, as many of these letters suggest, that there must be some people who are intentionally and deliberately attempting to break down our culture and the concept of family life in this country. Otherwise the type of programming we now have could not continue as it does.

The second part of the amendment might be considered from the aspect of whether programs disseminated over our public broadcasting system can be considered as encouraging criminal activity. That is a pretty serious statement to make but I am convinced that is exactly what is happening. No better evidence of this could be provided than the

program last night relating to the drug culture. I do not know how many saw it. At first it did not seem to me to be such a bad presentation. As I studied it and made note of some of the remarks and what seemed to be the over-all objective, I could come to no other conclusion but that it was not a public affairs show and not entertainment but a very subtle and clever job of selling drugs as an acceptable part of the new morality. This program was thoroughly advertised to ensure a very large audience. I am sure the majority of those who watched it were teenage university and high school students.

An hon. Member: When was it shown?

Mr. Thompson: It was shown on the C.B.C. program "The Way It Is" between ten and eleven o'clock p.m., Sunday, January 28.

I am so concerned about this drug culture program shown on C.B.C., after weeks of advertising to ensure a large audience, that I feel it can only be termed the greatest betrayal of Canadian youth and the most potentially dangerous emanation from any broadcasting agency ever to be seen in Canada. The tragedy is that almost no adults watching it would understand the dangers.

Mr. Lewis: Except the hon. member, no doubt.

Mr. Thompson: I am convinced that I was not the only one who recognized the dangers. As a result of the telephone calls and telegrams I received this morning I realize there are thousands of parents across this country who agree with me.

It seems to me that Ross McLean, the producer of "Drug Culture", and Patrick Watson deliberately attempted to encourage the teenage population to take up the use of drugs. To understand the show you have to put yourself in the place of a Canadian or American teenager watching it. Young people in cities and towns all know of some of their friends who have tried drugs, or have heard of someone who has, particularly around the schools and colleges. In fact, I have a personal friend whose daughter attends a high school in western Canada and just last week she was approached by drug pushers right in the high school where she attends classes.

• (3:50 p.m.)

Miss LaMarsh: Did you report it to the police?

Mr. Thompson: Therefore there is a temptation to try these drugs. We have all experienced that young, impressionable period of life and we should know that such things appeal because they are different and unknown. What could this program do for the youth who watched it except encourage them to experiment with drugs?

Not even one, strong statement was made about the danger of taking drugs. The one person on the panel who opposed it was an old man whose statements were for the most part all right but were anything but forceful. I ask hon. members to listen to what a leading medical man has to say, as quoted in today's *Globe and Mail*. "L.s.d. is a desperately dangerous drug", said Dr. J. S. Prichard, chief of neurology at the Hospital for Sick Children. Then he said:

> Enough evidence is in now that youngsters shouldn't even take one dose—and I'm not talking about the legal or moral aspects, but about the physical.

Later he referred to the evidence that l.s.d. causes breaks in the chromosomes which carry the genes that transmit hereditary characteristics and also govern certain processes within the body. He said there have also been reports of psychoses, that is, severe mental illnesses, resulting from the use of l.s.d.

On the program last night there was not one single reference to the adverse effects of using drugs. The producers of the program attempted to encourage their use and to give the impression that the taking of them was not really harmful. "Enough evidence is in now", said Dr. Prichard, "that youngsters shouldn't even take one dose." He referred to other scientific evidence to support his statement. These statements were made in the course of a seminar for teachers. Last week a statement attributed to the department of health of New York city revealed that in that city there are at the present time at least 150 young people who are in mental institutions as a result of taking l.s.d.

I have in my hand a quotation from an issue of the New York *Times* published only a few months ago. One of the world's authorities on the use of drugs, when speaking at the University of California, Los Angeles, Dr. Constandinos J. Miras, a pharmacologist from the University of Athens, said that chronic users of marijuana usually suffer adverse personality changes and are subject to damage to the brain and other organs. Dr. Miras said, further:

> I can recognize a chronic marijuana user from afar by the way he walks, talks and acts.

Canadian Policy on Broadcasting

This newspaper article continues:

He said personality changes after use of the drug included slowed speech, lethargy, lowered inhibitions and loss of morality. But users may also become suddenly violent without apparent provocation. They will even kill," Dr. Miras said. The common medical belief is that marijuana is not harmful to health.

That was the idea that was put across in the program last night, without any mention of the statements by health authorities. Dr. Miras went on to say that these symptoms occur after only two cigarettes a day for two years or longer. He said that personality changes result.

I can only add to these reports that I know that in California tragic numbers of people have been drawn into the use of heroin and other drugs by starting on marijuana, and most of them started on marijuana while attending educational institutions. Look at the police records in the United States and see how many of their young criminals had their moral level lowered by marijuana and entered upon crime without a moral qualm as a result, it is believed, of using the drug.

I say; Wake up Canada. There are men in the C.B.C. who would betray this country. Any research of any consequence at all would have turned up these facts for the producers of "The Way It Is" if they had been interested in presenting the other side of the story. Any responsible producer would have put these facts in their proper perspective on that show last night. But what did we see? No strong voices were opposed to the misuse of these drugs. There was only subtle discussion giving the pros and cons in a very calm and deliberate way.

It is obvious that the producers of this show deliberately selected their panelists, their audience and their film clips to play up the joys of drug-taking, making only a token reference to the dangers thereof. There was one short, quick sequence of a man writhing about in the withdrawal symptoms but minutes on end portraying good looking, intelligent boys talking about the fun, appeal and joyous effects of taking drugs. They are, in the words of one youth, king for a day.

This program last night even showed youth how to prepare the needle and how to prepare the powdered drug and put it into the needle. Then it showed where and how to inject it. Is this necessary on a public show which has the intention, or at least should have the intention, of showing the dangers of taking drugs? I do not think it is.

[Mr. Thompson.]

There was a bearded professor from Buffalo on the program who is at this very moment facing drug charges in the courts of the United States. He was brought to Canada to appear on a panel show that would give our young people the impression of promoting the use of drugs. This professor gave a long harangue on the virtues of the drug culture. Then an eloquent youth from the audience did likewise. He said, "What if only four or five die each year from l.s.d.? What is that compared with the millions killed in the war in Viet Nam? We in the drug culture are against war". Take drugs, was his message, and join the new generation who would save the world.

There was not one protest from that youthful audience against the use of drugs; there was only support. I know there are many responsible young people in our institutions and in our society who are opposed to the use of drugs and are protesting against the increasing traffic in drugs in our educational institutions. But where were their voices last night? They were not included, and it was not intended that they should be. If I were a member of the Mafia I would pay $1 million to promote a program such as we heard last night on "The Way It Is." Perhaps we had better look into that too. The sad thing is that most adults, as I did at first, would not even catch the subtle appeal that was intended to attract youth to accepting the message that drugs are okay. Try it, the youth implied, lots of kids do; there is no trouble getting out of it if you want to stop it afterwards.

I quote the words of the moderator of the program, Mr. Saywell, as I took them down, "We have come a long way from hostility to drugs to the investigation of them." So now mothers and fathers need not warn their children of the dangers of drugs; this question is being investigated to find out whether there is any harm in them. That was the gist of his remarks.

It is necessary to understand the appeal of television. It is not the words that matter so much as the appeal to the emotions. The camera played on the face of a beautiful boy several times for periods up to a minute while apparently he was under the influence of drugs. What a come-on for youth.

With regard to air pollution the C.B.C. portrayed on a feature program a few months ago, a spine-chilling spectacle of the tragic human consequences of fluoride polluted air. But with drugs there is no presentation. Instead there is a quiet approach showing that drugs are not really so bad after all.

• (4:00 p.m.)

I believe that the national television network is being used to promote something that is not only destroying the moral resistance of our young people but is also breaking their health, apart from the fact that they are breaking the law by so doing. I think it is important that there be a guide line in this paragraph which would make producers responsible before the law for the production of programs which might be considered to be criminal in nature.

Mr. Knowles: I wonder whether the hon. member thinks it is fair to John Saywell to suggest that his approach in the show last night was favourable to the use of drugs. I received the impression that both John Saywell and Patrick Watson were scared stiff of them.

Mr. Thompson: I would hope that the hon. member's statement is right, but I have here the words used by Saywell. He said:

> We have come a long way from hostility to drugs to the investigation of them.

That kind of statement does not carry the message which the hon. member for Winnipeg North Centre is suggesting.

Mr. Knowles: I do not have John Saywell's words in my mind but I certainly remember Patrick Watson saying that because of his puritanical, Ontario background this thing scares hell out of him.

Mr. Thompson: I should like to think that something would scare some hell out of Patrick Watson because in my opinion he is doing a lot of damage in this country on the C.B.C. I can only say that as I listened to some young people explaining last night's program to me, my daughter being one of them, I understood it carried the subtle message that the use of these drugs is all right, that they should go ahead and try it and be king for a day because it is a great experience and there is nothing wrong with it. It also implied that the use of these drugs should not be considered a criminal act.

I do not intend to speak much longer. I commend this amendment to the minister and to the committee as one which merely sets down some guide lines for management in controlling not only the technical and financial aspects of public broadcasting but also programming in relation to what is apparently the attitude today among many television producers that free speech gives them the right to use the airwaves to promote their particular idea of what is right and wrong and in a way they think is right. Not only must we ascertain that the taxpayers' money is well spent; it is also necessary to ensure that a program dealing with the drug problem or the drug culture, as it is called, is fair in its approach and attempts to present the other side of the picture, at least by giving the general impression that the use of drugs is wrong. Therefore I hope that the committee and the minister will consider the amendment as being a useful guide line to the corporation's management.

Mr. Mather: Mr. Chairman, in speaking on the amendment, which I hope will be brought to a vote and disposed of very shortly, may I recall to the memories of hon. members something of the very long background of our deliberations on this legislation. When the legislation was introduced last year I believe I was one of the first to urge that it be sent as quickly as possible to the standing committee on broadcasting. I did this, as others did, because in considering as complex and detailed a matter as the one with which we are now concerned it is surely obvious that the standing committee, where all parties can be represented and where a detailed discussion can take place, is the best place in which to carry on an efficient examination of the legislation. We did get it to the committee and, as others have said earlier, we discussed it there for 12 days, clause by clause, paragraph by paragraph, and in some cases word by word. Not only were members of the broadcasting committee privileged to take part in the discussion but, as we all know, any hon. member who has an interest in the subject before a committee can come to the committee and speak on that point.

I believe that in some respects our consideration of the bill in committee was very similar to the earlier committee consideration and discussion of the white paper which preceded the legislation and was considered in committee for days and days. All these considerations followed very far reaching examinations by at least one important commission studying the broadcasting situation in Canada. After these deliberations and the detailed and largely impartial committee consideration have taken place, here we are back in the house where we have spent all of last week going over all these clauses very much as we did at the committee level. With these facts in mind I must admit I was wrong when I urged that the matter be sent to the committee for consideration because it has turned

out that we might just as well have continued the discussion here in the house instead of sending the matter to the committee. In that way at least we would have avoided duplication of our discussions.

I imagine that in a matter such as broadcasting it is impossible to make much speed when we are considering clauses of this type because what should be broadcast is very largely a matter of personal opinion. As someone has said before me, broadcasting is rather like sex. A lot of it is not much good but it is all interesting. I think this quality of interest is what spurs some hon. members to discuss this matter. I believe that the length of the discussion we have had in committee of the whole house should now spur us to bring the amendment before us, and no doubt others which will follow, to a vote as soon as possible.

I remember when we were in the standing committee one hon. member remarked at the end of a tedious session, in which I think we made a change of one word in a subclause, that had Moses had the same problem with his legislation when he brought it down from above and gave it to the children of Israel and had he had the same orators to contend with in his organization as the ministers and others have here, the children of Israel would probably still be somewhere in the wilderness debating an amendment to a subclause on a point in the tenth commandment which is in part at least that it is wrong to covet thy neighbour's wife. No doubt the amendment would be to the effect that it would be all right to do so between the hours of 5 and 7 p.m., particularly if nothing came of it.

In speaking against the amendment—and I do not want to take up any more time of the house—I hope that in what I have said I do not appear in any way to be putting myself above any member of the house or of the broadcasting committee. I believe many other hon. members share the general views I have expressed on the need for making better progress. I would say there are three reasons therefore. First, Canada needs this legislation and has been waiting for it for a long time. Second. New officials in the public sector have been appointed and are waiting to receive the legislation in order to go to work to improve some of the matters about which hon. members have complained. Finally, the broadcasting situation, important as it is, is by no means the only major problem confronting the Canadian people at this time. So I sit down in the hope we will have an early vote on the amendment before us. Personally, I intend to vote against it.

Mr. Nugent: Mr. Chairman, I should like to speak on this amendment for a moment. I think the amendment proposed by the hon. member for Red Deer is unnecessary, particularly if we are to give import to the words "high standard". I cannot imagine a program being of high standard if it gives encouragement to criminal activity or if it does not help to safeguard sound family life. A program of high standard in which there is a free and frank discussion affecting family life cannot do anything else but achieve the objective sought by the hon. member in his amendment. We could put in a dozen clauses to cover the many worthy objectives and virtuous things we would like to see done. However, I believe these objectives are covered by the words "high standard", and we rather weaken the meaning of those words by trying to go in the direction the hon. member is suggesting.

• (4:10 p.m.)

Mr. Prittie: Mr. Chairman, my remarks will be very brief in relation to the amendment proposed by the hon. member for Red Deer. I think there should be a little balance on the record in this regard. Everyone would not view the broadcast to which reference has been made in the same light as the hon. member did. I watched it, and indeed a number of young people from the church my teenagers attend came to our place to watch the program and to listen to the discussion. We encouraged them to do so. The hon. member for Red Deer has very little faith in young people if he believes they are all automatically going to take drugs as a result of seeing the program.

Generally speaking, we found the program to be quite good and the panel discussion seemed to be good. I do not like these amendments that keep coming up which seem to impose more and more control all the time. I thought that the panel discussion part of the program was very useful, not only for the young people but for myself as a member of parliament. I was interested in listening to it because I know that later we will be discussing bills which bear upon the use of drugs in our country. I do not see the reason for all the alarms which have been sounded by the hon. member for Red Deer, and I am sure most members do not either.

Mr. Cowan: Mr. Chairman, in rising to comment on the amendment proposed by the hon. member for Red Deer I should like to refer back to the discussion of this clause in the standing committee. You will find it reported in the official report of the committee for November 23, 1967. There are some questions and answers on page 109 of that issue, and I quote myself:

> Mr. Cowan: We are talking about clause 2(g) (i): "the national broadcasting service should (i) be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion."

I then asked the minister to tell us what a balance in fair proportion was in her opinion, and I will give her answer in a moment. I should like to point out that last week I gave two quotations from the minister's remarks when discussing C.A.T.V. I cited her remarks in the committee report for November 28, page 166, where she said:

> I am not very familiar with the economics of them—

On page 167 of the same report she is reported as having said:

> No, but of my knowledge I do not know that much detail about it.

Those are the two statements the minister made about C.A.T.V. I should like to read the statement she made on November 23 in connection with the clause we are discussing right now. I asked the minister to tell us what proportion of balance, in her opinion, was fair. This is the answer I received.

> I believe that is a rhetorical question, Mr. Chairman.

It was not a rhetorical question but the minister gave me that snappy answer. That was her reply to a man who was seeking some information from her. I asked the minister to tell us what proportion of balance, in her opinion, would be fair. I then said:

> Well, are these not rhetorical words in here?

The words to which I referred were:

> —the national broadcasting service should be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion.

This is the snappy answer I got when I asked if these were not rhetorical words in the subclause. The Secretary of State, the person responsible to parliament for the C.B.C. and the Board of Broadcast Governors, answered as follows as reported on page 109:

> It is intended to mean exactly what it says; but I am not in a position to define what the individual words of it mean.

There is an answer for you if you ever got one, and it is contained in an official government report of the proceedings of this committee whose work the hon. member for New Westminster has been extolling. Talk about progress, when the minister responsible for this whole broadcasting field answers a question about the meaning of this clause now under discussion by saying "it is intended to mean exactly what it says, but I am not in a position to define what the individual words of it mean."

I went on to state:

> The words were not chosen because they are so nebulous, were they?

The answer was "No." I then went on to point out what a balanced program is in the opinion of the C.B.C. and the Board of Broadcast Governors because I had with me at that committee meeting, as I have here in the House of Commons, a copy of the Fowler report of 1965. This report is looked upon evidently as the Bible of broadcasting by those in the television and broadcasting world. During the committee meeting I pointed out the following to the minister, who had advised me she did not know what the words meant but that they meant exactly what they said. As reported on page 109 of the committee report I said:

> At the top of page 29 of the report of the committee on broadcasting 1965, you will find the following: B.B.G. program categories—all television stations (March 1-7, 1964) English language—C.B.C. owned and operated; information 37.5 per cent; light entertainment, 52.2 per cent. Would you call the light entertainment at 52.2 per cent a balanced or a fair proportion of the programming of the C.B.C.?

Here is another enlightening answer from the minister:

> If you are asking for my personal opinion, of course, I can give it but I do not know that this helps the committee very much. My personal opinion on that is no more important than that of the other 20 million people in the country.

The Secretary of State, responsible for the C.B.C. and the Board of Broadcast Governors, informed the committee, and I am now advising the house, that her opinion was no more important than that of the other 20 million people in the country. Such humility is to be admired. However, I ask her to assume the

responsibilities that have been entrusted to her by the parliament of Canada. I then said:

> We have here figures showing the English C.B.C. giving 37.5 per cent to information—that is mentioned here in this section—52.2 per cent to entertainment; and for enlightenment—which, I presume, would include arts, letters and the sciences—2.2 per cent. Is this what you would call a balanced service and a fair proportion between information, enlightenment and entertainment, when the enlightenment brings us 2.2 per cent of the programs?

The minister's reply was:

> Of course I do not agree that it is a balance.

Mr. Chairman and members of the committee, if you look at page 29 of this Bible of the Canadian broadcasting world, the Fowler report for 1965, you will find that all the English language stations in Canada, during the period March 1 to 7, 1964, devoted 34 per cent of time to information, 57 per cent to light entertainment and 1.6 per cent to the arts, letters and sciences. If any clause as nebulous as this ever needed amending, this one is it. The Secretary of State says she does not know what the words mean. When the hon. member for Red Deer stands up and tries to clarify the directions given to the C.B.C. and the new council on radio and television, then people say we should not be giving more directions to this organization than those contained in this most nebulous clause.

If you feel that the English language stations have been pretty light on enlightenment in devoting 1.6 per cent of their time to enlightenment, which means they devote 98.4 per cent to information and light entertainment, then look at the French language stations. These figures are contained on the same page 29 of the report. The French language television stations between March 1 and 7, 1964 devoted 32.9 per cent of their broadcasting time to information and 58.6 per cent to light entertainment. Evidently the French are more interested in enlightenment than the English sector. The English stations gave only 1.6 per cent of their time to enlightenment whereas the French stations topped that figure with a magnificent 1.7 per cent. This means that 0.1 per cent more time was given to enlightenment on the French networks than on the English.

• (4:20 p.m.)

The interesting thing about the English stations giving 34 per cent of their time and the French stations 32.9 per cent to information is this. I should like to know how much of this information is repetitive. Do they regard their news broadcasts for five minutes every hour on the hour and for three minutes every half hour on the half hour as being information? If you were to listen, Mr. Chairman, to these news broadcasts over a period of 24 hours—and many newspaper publishers and newspaper people have done so over the years—you would find that the repetition of news items is nauseating. News broadcast on television or radio stations over a period of six hours can produce not one new item of news from start to finish.

I checked into this point in the past 20 months with some radio stations in Canada and I was informed that news items on radio are put on tapes. Then at night when the staff is reduced to save expenses, probably to save money for the enlightenment programs in the daytime, these tapes are played over the radio at 11 p.m., 12 p.m., 1 a.m., 2 a.m., 3 a.m., 4 a.m., 5 a.m., and 6 a.m. and also at 12.30 a.m., 1.30 a.m., 2.30 a.m., 3.30 a.m., 4.30 a.m. and 5.30 a.m. What you get is the same news both on the hour and on the half hour for six hours on end. This is called information, Mr. Chairman. How in the name of heaven can you call the same item of news "information" when it is repeated ad nauseam?

What hope is there, Mr. Chairman, for enlightening the people of this nation through the television stations of the country when they are devoting the magnificent total, French and English stations combined, of 1.6 per cent of their time to the subject? If it were not for the fact that we have a commission on biculturalism today, about which we hear so much yackety-yack, we would probably get only 0.8 per cent of broadcast time devoted to culture. However, since we have two cultures 1.6 per cent of the time is devoted to culture and 98.4 per cent of the time to information and light entertainment.

Why in the name of heaven should we have to tax the people of Canada so that they can be provided with light entertainment by our television stations for a period representing 57.3 per cent of their broadcast time? More than half the time is taken up with providing light entertainment. Are the people of Canada unable to entertain themselves? Must the taxpayers continue to pour out money in order to entertain somebody in Newfoundland, somebody else in the back end of Ontario and somebody else in Saskatchewan? Cannot the public today entertain themselves as they did in past days, or must we saddle the Canadian taxpayer with a bill of hundreds of millions

of dollars to finance Canadian radio and television systems which devote 57.3 per cent of their time to light entertainment?

I welcome the amendment moved by the hon. member for Red Deer because it endeavours to give some specific direction to station programming. I have already made reference to three answers given by the Secretary of State, who has been entrusted with the task of piloting this measure through the House of Commons. I have noted three statements made by her to the committee proving that she does not know what she is talking about, and this on her own admission. We have been asked to support her, on the strength of a broad, general statement made on three different occasions. When I have finished reading the committee reports I shall have picked out some additional admissions. I like the openness of the Secretary of State; very few ministers are as frank as her.

I repeat, Mr. Chairman, that this bill should be referred back to cabinet so that it can receive some attention from people who know what they are talking about. This parliament should not be asked to endorse a bill the words of which the minister says are intended to mean exactly what they say, though she is not in a position to define those words. I support the amendment.

Amendment (Mr. Thompson) negatived: Yeas, 12; nays, 42.

The Chairman: I declare the amendment lost. Shall clause 2(g)(i) carry?

Mr. Cowan: Mr. Chairman, may I ask the Chair a question at this stage? The hon. member for St. Paul's made some very interesting comments on clause 2 (g) (i), which are to be found on pages 109 and 110 of the committee report. I have not seen the hon. member for St. Paul's today and I should like to ask whether it is permissible in committee of the whole house to read into the record extracts of the evidence given before the committee on broadcasting, films and assistance to the arts so as to put on record the opinion of the hon. member for St. Paul's.

Mr. Knowles: Is it relevant?

Miss LaMarsh: Mr. Chairman, it seems to me that anything that is part of the committee proceedings is already part of the public record.

Mr. Cowan: I thank the minister for her intervention; it is part of the public record. I am sorry to say that that record is not always read by the public, whereas *Hansard* gets much wider distribution. If I am not mistaken, something like 800 copies in English and 350 copies in French are printed of the committee reports. The printing of *Hansard* runs somewhere in the neighbourhood of 35,000 to 40,000 copies per issue.

• (4:30 p.m.)

To answer the question of the hon. member for Winnipeg North Centre who asked, "Is it relevant", I refer to a discussion that took place in the committee on broadcasting, films and assistance to the arts on clause 2 (g) (i). After I pointed out the ridiculous situation in regard to a balanced program service in fair proportion as represented by the action of television stations in the past, which devoted 33.9 per cent to information, 57.3 per cent to light entertainment and 1.6 per cent to enlightenment, the hon. member for St. Paul's made these comments as found on pages 109 and 110:

> Presumably, this breakdown shown in the Fowler report, and which my friend Mr. Cowan has just quoted, is the C.B.C.'s understanding of what is a balanced program. If this is not balanced, then we should tell the C.B.C. because the wording in clause 2(g) is practically a copy of what the C.B.C. has considered to have been its mandate for years, as set out on page 124 of the Fowler report. Perhaps I might read it. In the latest version, the mandate that the C.B.C. conceives it has received from parliament is:
>
> "(a) to be a complete service, covering in fair"—

There is that word "fair" again.

> —"proportion the whole range of programming; bringing things of interest, value and entertainment to people of all tastes, ages and interests." And so on. Clause 2(g), Madam Minister, practically copies the mandate that the C.B.C. has given to itself for years. The program distribution that Mr. Cowan has read is the C.B.C.'s interpretation of what a balanced program is. If this is not a balanced program, according to the committee, then I think it should make its views known to the C.B.C. The wording, in effect, in clause 2(g) is practically a copy of what the C.B.C.'s mandate has been for some years.
>
> Miss LaMarsh: I have just been asking Mr. Steele where this statement about the C.B.C.'s mandate came from. Perhaps I should ask him to explain where that statement in the Fowler report had its origin.
>
> I presume what you are trying to suggest, Mr. Wahn, is that somebody in parliament enunciated this—that this has been what C.B.C. says it is following, therefore if we use the same kind of language there would be no change. I think that is a basically incorrect assumption.
>
> Perhaps Mr. Steele could give the comittee the derivation of that mandate.
>
> Mr. G. G. E. Steele (Under Secretary of State): Committee members will undoubtedly know that there never has been placed before parliament and actually discussed, in the way in which the bill

now sets forth, the so-called mandate of the corporation. This was their interpretation, as expressed in their own annual reports from time to time, and also, when asked by the advisory committee on broadcasting to state what their objectives were, as a corporation, the words which appear in the advisory committee report were the words which were used by the C.B.C.

The point still is that it has never really been formalized into the type of wording which now has been set down in the broadcasting bill.

I ask you, are we to consider the proportion of 1.6 per cent for enlightenment a fair or balanced proportion of the programming? What kind of direction is this? True enough, the Secretary of State has already said that the whole of clause 2 is simply declaratory. That has bothered the hon. member for Lapointe because it does not say that ownership must be of a certain nature. It has bothered the hon. member for Lotbinière because it does not say that the French and English stations must be built immediately but uses this circumlocutory phrase "as public funds become available". It is declaratory. So why in the name of heaven does it say in subclause (g)(i), "be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion," when only 1.6 per cent is given to enlightenment while 53.7 per cent is going to light entertainment and 33.9 per cent is going to information? Are we not going to give the broadcasters of the nation more precise directions than those contained in this nebulous phrase?

It is marvellous to see the direction it involves. A broadcaster can do anything he wants to do under that phrase. The first part is declaratory. The second part does not mean a thing. The minister herself says she does not know what those words mean. If the minister herself does not know what they mean, how can any broadcaster be expected to know what they mean? Do you consider that 1.6 per cent of the time devoted to enlightenment is fair or balanced when light entertainment is 57.3 per cent? I suppose we can include in that a few prize fights that we now see today in addition to the prize fights we see on hockey rinks as broadcast on television. What is the light entertainment involved there, particularly when we know that at least one man has been killed in professional hockey recently? Is this light entertainment? I am not saying that was seen on television, but it could have been. It could happen in a game broadcast over the Canadian television networks at some time in the future.

[Mr. Cowan.]

Are we going to consider that light entertainment is of such prime importance to the people of this country, to the taxpayers? When we tax them are we going to say: Well, when they scream about paying their income tax at the end of April each year they only scream once, and for the other 364 days of the year we give them light entertainment in the proportion of 57.3 per cent so perhaps they will forget about it?

I think this phrase means exactly nothing. It is nebulous; it has no point. The minister says she does not know what it means. Therefore it is going to be impossible for a broadcaster to violate this declaratory injunction to the television stations and radio stations of the Dominion of Canada. I think it is foolishness even to put it on the law books of the nation.

The Chairman: Shall clause 2(g)(i) carry?

Some hon. Members: Agreed.

The Chairman: Shall clause 2(g)(ii) carry?

Mr. Prittie: Mr. Chairman, I raised this matter earlier and referred to the white paper on broadcasting and to the government's announced intention to reserve four places in Canada for new C.B.C. television stations. Is it still the intention of the government, after the present fund crisis is over, to go ahead with the construction of C.B.C. owned stations in Saskatoon, Sudbury, Victoria, British Columbia, and the Saint John-Fredericton area of New Brunswick?

Miss LaMarsh: I cannot answer that categorically yes or no. I do not know why the government should not do as it intended, but we do not know how long the present strictures will continue. Also, we may be overtaken by drastic changes in technology which may outdate the proposed system. But I do not know why the government should not continue to maintain the position set out in the white paper, when the financial strictures are eased.

The Chairman: Shall clause 2(g)(ii) carry?

Some hon. Members: Agreed.

The Chairman: Shall clause 2(g)(iii) carry?

Mr. Cowan: Mr. Chairman, on Friday evening the Secretary of State expressed a little regret that I did not enlighten her further about the Spanish kings of 1493. She should have known that she would hear from me

further historical references. I note that clause 2(g)(iii) reads:

(g) the national broadcasting service should—
(ii) be in English and French, serving the special need of geographic regions, and actively contributing to the flow and exchange of cultural and regional information and entertainment,

I presume that that means splitting equally the 1.6 per cent of enlightenment by way of regional information and news into two languages. With regard to the national broadcasting service today, in English and French, it is quite noticeable in this country and has been for the past few years that there has been tremendous emphasis given to French, French, French, French, French, French, French, French, French and French. As a member said the other day, it has got to the point where the cabinet does not introduce a bill without having a clause in it two or three times to say that everything has to be in English and French.

• (4:40 p.m.)

It is interesting to note that there were only a few French speaking people in Canada when Wolfe came over in 1758. He cleaned up at Louisburg and the following year cleaned up at Quebec. Since then Canada has been thought to be an English speaking nation. In light of this declaratory statement that the national broadcasting service should be in English and French, this in a country where the English forces under Wolfe obtained the mastery and under the British North America Act certain privileges were given to the conquered people to speak French in the legislative halls at Quebec city and in the parliamentary halls at Ottawa, I think it would be interesting to the French minority in Canada if they were to consider the situation in Alsace-Lorraine. I regret I have not the time this afternoon to speak further for the benefit of the Secretary of State on the kings of Spain and Portugal, to whom I made passing reference the other day, but I do think it is interesting to consider the situation in Alsace-Lorraine where the French are in the dominant position. It is known in history as the Kingdom of the Franks, and I hope the Secretary of State will be as interested in it as she was in Spanish history.

In the Kingdom of the Franks, involving Alsace-Lorraine, prior to 1870 the French tongue was generally spoken in the valley of the Rhine. But in 1870, as you will recall, as a result of the Franco-Prussian war the Germans overran France. They had no trouble whatever doing so. They captured Paris and in Paris proclaimed the formation of the German Republic, and they brought Alsace-Lorraine into the orbit of Germany. These people became a conquered people under the heel of the conquerors, the Prussians, or as they called themselves after 1870, the German element.

The Chairman: Order.

Mr. Cowan: I think it is interesting—

The Chairman: Order. I have to say to the hon. member for York-Humber that I think he is now outside the confines of the clause before the committee. The committee is dealing with clause 2 (g) (iii) and I would ask the hon. member to confine his remarks to that particular subclause of the bill.

Mr. Cowan: Mr. Chairman, I am speaking on clause 2 (g) (iii) and referring in particular to the phrase "in English and French". There happen to be two tongues spoken in this country and I was drawing a parallel to the handling of two tongues in Alsace-Lorraine where the two tongues are French and German. I can see a direct connection between the two tongues, French and German, in Alsace-Lorraine and the two-tongue situation in Canada involving English and French. I wish to point out that after the Franco-Prussian war of 1870, when the Germans took over Alsace-Lorraine they forced the people of Alsace-Lorraine to speak German—

The Chairman: Order, please. Again I must interrupt the hon. member and point out to him that clause 2 (g) (iii) says that the national broadcasting service should be in English and French, and I would suggest to him that any comments he has to make regarding English and French must be in relation to national broadcasting.

Mr. Cowan: I sincerely hope, sir, your ruling is perfectly clear to you. Unfortunately it is not clear to me. I want to point out that in Canada the English gave the conquered people the right to speak French in the halls of parliament at Quebec city and at Ottawa. Not so in Alsace-Lorraine. The conqueror there did not grant that privilege to the conquered. Since I must confine myself to clause 2 (g) (iii), dealing with English and French, I would point out that in 1918, after Alsace-Lorraine was given back to the French—

The Chairman: Order. I shall have to quote to the hon. member standing order 59 (2), found on page 56 of our standing orders:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I would again ask the co-operation of the hon. member for York-Humber in confining his remarks to clause 2(g) (iii).

Mr. Cowan: While I am on my feet, Mr. Chairman, I would like to commend the generosity of those speaking the English tongue in conferring certain special privileges on the conquered in this country. It is too bad that elsewhere throughout the world the magnificent example shown by the English in 1867 has not been followed as one worthy of imposition in other areas. I believe there are many fields in which Canada leads and I believe that the treatment by the English of their French speaking compatriots sets an example to the world. I regret exceedingly that our French speaking compatriots have not looked upon it as a fine example to be followed in other areas where they happen to be the conquerors.

This is a declaratory clause. It binds nobody. Here it is used by the cabinet to please our French speaking compatriots. It says that the national broadcasting service should be in English and French. It says "should be". We should pay our bills. We should be civil to chairmen. We should be civil to one another. We should be civil to people of foreign tongues. The things we should be are a mile long. Unfortunately the things we do are sometimes different.

I cannot object to the passage of this subclause when I know it is only declaratory, as the Secretary of State herself has said. But why put it in if it is only declaratory? We should all be good. We should attend church. We should be moderate in our actions. What is the use of putting such declarations in our law books if there is no penalty to see that they are carried out? I am pleased to praise the English for the manner in which they treated the French in 1758 and in 1867, but I regret that the example was lost on the French of France.

Mr. Schreyer: Mr. Chairman, it is possible to infer from this subclause something which may not be intended. It refers to what shall be done in the case of special needs of certain regions. In regions where ethnic groups are heavily concentrated, and here I am not making any reference to the English and French broadcasting aspect, it would seem that this subclause could be interpreted to mean that where an ethnic group forms 70 or 75 per cent of the population and has attempted over the years to maintain its language and culture, without official recognition by the state or the constitution but solely within the confines of its social institutions, then the national broadcasting service should make an effort on a regional basis to broadcast in the language of that ethnic group. I do not think this is the intent, and I would like to ask the Secretary of State if this is so.

Miss LaMarsh: That is not the intention. The governing phrase is "be in English and French, serving the special needs." It does not say anything about other languages.

• (4:50 p.m.)

Mr. Schreyer: I do not intend to argue the point. The hon. lady has explained the intentions and I should be satisfied. I rise only to point out that one certainly could infer that something a little more was intended because it refers to the special needs of geographic regions and in some regions of the country the special need has to do with the language and culture of ethnic groups other than English and French. However, in these days and times when we are confronted with the major problem of Canadian unity I certainly do not wish to be a party to complicating matters further.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to comment on some remarks of the hon. member for York-Humber (Mr. Cowan). One of these conquered individuals may be allowed to say a few words about his conquerors. Supposing the member for York-Humber had been a captain in the army of General Wolfe when he achieved victory and then, in his words, Canada—

[*English*]

Miss LaMarsh: He was in charge of knifing in the back.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I did not understand what the hon. Secretary of State said.

The fact remains that I should like to remind my hon. friend for York-Humber that none of the conquests in the world has ever helped the conquerors. England conquered India and what happened? It had to withdraw.

[*English*]

The Chairman: Order, please. I would suggest to the hon. member for Lapointe that the remarks he is now making are not relevant to the clause before the committee.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I come back to the paragraph under consideration. I should like to add that France conquered some countries from which it later had to withdraw. And why, Mr. Chairman?

Mr. Habel: France wants to conquer Quebec.

Mr. Grégoire: In this regard, Mr. Chairman, I point out to my hon. friend for Cochrane that France has no intention whatsoever of conquering Quebec.

And so, I say to my hon. friend for York-Humber that all the imperialist countries that made conquests had to withdraw. The time has now come for the friends of the hon. member for York-Humber to withdraw.

[*English*]

The Chairman: Order, please. I again must ask the hon. member for Lapointe to confine his remarks to the subclause before the committee. He is not doing that now.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think I said what I had to say.

This clause deals with a French-language broadcasting service and I have no objection quite the opposite, I support it. On the other hand, I object to the desires and wishes of the member for York-Humber in trying to compare Quebec to a conquered people. I know that, in this house, many share his views. Maybe I should congratulate him on being the only one who dares to utter out loud what others think and whisper among their friends. The member for York-Humber for one has the courage to say so. If a secret vote were held in this house, I believe that the majority would approve what the member for York-Humber has just said.

[*English*]

The Chairman: Shall clause 2(g)(iii) carry?

Some hon. Members: Agreed.

The Chairman: Shall clause 2(g)(iv) carry?

Mr. Prittie: Mr. Chairman, I see that the minister has left the chamber for a few moments. I would prefer to discuss this subclause in the presence of the minister. May I ask, Mr. Chairman, whether we have disposed of clause 2(c) yet?

Some hon. Members: No.

Mr. Prittie: I wonder whether the Chair would consider reverting clause 2(c) in the absence of the minister.

An hon. Member: She is right here.

Mr. Prittie: I see that the minister is not far away, Mr. Chairman. I will go ahead with my remarks in respect of clause 2(g)(iv). The subclause provides that the national broadcasting service should:

> —contribute to the development of national unity and provide for a continuing expression of Canadian identity;

When this bill was first introduced I did not express my misgivings about the wording referring to national unity. This is a very difficult thing to do. No one wishes to speak against the words "national unity" since this would perhaps leave him open to the charge that he is against national unity. However, I did express some thoughts on this matter earlier. I question very much whether these words should be contained in subclause 2(g)(iv).

First of all, I do not really believe that the government is too serious about this provision because when we asked that it be considered as a charge upon all broadcasters in Canada the amendment was defeated. At the time I pointed out that there are more private than public radio and television stations in Canada and that if national unity is important it should be the duty of all broadcasters in the Canadian system to promote national unity. I hear remarks about the private stations. We have already declared in clause 2 that the airwaves belong to everyone. Some private stations broadcast in French at certain times and, though not directly from taxes, about $120,000 or $130,000 of the money of the people of Canada is being used to support this service. However, the government has rejected our amendment.

I rather feel that subclause (g) is adequate as it stands. It requires the national broadcasting service to provide a balanced service. As the hon. member for York-Humber claims, the service may not be balanced but it is possible to achieve balance by means of sports programs, public affairs programs, comedy, drama and so on. Second, it can be extended to all parts of Canada if we are

willing to pay for it. Third, it can be in both languages if we are willing to pay for it.

The question of national unity is a difficult one. I do not think it can be defined at all. When speaking the other day the hon. member for Hochelaga said, as reported at page 6017 of *Hansard*—I am paraphrasing his words—that he doubted the justification of the provision. At that time he was speaking against the amendment I had proposed in respect of subclause (b). I notice that the minister when speaking on another amendment used words which are rather appropriate. When the hon. member for Red Deer presented an amendment to another subclause she had this to say, as reported on page 5917 of *Hansard* for January 24:

> I do not think that anyone should be required to decide, as a matter of statute law, what a broadly held opinion is.

May I interject to say that one could say the same thing about national unity. The minister continued:

> Those who are in this chamber or in public life know that broadly held opinions in this country may vary almost daily or almost hourly. To ask some individual to determine what a broadly held opinion is, is to place on that individual an unsupportable burden.

She went on to say that the words are innocuous. This was in respect of the amendment presented by the hon. member for Red Deer. These words may be innocuous, Mr. Chairman, but they may not be. I have looked at the statutes governing the British Broadcasting Corporation and the independent television authority. These statutes do not require these broadcasters to promote national unity although they deal with a complex country. The words may not be innocuous because they might be used against people under certain conditions.

I am sure the present minister and the present government have no intention to engage in a witch hunt against the people employed in broadcasting. I am sure also that the new senior officers of the Canadian Broadcasting Corporation are not the type of people who would do that. However, under certain conditions of management this could be done. When one is in that frame of mind one is apt to consider almost anybody whose expressions of opinion are at variance with those of the majority to be a person subject, in this case, to being fired because of not promoting national unity.

[Mr. Prittie.]

• (5:00 p.m.)

We might as well be frank about this. Where do these words come from? They are not in the previous broadcasting act. They result, I am sure, from the fact that members of the government caucus have said we must get at these separatists in Radio Canada at Montreal. I know this controversy has been going on for some time and I have heard members of this house from the province of Quebec denounce the separatists and so-called separatists in Radio Canada at Montreal.

It seems to me that if there is a problem here it is a problem for the management of the corporation. The minister will probably reply that management has not done its job in the past, that there is new management and that if there is a problem new management ought to see that the producers in Montreal and elsewhere carry out their duty to see that there is a balanced presentation on controversial public programs. I am afraid that with these words in the law people will be able to use them at some time in the future to say that management is weak and that this person or that person is working against national unity and should be fired.

An hon. Member: Or an individual program.

Mr. Prittie: We have already heard a number of complaints about programs. I realize this is not an easy argument to make but it seems to me that if the requirements of broadcasters, as contained in subclause (g) (i) and subclause (g) (iv), in respect of expression of Canadian identity are adhered to there would be adequate control without the necessity of these words which specifically suggest that broadcasters must promote national unity. I find this objectionable and I therefore move:

> That clause 2(g) of Bill C-163 be amended by deleting the words "contribute to the development of national unity and".

Clause 2 (g) would then simply read, "provide for a continuing expression of Canadian identity."

To continue for one moment, let me say I am sure the hon. member for Lapointe is anxiously waiting to support my amendment. This gives me some misgivings because I recall that after the bill was introduced the premier of Quebec called it "Fascist". I do not go so far as to use such strong words. I also recall that the producers in Montreal communcated their feelings to the minister. I think I agree with the views they expressed

although they expressed them rather strongly. Regardless of who are the allies one might have in a matter like this, I think this is a phrase we ought not include in our broadcasting act.

Miss LaMarsh: As my hon. friend knows, the objection which was raised was contained in a telegram to me on October 26 from the association of producers in Montreal. I responded to that telegram by letter on November 9, in which I set out the whole purport of the bill and repeated things which were said at the very beginning of broadcasting legislation in Canada by the then prime minister of Canada, Mr. Bennett. He indicated that one of the purposes of setting up a broadcasting system, which was then of course only radio, was to have a more effective instrument for nation building. He also referred to it as an agency by which a national consensus might be fostered and national unity still further strengthened.

It seems to me that from the beginning of broadcasting in Canada that has been one of its goals. Indeed, were this not an aim there would seem to be very little reason to have broadcasting publicly underwritten in this country. We have our transportation systems, public and private. We have a number of other institutions which have developed uniquely in Canada with the private paralleling the public. The reason we still have the public system as well as the private relates to the special role the public system has in unifying a country whose national pull is north to south rather than east to west. The whole purpose of establishing a broadcasting facility in this country was really to foster Canadianism. Therefore I cannot accede to my hon. friend's suggestion that these words should be removed.

With the permission of the committee I would ask that the correspondence of the producers association, which is attached as an exhibit to the proceedings of the committee, be shown as an appendix to these proceedings. This correspondence clearly sets out, as I think it should, what is meant by national unity within the provisions of this act.

I might say that following that exchange of correspondence no public outcry or speech of any kind has ever been made, nor has there been a further objection or complaint received by my office from any source in this regard. There has only been the discussion my hon. friend and I have had here and before the parliamentary committee. It would seem to me that while hon. members may be particularly interested in discussing this matter, the words contained in this correspondence illustrate the intent of the legislation and its draftsmen. If my hon. friend and other members of the committee have no objection I will ask that the correspondence in both languages be appended to these proceedings.

Mr. Knowles: That cannot be done while we are in committee but I have no objection to the request being made when we are back in the house.

Miss LaMarsh: I will do that at six o'clock.

Mr. McCleave: Mr. Chairman, in the absence of the hon. member for Royal, who is the chief spokesman for this party on broadcasting, I should like to make a few comments on the amendment proposed by the hon. member for Burnaby-Richmond. I have great respect for him but I think his argument can very easily be exposed in that he should either have moved the deletion of the whole phrase or let it stand. We are dealing with two concepts, both of which may be brittle and difficult to grasp but are both important objectives to a broadcasting system.

The first of these is the idea of national unity. Whether this is easy or difficult to define, it is an honoured phrase which has existed since Right Hon. R. B. Bennett brought in broadcasting legislation. The other phrase related to Canadian identity. I suggest that expression is as easy or difficult to grasp as national unity. In order to have been consistent the hon. member should have moved to strike out everything or let it stand.

I am one who thinks these phrases should stand. We have spent and I think we will spend a considerable amount of money to improve means of communication in this country. Surely we should at least use this national means of communication to help weld us together as a nation rather than give up the fight after one hundred years of growth and say that we cannot adopt the concept of national unity. I hope this idea will commend itself to members of the committee and that the amendment will be defeated.

• (5:10 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, I rise on a point of order.

Before we go any further, I wish to point out what I think is a difference between the

English and the French version of the bill. The English version talks of "Canadian identity", and the French version uses the expression "réalité canadienne". In my opinion, the two expressions do not have exactly the same meaning.

If I had to translate the expression used in the English version, I would translate it as "identité canadienne" and not "réalité canadienne". I should like to know which of these two is the official version, and I would ask the hon. Secretary of State what she means by this expression, for there is a difference between the French and the English version in this respect.

Mr. Béchard: Mr. Chairman, I am not a linguistic expert, but I think that to translate "identity" by "identité" would be an Anglicism.

In my opinion, the translation of "identity" by "réalité" in French is quite accurate, but the word "identité" would be an Anglicism.

Mr. Grégoire: No, Mr. Chairman, because "identité" is a French word and not an anglicism. To identify means exactly to personalize something or give a complete definition, while the word "realité" is not at all identifiable. The identity is always real, but reality is not always identifiable.

Mr. Béchard: I did not mention the word "to identify"; I spoke about the word "identité", as the hon. member for Lapointe did earlier.

Mr. Grégoire: Mr. Chairman, the Secretary of State could perhaps indicate what should be the meaning of the term "Canadian identity."

[*English*]

Miss LaMarsh: Mr. Chairman, unless my hon. friend has some indication that there is an obvious error, I would point out that the government of Canada hires people to do these translations. I am unhappily, certainly not as bilingual as my hon. friend. Realities are clear to most people. I must be guided by my hon. friend, my parliamentary secretary, who is far more bilingual than I am and who says that "reality" is the French equivalent of "identity", in one sense at least. Unless my hon. friend can indicate that it is quite improper, perhaps other learned linguists in the chamber have some comments to offer with respect to this matter.

[Mr. Grégoire.]

Mr. Pelletier: Mr. Chairman, I do not particularly like to be introduced as a learned person—

Mr. Lewis: She did not say that. She said "learned linguist".

Mr. Pelletier: That even less.

[*Translation*]

But I am sorry to disagree on that matter. The parliamentary secretary is probably right: "identité canadienne", in French, looks like a translation and it is probably an Anglicism. But it seems to me that the hon. member for Lapointe (Mr. Grégoire) is right when he says that there is an important difference of meaning between "réalité canadienne" and "Canadian identity".

In my opinion, the word "identity" describes the particular character of a group of people. It is a word which refers to a cultural context, whereas the term "réalité canadienne" seems much better to me because television, radio, the whole field of broadcasting must bring to the people the whole reality, for instance the industrial development as well as the physical nature of Canada. There are probably in Nova Scotia people who will never know what British Columbia looks like except from what they see on television or in the movies.

I think there is an obvious difference in meaning, which could lead to some misunderstandings.

Now, not being a learned linguist, I would not know how to translate "réalité canadienne" into English, but I would much rather have that than translate "Canadian identity" by "identité canadienne", a term which seems to me rather dubious in French, as the parliamentary secretary said, and which does not translate the exact meaning of "Canadian identity".

I think that this is really a problem of different concepts instead of linguistics. I very well understand the drafters who used the term "réalité canadienne", because in my understanding and that of the majority of us, about the role of broadcasting, it is a question of translating the whole Canadian fact with all its aspects, its spiritual aspect as well as its industrial, material and physical aspects. Broadcasting is meant for everyone and must reflect all the aspects of life.

I would rather ask English-speaking learned linguists to translate into English the words "réalité canadienne".

Mr. Grégoire: Mr. Chairman, I have a dictionary here with the definition—

The Assistant Deputy Chairman: Order, please. Would it not be better to deal with the amendment and then, to deal with a question, if it arises?

Mr. Grégoire: In the amendment, the words "identité canadienne" are mentioned. Had it been "réalité canadienne", I would have voted for the amendment, but if we leave the words "identité canadienne", then I cannot vote for the amendment.

Let us see what it means in French.

Identité: ce qui fait qu'une chose est de même nature qu'une autre. Ensemble de circonstances qui font qu'une personne est bien telle personne déterminée.

Then, it would be because of circumstances that Canada is really Canada.

[*English*]

Miss LaMarsh: Mr. Chairman, I should be very happy to use the word "reality" in both languages, if that will make hon. members content.

Mr. Lewis: That is pretty poor English.

Mr. Lambert: I doubt that it will make hon. members content. What is "reality"?

Mr. Grégoire: Mr. Chairman, is the minister changing the word in the English version to "reality"?

Mr. Lambert: That is meaningless in English.

The Assistant Deputy Chairman: Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Are you going to accept the word "reality"?

Miss LaMarsh: Yes, to please you.

[*English*]

Mr. Lewis: Mr. Chairman, I am not going to make a long speech. I hope the Secretary of State will think about the matter a little before she yields to this suggestion and uses the words "Canadian reality". In any case the French is in the plural, as I remember. I do not know exactly what "Canadian reality" would mean. "Identity" to the English speaking person has meaning. The only suggestion that occurs to me is to use the word "personnalité" in French as the translation of "identity", but that probably makes it worse.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Churchill: Mr. Chairman, I have been listening to the argument put forward by the hon. member for Lapointe. He said he could not vote for this clause until the word was changed. I do not think that argument carries much weight—

Mr. Lewis: Hear, hear.

Mr. Churchill: —because he will probably vote against it in any event.

Mr. Prittie: Mr. Chairman, whether the hon. member for Hochelaga likes it or not, I consider him to be a learned person. I am going to pay him the compliment of quoting him because I thought what he said the other day was very well put. I refer to the hon. member's remarks as reported on page 6017 of *Hansard*. He was speaking to an amendment that I had moved to subclause (d) with regard to national unity and he said, according to the English translation:

It is so normal to provide that a public broadcasting system will contribute to Canadian solidarity that the mere fact of mentioning it, of writing it out in full, may lead some people to believe that it is not a matter of promotion but of propaganda, which is, as I can testify, far from the intentions, both of the government, that has drafted the legislation, and of the committee which has considered the matter.

• (5:20 p.m.)

This is quite true. As I mentioned earlier, the hon. member stated that he had some misgivings about the expression. Being familiar with people in the field of broadcasting he will know the fear they have—it is not that I am against national unity or that he is or that many of his friends in broadcasting are—of the use to which this type of legislation can be put. I suppose national unity can mean anything. At the very least it means keeping Canada together as a country. What does this mean when you apply it to various people? Mr. René Lévesque does not believe that Quebec should continue to be part of confederation, nor does Mr. Pierre Bourgault or Mr. Gilles Grégoire.

Mr. Lewis: Who is he?

Mr. Prittie: If some producer in Montreal puts these people on programs, is he to be charged by some person who looks at a program with not contributing to national unity, and is he to be fired? There is a possible danger of that happening. I am sure the minister would not do it, but if we put it into the

legislation and if someone wishes to get at someone he suspects of being a separatist, whether it is proved or not, there will be justification for taking that kind of action.

Mr. Knowles: Mr. Chairman, I should like to support the plea of the hon. member for York South that the Secretary of State not make the change to which she is willing to agree. It seems to me there is nothing wrong with parliament legislating the same concept in different words in the two languages. If we pass the bill with the French version reading "réalité canadienne" and the English version "Canadian identity", then the bill is the law of the land. I do not know enough of the French language to know what damage it would do to the French version to change what is there now, but I do know enough English to say that it would have no meaning at all for us to say that the national broadcasting system should provide for a continuing expression of Canadian reality. That has no meaning at all. I suggest that "Canadian identity" remain in the English version and "réalité canadienne" remain in the French version.

Mr. Grégoire: The two phrases do not have the same meaning.

Mr. Knowles: I suggest that the meaning which we get from the phrases is the same even if the words are different, just as the words "ask" and "demand" are different.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on—

[*English*]

The Assistant Deputy Chairman: May the Chair suggest that we dispose of the amendment and then carry on the discussion which is taking place now? I think this would be in order. Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Mr. Chairman, you are asking us to vote first on the amendment before coming back to the main question and then discuss the accuracy of the expression.

But, in my opinion, the amendment seeks to restrict the subclause to the following words:

—the national broadcasting service should provide for a continuing expression of Canadian identity.

We are therefore being asked to vote for such a term. That is why I wonder whether it would not be better to first settle the problem

[Mr. Prittie.]

of the definition and then ask the hon. member for Winnipeg North Centre if he really wants us to pass a piece of legislation with different meanings in English and in French, but in whose two versions would nevertheless be official? I would be surprised if that was his intention.

[*English*]

Mr. Knowles: My answer to that is that what parliament passes is authentic in both languages, and if we pass a bill with one expression in one language and another expression in the other each of these expressions is authentic. As we have heard from the hon. member for Hochelaga and from others who are fluent in the French language we are getting the same idea from the phrases "réalité Canadienne" and "Canadian identity".

Mr. Johnston: I think we should realize that the operative part of the original paragraph is "contribute to the development of national unity" but as this is such a sensitive topic in Canada today I am sure the people who assisted in the drafting of this paragraph realized that that sort of unadorned statement would be far too meaningful to be let in the bill as it is and that it had better be dressed up slightly in both languages. So we now have a little ornamentation added to soften the charge on the C.B.C. that it contribute to national unity.

I really do not see what the hon. member for Lapointe is worried about if the phrase is meaningless in both languages. I cannot see why we should be too excited about it. I would have had some sympathy for the amendment moved by the hon. member for Burnaby-Richmond if it had been to delete the window dressing following the phrase "national unity". We know that he presented a worth-while amendment to subclause (d) when we were considering the bill earlier which urged that the entire broadcasting system contribute to the national unity of the country. I expressed a half-formed suspicion at that time that what the hon. member was doing was to strike at the clause now before us and the charge on the public broadcasting section of the system to concern itself with the development of national unity. I would have thought that a sense of propriety or embarrassment would have prevented the hon. member from rising today to move an amendment eliminating from public broadcasting what previously was a worth-while addition to the entire system.

I think we should reject the amendment and accept the clause as it is because if we cannot charge any part of the broadcasting system with concerning itself with national unity then we are in a parlous state regarding national unity. I would not worry too much about propaganda and its possibilities because we are well aware of how extensive this practice is. All governments in all parts of the world engage in this activity and that it can have most worthy ends as well as more devious ones at times. I believe the clause is a reasonable one and that the amendment, in the light of the debate at a previous sitting of the house, is most strange and should be rejected.

The Assistant Deputy Chairman: Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I have absolutely no objection to the French version of the amendment of the hon. member for Burnaby-Richmond (Mr. Prittie) being put to a vote. It stipulates:

That the national broadcasting system should provide for a continuing expression of Canadian identity.

The Canadian identity is very simple. The right hon. Prime Minister of Canada put it very well last night, at the banquet of the Quebec branch of the Liberal Federation of Canada, when he said: There is a power group in Canada which wants to try to make Quebec more independent.

That is the Canadian reality. But if the national broadcasting system should provide for the continuing expression of Canadian identity, that is, recognize that there is in Quebec a group that is powerful enough—as the right hon. Prime Minister said—and who thinks that, in the whole present Canadian context, it is preferable that Quebec be independent, both for the people of Quebec and for those outside the province, and if this is the expression of Canadian reality in that case, Mr. Chairman, I am in favour of the amendment and I think it should be supported.

• (5:30 p.m.)

[*English*]

Miss LaMarsh: I am glad the hon. member for Lapointe has made things so clear. Since there has been no amendment with respect to either the French or the English versions and I would assume they will stand the way they are printed in English and French, and since no one else has since moved to change it we will leave it as "réalité Canadienne" and all we will have to do is deal with the amendment.

[*Translation*]

Mr. Grégoire: Mr. Chairman, if I am not mistaken, clause 2 (g) (iv) will read in French as follows:

... contribuer au développement de l'unité nationale et exprimer constamment la réalité canadienne;

Some hon. Members: Yes.

Mr. Grégoire: Very well, that is what I wanted.

[*English*]

Miss LaMarsh: Yes, the hon. member made it clear what the difference would mean.

[*Translation*]

Mr. Grégoire: That is exactly what I said, leave in the French version the words:

—réalité canadienne.

In fact, the hon. member for Winnipeg North Centre (Mr. Knowles) stated that the French version was as binding in law as the English version. If that is the case, our national broadcasting service must express the Canadian reality.

As stated by the Prime Minister (Mr. Pearson) there is in Quebec a group of people who believe and fight sincerely because they feel it would be good for Quebec to become independent. That is the Canadian reality and that is what the C.B.C. should express.

[*English*]

Mr. Cowan: Mr. Chairman, one of the speakers this afternoon, in commenting on the amendment which has been moved by the hon. member for Burnaby-Richmond, expressed regret at the action of the hon. member in so doing. I should like to congratulate him on his integrity. A while ago the hon. member for Burnaby-Richmond moved an amendment which would have called upon the private sector of the Canadian broadcasting world to be subject to the same directions as the national broadcasting system with regard to Canadian unity and Canadian identity. This was a very worthwhile amendment to an ill-prepared bill and it should have been adopted by this committee. When it was voted down I felt 100 per cent certain that the hon. member for Burnaby-Richmond, being the honourable man he is, would move to have this clause with

regard to directions to the national broadcasting service deleted because he wants the private sector of broadcasting to be operating under the same directives as the national broadcasting system. I sincerely believe that this clause should be eliminated for the simple reason that these directives are not to be made applicable to the private sector, as was the wish of the hon. member for Burnaby-Richmond.

I have been sitting here during the protracted discussion of this bill and I have heard hon. members talking about the development of national unity. Most members seem to refer to the development of the two-nation concept, national unity for the French speaking people and national unity for the English speaking people, according to the peculiar belief they have that there are two nations in this country. Who can argue with that interpretation of national unity if these people believe there are two nations in this country of Canada? They are fully entitled to argue that we should develop national unity on that basis.

While I was listening to that interesting interpretation of the phrase "national unity" I could not help but think of the Solicitor General who represents the riding of Brant-Haldimand because he has six nations in his constituency. Is the C.B.C. to be entrusted with the development of national unity for the six nations that exist there, which were recognized by Queen Victoria and are recognized by Canada today as the Six Nations Confederacy? There are six nations in the riding of Brant-Haldimand.

We have some members, notably the hon. member for Lapointe, who argue that there are two nations in this country. I was very distressed during the summer by the loss of two very great close friends of mine whom I have known intimately for 35 years. One of them was the late Mr. Harry Benjamin of Montreal and the other the late Mr. Leo Paperny of Calgary, Alberta. My life is going to be much poorer as a result of the death of these two men, close friends of mine, in widely separated parts of Canada. I looked forward to every possible contact with them and enjoyed their company at all times. In memory of these two magnificent Canadians—

The Assistant Deputy Chairman: Order, please. I know all members of the committee are very sympathetic with regard to the loss the hon. member has sustained but at the moment we are speaking to the amendment proposed by the hon. member for Burnaby-Richmond. I ask the hon. member to direct his remarks to that amendment.

[Mr. Cowan.]

Mr. Cowan: I intend to finish my remarks, and if you will hear me out you will understand the phrase "national unity". I paid $30 to the Jewish national fund for the planting of trees in memory of my friend the late Harry Benjamin of Montreal and I paid $30 to the Jewish national fund, Marlee avenue, Toronto, in memory of my friend the late Leo Paperny of Calgary. Over the week end I received in the mail my official receipt for $60 from the Jewish national fund, Marlee avenue, Toronto. Some may talk about nationalism but I am talking about national unity, the Jewish national fund of Toronto and the Six Nations Confederacy. These gentlemen here, members of the House of Commons, talk about two nations in Canada. I believe this amendment should be supported.

The Assistant Deputy Chairman: I regret to interrupt the hon. member but in my view he is not speaking to the amendment which is under consideration.

Mr. Cowan: I regret that I am prohibited from expressing myself on what you are talking about.

Miss LaMarsh: Shame.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Prittie) negatived: Yeas, 12; nays, 42.

The Assistant Deputy Chairman: I declare the amendment lost. Shall subclause 2(g)(iv) carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, before subparagraph 2 (g) (iv) is passed, I should like to say why I agree to it.

To contribute to the development of national unity does not mean much in itself; it all depends upon the interpretation given to these words.

The Prime Minister clearly said that there are two nations in Canada and I agree with him on that. During their recent convention the Progressive Conservatives approved this concept of two nations in Canada, two founding nations. If they still exist, there are two nations, in Canada. If one disappeared, let us say so. Our friends the members of the New Democratic party also supported this concept of two nations.

Therefore, there are two nations in Canada. If they are founding nations, they still exist. If they no longer exist, let it be proclaimed. If one of the two founding nations has disappeared, let it be proclaimed.

I wonder whether the hon. member for York South (Mr. Lewis) would rise and say that one of the two founding nations has disappeared. What will the hon. members for Hochelaga, Lévis, Chicoutimi, Champlain (Messrs. Pelletier, Guay, Langlois and Matte) say, what will all the hon. members from Quebec say when they are told that one of the founding nations has disappeared, that we have disappeared? Have we disappeared, or are we still alive? We are a founding nation; we have not disappeared. If we are one of the two founding nations, we must still exist and still be one of the two living nations in Canada. Two nations, that I do believe in; it is a concept almost unanimously accepted in the house. In fact, all parties have accepted the principle of the two nations. So, the House of Commons unanimously accepts the fact that there are two nations in Canada.

• (5:40 p.m.)

National unity is mentioned. If the term "nations" has a meaning, when used as a substantive, it must inevitably keep the same meaning when used as an adjective. In the expression "two nations", it is used as a substantive. Then, national unity is mentioned. So, it should have the same meaning. In fact, what does national unity mean? It is unity within a nation. It does not mean unity of two nations. If the Minister of Energy, Mines and Resources (Mr. Pepin) wants to contradict me, let him!

National unity is exactly what it says. When the intention is to speak of unity between two nations, the term "international unity" is used.

I see the Minister of Energy, Mines and Resources protesting. Let him give us his argument, unless the French words no longer have any meaning. Unity between two nations means international unity. That is the definition of the term. If the Minister of Energy, Mines and Resources does not agree, he should return to France to learn again the meaning of the words. It is clear: unity between two nations is international unity. So, there are two nations in Canada. If unity between two nations was referred to, inevitably the term "international unity" would be used. That is not what is being said. National unity is mentioned. There are two nations in Canada and that has been accepted by all parties in the house.

It is so true that we have two broadcasting systems, the French network and the English network. Furthermore, we have two national anthems, two national flags. Everything being done relates to two nations.

Therefore, contributing to the development of national unity means that there must be unity within each of the two nations: national unity of the French group and national unity of the English group. That is what this means and on this point, I agree. Mr. Chairman, I will be voting for the paragraph because I feel each nation must find its unity for a better understanding and then for better direction.

That was the function of the Estates General of French Canada: to achieve the national unity of French Canadians, to create a French Canadian national philosophy.

To my mind, the C.B.C. must co-operate in the purpose set down by the Estates General, that is to rebuild the French-Canadian national unity, to state a French-Canadian ideology. In fact, that is what this bill states.

I think that in order to be more specific, the wording should read: contribute to the development of both national unities, both the French-Canadian and English-Canadian national unities, because we do not wish to be the only ones to be united. We also want the English-Canadian group living in Canada to find its unity again. Today, unfortunately, it tends more and more to lose it, because it is allowing itself to be assimilated by the Americans. It should also regain a national identity and a national purpose. I hope it does, in the same way as the French-Canadian group is trying to recover its national identity, a national unity, a national purpose, a national ideology.

Mr. Chairman, I feel the hon. member for York-Humber was perfectly right in suggesting that the term "two nations" is accepted by all parties. Therefore national unity necessarily means, beyond any doubt, the unity of all French-Canadians towards their common objective, that is, their own ideology, their own entity. For the English Canadians, it would also mean national unity within their group. I hope they find it as soon as possible, because they tend increasingly to become Americanized instead of endeavouring to establish a true English Canadian national identity.

For our part, we are trying more and more to find our French-Canadian national unity.

Mr. Goyer: Mr. Chairman, I cannot let the member for Lapointe get away with this. I must point out to him that when he speaks of nations his argument is completely fallacious. He disregards completely the fact that a group of persons with a common tongue, common mores, customs and way of life, can live together with a group of people on the same territory and pursue common goals; this, to my mind, constitutes a true nation.

When the hon. member for Lapointe wants us to believe that the nation is rather an ethnical matter, I think that he is completely wrong. And even in a separated Quebec, there would not even be a single nation, because nevertheless, there would be an English-speaking minority and it would also be a polyethnical and multilingual society.

Therefore, if the hon. member for Lapointe wishes to separate up to that point, he should leave parliament where he is a poor representative when he speaks thus.

Mr. Grégoire: Mr. Chairman, my comments are so true that when the hon. member for Dollard (Mr. Goyer) wishes to compare the concept of nation with that of territory, I must tell him that he is mistaken.

North Viet Nam and South Viet Nam are two quite distinct geographic areas, but they make up a single nation. West Germany and East Germany occupy two distinct territories as far as political geography is concerned, but they make only one nation, and the German people would only be too glad to become one entity again, because they are in fact one nation. The same applies to Korea.

This is why I say to the member for Dollard that he is mistaken when he assimilates the word "nation" to the word "territory". In our present-day world, one can think of a number of examples where nations extend beyond their territories and of other examples where nations do not respond to the notion of territory at all. In Canada, for example, we have two nations in what we can call today one country.

On the other hand, in Germany, there is one nation and two countries.

The hon. member for Dollard makes therefore a mistake when he compares the concept of "nation" to that of a political territory and I believe that the example of Germany, of Korea and of Viet Nam will show him that he is wrong.

The same could be said of communist China and Nationalist China: one nation only, even though there are two territories at the present time, because that may be temporary. There is, in the history of the world, a certain temporariness relating to a number of political territories and countries. Such is the case in Germany, Viet Nam, Korea and also Canada, for the very reason that those nations were artificially created, as stated so well by the hon. member for Burnaby-Coquitlam (Mr. Douglas). We must not, as the hon. member for Dollard is trying to do, confuse the notion of territory with that of nation. That is why I suggest that my definition of a nation is the right one.

Mr. Goyer: Mr. Chairman, the hon. member for Lapointe would need some retraining in the political sciences.

Mr. Grégoire: I think the member for Dollard would need more than just retraining.

The Assistant Deputy Chairman: Shall clause 2 (g) (iv) carry?

Some hon. Members: Carried.

The Assistant Deputy Chairman: Shall clause 2(g) carry?

Some hon. Members: Carried.

The Assistant Deputy Chairman: The committee will now revert to clause 2 (c). At the last sitting the hon. member for Edmonton-Strathcona proposed an amendment which sought to add between the words "expression" and "subject" in line 19 the following:

—and the right of Canadians to receive all broadcast programs available to them.

• (5:50 p.m.)

[*English*]

Miss LaMarsh: Mr. Chairman, I do not like to delay the business of the house but we have been back to this clause a number of times and my hon. friend has been trying to find a form of words that I would find acceptable. Therefore I think I owe it to him and the committee to say why I do not find his present words acceptable. The difficulty is that the phrase uses the qualifying word "available". You can only put a technical interpretation on that, it seems to me. If you have the technical means for transmitting broadcasts you can make broadcasts available. If someone comes along and says, "I have an open frequency for radio and/or a channel for television and the money to buy equipment, "that person can make a program available. If that formal language were adopted you would have to issue a licence when someone like that came along, without giving the matter any other consideration. Even where

issuing a licence in such circumstances might be undesirable you would have to issue it. To make a program available you must have a transmitter and then you must have a number of people who receive that program.

Surely there is more to the regulation of our broadcasting system than this, and here I am referring to the word "available" in the limited definition that I have emphasized. We have to look into all kinds of things, as the B.B.G. has done for the last ten years and is still doing. We have the obligation to decide whether under certain circumstances to permit a C.A.T.V. licence to be issued, as the hon. member knows. Good heavens, we have heard the hon. member for York-Humber about eight or nine times already on the subject of C.A.T.V.

Mr. Cowan: More.

Miss LaMarsh: When the B.B.G. turns down an application it gives reasons. Some of those are that they do not want an area to be taken up by C.A.T.V. They may refuse a C.A.T.V. licence because of the possibility of C.B.C. or private stations, which originate programs, coming along. I think that all in the chamber agree that stations which broadcast originating programs are preferable to C.A.T.V. If we do not have originating stations in the country, how can we have Canadian television? Most C.A.T.V. programs are brought in from another country, and in no case yet have there been any C.A.T.V. applications which they meant to be originating stations.

The board has to look at a lot of things. For instance, the only channel that is open may be the one that the C.A.T.V. people are applying for and the board may feel that it should hold that channel open. Of course, if the hon. member means that everyone has the right to receive everything that is available, that is different. There would be no reason, unless it were technical, for the B.B.G. to require an examination of that right.

I think that the statement in the amendment is too wide. It is too much to say that there is an inalienable and unquestioned right to hear, in that sense. For that reason I cannot accept the amendment.

Mr. Lewis: May I ask a question?

Miss LaMarsh: When I have finished. As I said previously, we took advice from the B.B.G. and the Department of Justice. Neither department felt content with the language and we tried, as did the hon. member, to provide something which could express what he wants, that is, that people have the right to hear, under certain circumstances. I do not think it is for us to make that an absolute or complete right, as it would appear to be from the amendment.

If my hon. friend persists and feels that he must put something in, he might like to examine subclause (j) of clause 2 which says:

> —the regulation and supervision of the Canadian broadcasting system should be flexible and readily adaptable to scientific and technical advances;

That paragraph is so worded in order to take account of any technical advances and other factors that may come along, the effect of which would be to give to Canadian broadcasters the cheapest and most efficient means of broadcasting.

In considering this amendment perhaps my hon. friend might wish to add to this subclause words such as "in order that Canadians may enjoy the widest practical range of broadcasting services." I do not know whether that says what he means but it would spell out the objective of the widest possible choice of service within the context of the regulation and supervision of the system. A minimum of such regulation and supervision is necessary in order to let the system fit together. It is therefore with reluctance, having spent several days trying to find a consensus, that I must say I am not prepared to accept the amendment.

Mr. Nugent: I do not accept the minister's argument. Apparently she objects to language that says Canadians may receive programs that are available. I think that was reasonable language. I do not know whether to withdraw the amendment, especially since the minister's argument was essentially the argument that her officials had put forward. Her reasoning, I understand, is the reasoning of her officials as evidenced in their appearance before the committee. I moved my amendment because at the end of subclause (c) is found the language "subject only to generally applicable statutes and regulations, is unquestioned." From my reading of those words that involves the right to freedom of expression.

In her explanation the minister has said that that right does not mean that anyone can start a television station and begin broadcasting anywhere merely because he can broadcast or rebroadcast certain signals through his equipment. The minister objected to the right of freedom of expression previously just as she now objects to the right to receive any programs that are available. If our right to

receive whatever is available is curtailed, then surely our right to freedom of expression is affected, because the language of my amendment is the same in spirit as the language of a previous subclause that I referred to. Naturally, the rules and regulations are there and they affect those who are affected by this legislation. Nevertheless the minister's reasoning, which follows the reasoning of her officials leaves me cold.

It is late today but I want the committee to know that I intend tomorrow to move another amendment which will be milder than the one I moved before. Instead of including the words "all programs available" my new amendment will read, "and the right of persons to receive programs". That change will remove the words to which the minister objects. I hope the committee will give favourable consideration to my new amendment. We must have certain rights and I submit that the right to freedom to receive should be included in this clause. May I call it six o'clock, Mr. Chairman.

The Assistant Deputy Chairman: Order, please. Since it is six o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

• (6:00 p.m.)

Miss LaMarsh: Mr. Speaker, during the course of the debate this afternoon in committee of the whole I offered, with the consent of the house, to have made an appendix to *Hansard* an exchange of correspondence which I had, the original being in French, with the Association des Réalisateurs of Montreal with respect to the term regarding national unity which appears in clause 2(g)(iv). If the house would now consent I would like to have this correspondence annexed to *Hansard* in order that it will be clear in future what parliament intended by this particular phrase.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for New Westminster (Mr. Mather), Airports—Vancouver —protest against imposition of tolls on approach; the hon. member for Mackenzie (Mr. Korchinski), Grain—wheat—inquiry as to increased delivery quotas; the hon. member for Kootenay West (Mr. Herridge), Power—British Columbia—location of neutron generator.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

[Mr. Nugent.]

TRANSPORT

FRENCHMAN BUTTE-HEINSBURG—RAILWAY FACILITIES—SUGGESTED REFERENCE OF QUESTION TO COMMITTEE

Mr. A. C. Cadieu (Meadow Lake) moved:

That the question of providing railway facilities and services between Frenchman Butte, Saskatchewan, and Heinsburg, Alberta, be referred to the standing committee on transport and communications, and that it be an instruction to the committee to inquire into, report upon and make recommendations with respect to the question within thirty days after it has been referred.

He said: Mr. Speaker, in proposing this motion I do so in the belief that the matter is one of considerable urgency and great importance not only to a large number of producing Canadians in northwestern Saskatchewan and northeastern Alberta but to the national economy as well. This is not the first occasion on which I have tried to impress upon the house the importance of this question. I would refer Your Honour to my remarks, reported in *Hansard* for January 13, 1967, page 11761, during the clause by clause consideration of the bill dealing with railway line abandonment.

At the present time there is no direct rail connection between Alberta and Saskatchewan north of the North Saskatchewan river. This leaves a huge gap in railway transportation in an area of Canada that is producing great benefits for the nation as a whole and whose potential in mineral development, mixed farming and other industry is tremendous.

Briefly the picture is that one east-west line of the C.P.R. ends at Meadow Lake, Saskatchewan, leaving a gap of approximately 75 miles between that point and Grand Centre in Alberta. A little farther south a C.N.R. line ends at St. Walburg, leaving a transportation gap of about 50 miles between there and Heinsburg, Alberta. Farther south still, and

just north of the Saskatchewan river, a C.N.R. branch line stops at Frenchman Butte. This line branches off the St. Walburg line of the C.N.R. at Spruce Lake and is 28 miles in length. Between Frenchman Butte and Heinsburg, Alberta, is a gap of 38 miles. This pyramid of missing railway connections leaves no rail transportation north of the North Saskatchewan river from Edmonton to North Battleford and Prince Albert. I do not believe that there can be any sound, progressive development of the rich mineral and agricultural areas of northwestern Saskatchewan and northeastern Alberta until this gap is filled.

I suggest that the soundest method of filling the gap is by the C.N.R. completing the 38 mile stretch between Frenchman Butte and Heinsburg. Unfortunately, Mr. Speaker, the branch line between Spruce Lake and Frenchman Butte is one of those slated to go under the axe of rail line abandonment. That is why I believe the matter is urgent, as I said earlier, not only for the people of the area but for the whole country. Because it is urgent and important I believe it advisable for this question to be placed before the standing committee on transport and communications immediately, with instructions to the committee to make recommendations upon it within 30 days. I ask the house to consider my motion favourably from the standpoint of the national interest. I ask hon. members to send this question to the committee before it is too late to do anything about it.

I remember the time 40 years ago when the railways were fighting to get rights to build westward through our area. I remember the great plans and announcements of the railway at the time the first sod was turned at Shellbrook in 1928 for the line which the railway company today dismisses as a mere branch line and expendable. In those days the veteran settlers and pioneers of the area were promised that it was to be the start of a great main line connection linking Prince Albert, North Battleford and other cities and towns in Saskatchewan with their western neighbours north of the river. For half a century this dream has been dangled before our eyes. Now after 50 years of empty promises we are to lose even the dream through the proposed plan of rail line abandonment. I urge hon. members to consider this matter carefully before it is too late.

The C.N.R. even went so far some years ago as to prepare a right of way, a roadbed for the connection between St. Walburg and Grand Centre. But this too was abandoned. Today trees grow on that roadbed. That link is dead.

But the shorter and easier route a little to the south remains a sound possibility. It is comparatively easy ground from a construction point of view. It takes in the old district of Fort Pitt, Onion Lake and Seekaskootch Indian reserve which is excellent mixed farming territory. A railway line would help greatly to open up an area fabulously rich in mineral wealth.

I recall how many people scoffed when the former Conservative government undertook to encourage the construction of the Pine Point railway line. It was laughed at as a wilderness line, a line to nowhere. We all know today the manner in which this project paid off for Canada. I believe that the line I am suggesting be considered will also pay big dividends for the people of the area and, through them, for Canada as a whole. Apart entirely from consideration of dividends and other payments I believe this line is required in the name of simple justice. It would be the fulfilment of promises and undertakings made years ago by both railway companies when they were desperate to acquire rights to build lines in that area. For years they reaped the advantage of a selective system of railroad operation that had nothing to do with the convenience or commercial interests of the residents but rested solely on profits for the railroads.

• (6:10 p.m.)

The railway has an obligation to the people of this area to construct this one small line. If the railway is unwilling to do so voluntarily it should be compelled by parliament to do it. I believe I have said sufficient to convince reasonable people that this question deserves immediate consideration by the standing committee. It has been brought forward by myself on numerous occasions. I have been joined in my representations by the hon. member for Athabasca (Mr. Bigg) and the hon. member for Vegreville (Mr. Fane) who has seconded this motion as being the best means by which to insist upon early consideration of this matter.

In concluding my remarks I should like to say that this question is one which is of truly urgent as well as national and local importance. I trust that the house will see fit to refer the matter to the standing committee on transport and communications in the terms outlined in my notice of motion.

Extension of Railway Facilities

Mr. Reid: Mr. Speaker, may I ask the hon. gentleman a question? I should like to know what produce would be carried on this line of 38 miles. Are there any mineral deposits or is there any agricultural production which might be developed? Could the hon. member give us an indication in this regard? Second, could he tell us whether this line is intended to come under the axe as a result of branch line abandonment and, if so, what would be the use of extending it another 38 miles if that extension in turn is to be axed?

Mr. Cadieu (Meadow Lake): Mr. Speaker, may I first answer the hon. gentleman's question concerning the produce and the wealth lying along this line which would warrant such an expenditure. This is very good mixed farming country. In linking up with Heinsburg, Alberta there would be access to what I believe is one of the wealthiest salt mines in northern Canada. All the way through there are mineral deposits. This line would link up with the Indian reservation at Seekaskootch. This is a large tract of good farm land. In fairness to these people I think this railway line is warranted. It would give them access to Prince Albert for their timber and pulpwood. This Paradise Hill country is considered to be one of the best farming areas in northwestern Saskatchewan. From Frenchman Butte the terrain over the 38 miles is all good mixed farming country.

I cannot understand why this link was not constructed in the first place. I do not know how the railway expected the line to be a paying proposition when 38 miles were left unfinished. It is for these reasons that I have brought up this matter many times before the committee on transport and communications. I have also brought it up with Mr. Gordon. He agreed with me. I asked him how in the world they could have expected this line to be a paying proposition. When one looks at the map and notices the geographical location of this line one will see that the north Saskatchewan river is a natural barrier to the south and that there is no connecting railway line. All three attempts to have a railway line constructed across that provincial boundary have failed. We cannot understand the reason for this.

I could point out at great length the reasons that this line should be built. For instance, the rail line to Fort McMurray was built to serve all the people of northern Canada, yet in Saskatchewan we have no way to get to it without going around through Edmonton. These are injustices which the people have put up with for half a century. I hope this answers the hon. member's question.

[Mr. Cadieu (Meadow Lake).]

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I should like to thank the hon. member for Meadow Lake (Mr. Cadieu) for his answer. I asked the question because the last time a bill in respect of the C.N.R. was put through the house it concerned a new line which involved an extension in the Kenora region of my constituency of Kenora-Rainy River. Before speaking at this time, I went through the debates and I discerned three conditions which must be met before the government would undertake to promote such a bill in the House of Commons.

The first provision was that the line should be capable of doing three things. First, it should provide a substantial increase in the revenue of the railway. More important, this was described in terms of a substantial profit. In this particular case, which is described in *Hansard* for April 25, 1966, page 4267, the profit was outlined as $1 million per year. Second, the line must have a specific purpose. In other words, there would have to be some form of development that was available to it before the government would undertake to raise the money for the railway line. In this case it was the development of a new open pit mine known as the Griffith mine, owned and controlled by the Steel Company of Canada, which would be producing one and a half million tons of iron pellets annually.

The third item was that there must be a guarantee of traffic. In other words, the mine must contract with the railway to provide the railway with a stated amount of tonnage per year in order to provide for the proper paying off of the cost of building the line. In that case the railway went so far as to demand that in the event the production of pellets did not come up to the anticipated levels the mine would pay the difference in revenue to the railway company. So the railway was properly protected and was guaranteed the profit and revenue necessary to operate the line. This seems to be the procedure that has been followed in other cases.

Canadian National Railways is working on another line at present, the 235-mile Alberta resources railway which it is building under a leasing agreement with the province of Alberta. I gather this is the line to which the hon. member referred when he mentioned Fort McMurray.

Some hon. Members: No.

Mr. Reid: I am sorry, I apologize. In any event the agreement, which is outlined very briefly in the December 30, 1967, year end review by Mr. MacMillan, president of Canadian National Railways, indicates that the C.N.R. has gone into partnership with the government of Alberta in order to put itself into a position where it will not be subject to the risk of loss. It seems to be the intent of railways in Canada now not to go into areas where they do not have a guarantee of revenue or profit, or preferably both.

I sympathize with the hon. member in respect of the situation in which he is involved. The problem seems to be that the line in which he is interested is slated for the hatchet block because of the branch line abandonment program of the Canadian Transport Commission.

Mr. Cadieu (Meadow Lake): Mr. Speaker, may I point out that it is only a 28-mile stretch of this line which is up for abandonment. The section involved is that which runs to St. Walburg. Only 38 miles would be required in order to make it a line which would run directly through from Edmonton to Prince Albert. This is the point I wish to bring out. I do not understand how the C.N.R., when it obtained the charter, hoped to have a paying line when they left this gap in between.

• (6:20 p.m.)

Mr. Reid: Of course, that focuses on the very problem itself. Obviously the C.N.R. must feel that the line going to St. Walburg is not a paying proposition and there is no sense in extending it. In my experience, the C.N.R. has been very anxious to extend its lines wherever a profit can be found.

One of the great misconceptions in Canada today is that because the government owns a railway or airline it will do what the government wishes. Nothing could be further from the truth. The reason is that although the government owns the line and has set up by statute certain regulations under which the board of directors must operate, there is nothing the government can do to threaten them. It would be my expectation that the government would get more co-operation from the C.P.R. than the C.N.R. for the simple reason that we have already done the worst we can possibly do to the C.N.R., whereas the C.P.R. is still in the position that we could take it over. This is one of the real difficulties we have in dealing with government owned corporations.

Let me take this thought one step further. It came to our attention during the meetings of the broadcasting committee, that in respect of the government owned British Broadcasting Corporation, the postmaster general has the right to dictate what programs can or cannot be shown over that network. Yet never once has that authority been exercised. The reason is not that the authority should not have been exercised for cause but rather because the governors of the B.B.C. indicated to the postmaster general that in such a case they would attribute a certain proportion of cost to the postmaster general in their annual report. This treat seems to have been effective in offsetting any such threat of control.

I suggest there is one possible alternative open to the hon. member and his constituents. They could take their case to the Canadian Transport Commission, specifically to the railway committee. By my reading of the act, although it is a little hazy since we passed it about eight months ago, there is a rather involved procedure set forth to be followed by anyone who wants to prevent the abandonment of a line under the branch line abandonment program. I do not recall whether there is any procedure one follows in order to convince the board of the necessity to build a certain piece of line between points "x" and "y", as in the case now before us. This is a possibility the hon. member might look into, although I do not feel it holds too much hope.

In concluding his remarks the hon. member mentioned the Pine Point railway and indicated the C.N.R. had built this line as a matter of speculation. It is my information that the Pine Point line was built not as a matter of speculation but to reach a particular industrial development, namely the Pine Point mine developed by Cominco. I have also been told, although I am not sure how authoritative this information is and throw it out for what it is worth, that the railway was ready to advance with the construction of this line long before Cominco was ready to develop its ore deposits.

In any event the basic requirement was that Cominco find a market for the vast amounts of ore it would have to mine in order to meet its contractual obligations to the C.N.R. If you check *Hansard* for 1961, I believe, you will find the same guarantee I have described in respect of the Bruce Lake line. The line must be able to show a profit, must be constructed in a specific location where there is a need, and there must be a

traffic guarantee contract. Whatever traffic can be generated along the line in addition to the guarantee would amount, in a sense, to gravy for the C.N.R.

The real objection to extending the line in this case is the decision evidently reached by the C.N.R. that there is not sufficient profit to be made either by the line now operating or by the line as extended. How does one go about convincing the C.N.R., then the board and then parliament, which has not only to put up the money but guarantee the loss should the line be unprofitable? I suggest it would be very difficult to do this during a period of austerity when we are spending money on a number of other projects and have no money left to build 38 miles of line just for the fun of it. An historian once described the development of Canadian railroad progress in comparison with other countries by saying the Germans built lines to build an empire, the United States built lines to conquer a continent, but Canadians built lines for the hell of it. If anyone looks at our patchwork transportation lines he will see that this historian, Mr. Lower, I believe, was not very far off the mark.

Perhaps I should also bring to the hon. member's attention that it is possible for the C.N.R. to build that line without parliamentary authorization, although this involves a slow process. Under the Canadian National-Canadian Pacific Act the C.N.R. is authorized to build up to four miles per year without going to parliament for authorization. Such a line could be built out of the current revenue fund.

Mr. Fane: It is 20 miles.

Mr. Reid: My understanding is that they can build four miles, and my authority for saying that is the then minister of transport, Mr. Pickersgill. The hon. member for Saint John-Albert (Mr. Bell), as recorded on page 4269 of *Hansard* for April 25, 1966, asked how many miles the C.N.R. could build per year, to which Mr. Pickersgill replied as follows:

> —Canadian National Railways cannot build one inch more than four miles of railway without the prior approval of parliament.

Mr. Fane: May I ask the hon. gentleman a question? Is he aware that the National Transportation Act passed last year allows Canadian National Railways to build a spur line of 20 miles without reference to parliament?

Mr. Reid: I stand corrected and thank the hon. gentleman for that information. This just goes to show how little reliance one can place on last year's debates and how quickly facts become obsolete.

In any case I can now conclude my remarks by saying that there is a ray of shining hope there for the hon. member for Meadow Lake provided he can convince the company to take advantage of this forward looking provision of the act and build 20 miles of railroad per year until they close the gap.

Mr. F. J. W. Fane (Vegreville): Mr. Speaker, I should like to commend the hon. member for Meadow Lake (Mr. Cadieu) for bringing this matter before the house and for his very able presentation. I assure you that I am very honoured to have been allowed to second this motion. I have debated the extension of this line on almost every occasion I have made a major speech in the house during the last ten years that I have been here. I was unable to work this subject into my speechs on issues such as the national flag and unification of the armed forces, but had I had a little more time at my disposal I am sure I could have found some way to do so.

After listening to the remarks of the hon. member for Kenora-Rainy River (Mr. Reid) on this subject I wonder whether he is on the side of the people of Canada or on the side of Canadian National Railways.

• (6:30 p.m.)

Mr. Byrne: It is the same thing.

Mr. Fane: It is the same thing, only Canadian National Railways do some things that are awfully hard to understand. I must tell you also, Mr. Speaker, that in 1958, the year I came down here, five members of parliament from the government side made arrangements to go to Montreal and talk to the then president of Canadian National Railways about this very subject. These were the hon. member for Meadow Lake (Mr. Cadieu), the hon. member for Athabasca (Mr. Bigg) and myself, who are still here; and we were accompanied by the former member for Jasper-Edson, Dr. Horner, and the former member for Grey-Bruce, Mr. Winkler.

We did not get very far with the then president of Canadian National Railways. Even though the minister of transport had made arrangements and there was a firm understanding that we would be there on that day, the president was not going to see us. We had to practically threaten him in order to get an audience with that mighty person. We were only members of parliament, and

therefore just a bit of a nuisance. We finally got 17 minutes with him, and I must say that he was very, very difficult to deal with. Two of our number almost came to blows with him. The president of Canadian National Railways said to us, "What do you fellows think you are going to do? Are you coming down here to tell me how to run my railway?" Of course we took very violent exception to this. That is the sort of reception we received.

I must go a little more into the history of the building of this 38 or, as it used to be, 39.1 miles of railway from Heinsburg in Alberta to Frenchman Butte in Saskatchewan. The cold weather over the last couple of weeks may have shrunk it to 38 miles, but anyway the difference is very, very little. I believe it was in 1927 that Canadian National Railways built a line from Edmonton to St. Paul, Alberta, which is not in my constituency. This was a branch line that went to Grand Centre, which is now the town just outside the gate of the Cold Lake air base.

It was all arranged that when this line was built it would go straight through from Edmonton to meet the C.N.R. spur at Frenchman Butte, but somehow or other the money ran out. All they needed was $3 million to finish those 39.1 miles of railway line. God only knows how much money it would cost at this time to finish that railway, but back in 1927, I believe it was, it was only $3 million.

The right of way was started. The building up of the roadbed was started. I understand this is fairly easy country through which to build a road. I believe the line was not finished at that time because of lack of money. It is not an extension of a railway; it is just joining up the sides of a gap that was left. It goes through very profitable and prosperous farming country, and also services the salt mines at Lindbergh and Heinsburg. I believe that at Heinsburg there is supposed to be at present the most productive salt mine or salt well in Canada. I am told that it supplies Windsor Salt for all of Canada, whereas at one time the salt all came from Windsor, Ontario.

The short C.N.R. line from south of St. Walburg, at Spruce Lake, is in existence. It should be in operation, but because it is just blind line, for some reason or other Canadian National Railways want to close it. If it were joined up to this other line between Frenchman Butte and Heinsburg, the line could not help but pay its way. As it is, all the products of that area that can be served from Heinsburg through the St. Paul area, and from all the other prosperous area between Edmonton and Heinsburg, have to be hauled back through Edmonton, a matter of approximately 200 miles. The railway does not haul these products back at no cost. It seems very, very absurd to me that in all these years nothing has been done about the line. It is high time something was done, and something constructive, even if it is only constructing these 39.1 miles of railway from Heinsburg to Frenchman Butte.

I did not give the hon. member for Athabasca (Mr. Bigg) enough publicity and enough credit previously. I must now speak of that hon. member, who has not been able to arrive in Ottawa because no air traffic is landing in the city today. The hon. member is held up in Toronto and could not get to Ottawa. He has been extremely active in pushing this line, which goes through his constituency. While the part that should be built does not go through my constituency, it affects very greatly the prosperity of the people in certain portions of my constituency.

The hon. member for Athabasca has raised this question time and time again. I think perhaps he won an election on his efforts in trying to get this gap closed, but somehow or other we just have not been able to get anywhere with the problem and I think it is high time the matter was referred to the standing committee on transport and communications, as this motion requests. It should be discussed there and should receive a proper airing, where witnesses from the C.N.R. and from other interested parties in the province of Alberta can be called. I should like to see this happen at the very earliest moment, and I assure the house that I will try to provide details to the standing committee on transport and communications when this matter comes before that body.

• (6:40 p.m.)

I shall take my cue from the mover of the motion and terminate my remarks at this point. Again I will say that I hope this matter will be sent to the standing committee on transport and communications at the earliest possible moment.

Mr. Norman Fawcett (Nickel Belt): Mr. Speaker, I do not want to take up much of the time of the house for the simple reason that I do not want to be placed in the unhappy position of helping to talk out a notice of motion which I support. However, I would like to comment on this notice of motion because the area involved in the completion

of this line is one which I know very well. I recall that during the drought years on the prairies, when a good portion of the southern and central part of Saskatchewan was little or not more than a desert, people were going into that area in droves. As a result of the interest shown in the area I made it a point to go to that part of the country. I certainly support everything that the two previous speakers have said with respect to the country through which the proposed line would go. It is an area ideally suited for mixed farming, and during the period I was there it was only partially settled. I understand that since then the whole area has been developed by experienced people who moved there from other parts of the province, and it is now one of the best mixed farming areas in the whole of Saskatchewan.

I should like to comment on one of the remarks made by the hon. member for Kenora-Rainy River (Mr. Reid), when he drew a parallel between a new spur line to a mining area and a line such as this one which connects two points and goes through a developer area. As the hon. member has said, I cannot understand why such a line would not be completed, because obviously a line which starts at one point and ends nowhere would not be very effective. There should be a connecting link.

Perhaps we should give some second thought to the railway transportation in this country as a whole. Even though numerous bills have been presented with respect to the incorporation of pipe lines, it will be many years before we can do without railways, particularly in some areas in Canada. Our national railway has a responsibility to provide required service in areas where it is badly needed. Perhaps it is all right to approach this matter from the point of view of the profit which such service would bring, particularly in the case of a line going to a newly developing mining area. But this is another matter altogether, and the country as a whole has a responsibility to ensure that people in these areas get the service they require.

I support the notice of motion. I will conclude my remarks so as not to be placed in the embarassing position of talking it out. I hope it will receive the consideration it deserves.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, in my opinion the hon. member for Meadow Lake (Mr. Cadieu) made a perfectly reasonable request, that the matter of the gap between Heinsburg and Frenchman Butte be referred to the transport and communications committee. I am sure the hon. member will agree that it is necessary for some study of this subject to be made by members of the House of Commons to determine whether or not this proposal is adequate to provide satisfactory transportation of grain to the line going south between Edmonton and Lloydminster, and from that part of the area on the west side of the border but in Saskatchewan, to St. Walburg, because a change has taken place between what is now moved by highway and what a few years ago was considered almost exclusively railway traffic. I am not suggesting that this changes the situation, but there is a need to look at it in the light of the current and potential future development.

There are one or two remarks which I should like to make. I think the hon. member and the people whom he represents have become apprehensive about the situation which might develop because the line running west of St. Walburg is not protected by the order protecting certain lines throughout western Canada until 1975. I can fully understand their apprehension because it appears to me there will be some farmers in the area who will be 20 miles farther away from an elevator and from a market for their grain, if indeed the C.N.R. come to the Canadian Transport Commission and is successful in an application to abandon that line. I am sure the application for the abandonment of that portion of the railway line has already been made because I think applications have been made for all unprotected lines. But of course hon. members know that what is holding this up at the present time, and quite properly so, is the need for establishing a costing formula to determine how much revenue and how much cost can properly be attributed to any of these branch lines. I think it is only proper to hold up the abandonment of these unprotected lines until such time as members of the house and other interested parties across the country are able to agree on the factors that will go into the costing formula.

I will not take time today to explain this matter, but let me say that in my experience the figures advanced by the railway companies are quite often loaded in favour of their argument. In light of the fact that at present we do not have an accepted formula, I can understand the additional apprehension which exists. I do not know whether or not the farmers near Heinsburg in Alberta pay a higher rate for the transportation of their grain through Edmonton and then to the

lakes, or whether this is calculated as if there were a line going across. This is something else the committee should look into. For example, do these farmers pay more per hundredweight or per bushel than farmers closer to Edmonton, taking into consideration the fact there is a backhaul to the west and then a haul to the east again? If they do, and if that is unjustified, then of course I believe these farmers have the right to press, as they have been doing through the hon. member and his colleague the hon. member for Athabasca (Mr. Bigg), to have this line built, or an adjustment made in the freight rate which would take into account the capital cost of construction. There is always of course the matter of the volume of traffic today and the potential traffic that would be moving east from the area in the immediate future. This traffic might include such things as the rather extensive production of salt from two or three mines in the area, as well as the present and potential grain production for export from the area.

• (6:50 p.m.)

I suppose the decision is one for the management of the Canadian National, based to some extent on these considerations. I feel it is important also that the members of this house who represent the people in the area, as well as many people in other parts of the prairies, ought to have a thorough explanation from someone as to why it is uneconomic to construct this line. The hon. member for Meadow Lake (Mr. Cadieu) said he could not understand why this gap had been left in the first place. He could not understand why, over the last half century, no action had been taken to fill the gap. I am sure he has kept himself well informed of all the developments and the explanations that have been given by the railway company throughout these years. If he is still able to say he cannot understand why action has not been taken long since, then I believe the members of this house, through the committee on transport and communications, have an obligation to find those answers for him.

I do not know what it would cost to build that railway today. The hon. member for Vegreville (Mr. Fane) suggested that in 1927 the cost would have been a little over $3 million. I am sure the cost today would be two or three times that. This would be one of the factors which would have to be related to the amount of revenue and the volume of traffic that would result from the construction of the line.

However, Mr. Speaker, this is not the only serious problem existing in connection with gaps in railway lines on the prairies. In my constituency there is an unprotected line from Hays to Suffield. If this line, about 30 miles in length were removed, a similar situation would be created to the one about which the hon. member has been complaining. This railway line, however, is in existence, as is the bridge over the South Saskatchewan river. I know that the figures advanced by the Canadian Pacific Railway respecting the number of carloadings originating on sidings along that line were not substantiated by the figures available through the Board of Transport Commissioners. Here, again, we need to have these facts substained before the committee. As I said earlier, we have been able to investigate and ascertain that the railways were advancing figures that were not accurate. Perhaps they have been doing the same thing in the case about which the hon. members complained affecting northeastern Alberta and northeastern Saskatchewan. I believe we should have available to give evidence before the committee, those experts who have studied the matter. Then we could give consideration to whether or not the capital required is reasonable in relation to the potential earnings.

Another point mentioned by the hon. member which impressed me was that it is not always a matter of dollars and cents so far as the railway is concerned. There is also the matter of providing an equal opportunity for the people throughout western Canada to operate their farms and have facilities available which would enable them to be competitive with other parts of the prairies. Even if there were a slight loss, therefore, I would favour the construction of this line. If a substantial loss were projected by the officials of the railway company appearing before the committee, then of course we would have to decide how great a loss would be justified in order to satisfy the requirements of the people in that area.

I know the hon. member for Nickel Belt (Mr. Fawcett) said this was a rich farming area today and probably will continue to be. Indeed there is probably a lot more land up there that could be exploited for farm purposes. This would add to the potential volume of traffic. So, Mr. Speaker, I am going to close my remarks at this time. Good arguments have been advanced for the committee to hear this case. I would hope a situation like this could be corrected, provided the evidence

brought before the committee appeared to justify the capital outlay when compared with possible revenues.

Mr. Raymond Rock (Jacques-Cartier-Lasalle): The hon. member for Meadow Lake (Mr. Cadieu) may have excellent reasons for requesting that railway facilities be provided between Frenchman Butte, Saskatchewan and Heinsburg, Alberta, and for having this important request referred to the standing committee on transport and communications. Perhaps the committee should study this problem in the same way as it studied the intention of the Canadian Pacific to remove its trans-Canada train called the Dominion. I believe that shortly the hon. member will have the opportunity of speaking to the new president of the Canadian National, when the railway officials appear before the committee. As I said before—

Mr. Speaker: Order, please. I regret to interrupt the hon. member but the time assigned to the consideration of private members business has now expired. The house will resume the business interrupted at six o'clock.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: It being seven o'clock I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Nugent: Mr. Chairman, before supper I was making a few remarks relative to the amendment now before the committee wherein I was expressing my surprise at the reasoning put forward by the minister. If the committee would bear with me I will repeat the essence of my remarks, which simply is this.

We have gone to the trouble of enshrining in clause 2 (c) of the bill the right to freedom of expression, subject to the applicable statutes and regulations. Bearing in mind that there is considerable concern in the country about the right to receive programs that are broadcast and that there is an immense disparity in the reception of programs in different parts of the country, in view of the many new opportunities now afforded our citizens, through the means of cablevision and other systems, to receive all programs that are available, I thought it essential to include in the bill a right that goes hand in hand with freedom of expression, namely freedom to see and hear all broadcast programs that are available.

My present amendment before the committee has been watered down from the original version I first proposed last Tuesday night, in that it seeks to give Canadians the right to receive all programs. The minister has suggested that this would open the door to unlimited demands that all programs be made available. With respect, Mr. Chairman, I do not follow that interpretation of my amendment. If it were included in this paragraph of clause 2 it would in any event be subject to the relevant statutes and regulations. Under the terms of the bill the cablevision systems, rebroadcast systems—rediffusion systems, as they are called—are brought within the control of the regulatory body.

I do not think it can be suggested that the inclusion of the freedom to receive all programs could be given any wider or narrower application than freedom of expression, because both rights are subject to the relevant statutes and regulations. Therefore, to be consistent, if the minister suggests that the inclusion of the words "freedom to receive all programs" would open the door to all sorts of demands for rebroadcasting, amplifying or rediffusing all kinds of signals without regard to the law, then she must also say that the same construction can be placed on the words "freedom of expression", about which she should have the same fears.

There can be but one reason, Mr. Chairman, for the refusal of the minister to include in the bill an affirmation of the right of the people to receive all broadcasts, namely that the government is insisting on the right of censorship so it can refuse citizens of this country reception of certain programs.

This amendment is not placing upon the government the burden of making sure that everyone in Canada should have the right to receive all programs wherever they may originate. That seemed to be the purport of the minister's comments. My amendment cannot be read in that way. All I am contending

is that if the amendment is accepted, and this expression included in the bill, it would affirm that there is a right to receive all programs. I does not add one iota to the duty of the government or any regulatory body to ensure that those programs are made available; neither does it detract from their authority to establish the necessary rules and regulations governing the broadcasting or distribution of such programs.

Therefore, Mr. Chairman, unless the minister can show that my reasoning is unsound and that there is a difference in principle between the right to receive and freedom of expression, the government should accept this amendment. It should give equal weight to the other freedom that I suggest is a corollary of the freedom of expression, namely the right to hear and see all programs.

Mr. Nowlan: Mr. Chairman, I have listened to the remarks of the hon. member for Edmonton-Strathcona with a great deal of interest. I also heard some of the debate last week. When the hon. member originally proposed his amendment the minister was not too happy with its wording and thought that the week end might produce a more satisfactory amendment. The minister has kindly given a further reply today which seemed to deal with some of the semantics involved here, as well as some of the difficulties created by granting an unlimited right to reception of programs.

I think the remarks of the hon. member for Edmonton-Strathcona demand very close scrutiny by the committee, because in this bill we are talking about freedom of speech or freedom of expression. Hon. members opposite are Liberals in the true sense—certainly they are in the classical sense—and they should be most concerned about this clause in the bill. Those to my left who have talked so eloquently about freedom of speech and ensuring that clause 2 (d) does not prescribe any sort of censorship or direction should, I suggest, pay very close attention to this particular paragraph.

If the present wording of the clause were accepted by the committee we would be admitting not only that the licence to broadcast should be controlled but that the right to freedom of speech is ensured. Yet, in remote areas, the freedom of Canadians to hear or see programs carried by cable is severely restricted. That freedom is governed by this bill, since what is involved is not broadcasting but reception only.

• (8:10 p.m.)

Regardless of the generality of the principle of the freedom to hear and see via cable television, another criticism must be levelled at this clause. This bill is another one of those that try to define some sort of national policy and to bring together various regions of the country. I am thinking particularly of the Atlantic area. That area is not one of the great growth areas of Canada, it is not Ontario or Quebec and does not have all the competitive companies that are now engaged in the cable television field. It is not proposed to put many television stations into that area to cover it. I think one new station is to be installed by the C.B.C., and another by C.T.V. An application is under way with respect to a station at Moncton, but that station will extend an existing network. I do not think it will be an originating station.

In an area that has not much growth you do not find that operators will open lucrative television stations; nor will you find many originating stations in that area. This afternoon the minister talked about the necessity to have originating stations. Certainly I should like to know what she and her officials foresee will be the future of originating stations in the Atlantic area. Where you have no originating stations, or few of them, and where the country is slow growing, the only way that many Canadians in that part of the country can receive programs is through the medium of cable television. This bill will restrict the development of cable television, and bring it under the broadcasting legislation. I have been informed, nevertheless, that it is extremely difficult to get anyone in the department even to listen to a request from the east for cable television.

What good is it to have freedom of speech, which as Canadians we all ought to have, if we cannot see and hear programs that are carried by television or by cable television? This is almost the reverse side of the coin; it is almost a reverse type of censorship to which the hon. member for Edmonton-Strathcona referred previously.

Members of the committee have often talked about freedom of speech. To a certain extent we may have abused that freedom here. When we talk about the freedom of speech we cannot divorce it from the freedom to hear—the right to hear and see all programs that are to be heard and seen. You cannot take away that right from those who live in parts of the country that do not have a good growth rate and that do not provide

lucrative markets for originating stations, such as you have in Ontario and Quebec. I hope hon. members of the committee will find favour with and support the amendment moved by the hon. member for Edmonton-Strathcona.

Surely, Mr. Chairman, in such an important matter it is only a question of evolving the right phrase to fit the circumstances. Surely the law officers, the minister and her officials could find a way of bringing some protection in, under this clause. I think they should try to follow the reasoning of the hon. member for Edmonton-Strathcona in the language they use.

We talk about freedom of speech, and yet, when it comes to the potential development of cable television for the Atlantic provinces, the freedom to see and hear is to be denied to some of the people of the areas. We ought to pay some attention to the freedom to see and to hear.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Cowan: Mr. Chairman, as the last speaker, the hon. member for Digby-Annapolis-Kings has stated, clause 2(c) is the heart of the matter, particularly when you consider that the right of free speech is being trampled underfoot by those who favour the adoption of such a clause as 2(c).

I was speaking the other night on this clause when my time expired. At that time I referred to a judgment of the Supreme Court of British Columbia, to which the Secretary of State herself had referred me. As I said, I have discussed it more than once with her. I wanted to advise the committee of the contents of that judgment because they are very, very vital to the question under discussion right now.

I pointed out that the province of British Columbia had endeavoured to gain control over the reception of radio signals, or television signals because, after gaining control over the reception operation, they would be able to regulate and tax such installations. The cablevision companies in Victoria and the lower mainland of British Columbia took the case to the British Columbia Supreme Court, asking for a ruling on the matter and maintaining that they were under federal jurisdiction. But, in giving the judgments that they did on the matter, the Supreme Court of British Columbia made reference to decisions of the Privy Council of Great Britain. These decisions clearly establish that in the broadcasting world you cannot divide the transmitter from the receiver.

I should like to refer to some pages that I have before me. Bear in mind that the Secretary of State herself asked me to read the judgment, although I had read it several times before she referred me to it. I got an extra copy of it from the Supreme Court of Canada library.

I have here in my hand the judgment of the Supreme Court of British Columbia, as recorded in the Dominion Law Reports. The case is in re Public Utilities Commission and Victoria Cablevision Limited, et al. The learned judges of the Supreme Court of British Columbia said in part:

> The receiving of the programs by air is beyond doubt within the exclusive jurisdiction of the Dominion. In Re Regulation & Control of Radio Communication, A.-G. Que. v. A.-G. Can., (1932) 2 D.L.R. 81 (1932) A.C. 304, 39 C.R.C. 49, (1932) 1 W.W.R. 563,—

That is clear to the Secretary of State. She is a lawyer.

> —Viscount Dunedin in delivering the judgment of the Privy Council stated at p. 85:
>
> "Now does broadcasting fall within the excepted matters? Their Lordships are of opinion that it does, falling in (a) within both the words "telegraphs" and the general words "undertakings connecting the province with any other or others of the provinces or extending beyond the limits of the province"."
>
> And at p. 86:
>
> "Once it is conceded, as it must be, keeping in view the duties under the Convention, that the transmitting instrument must be so to speak under the control of the dominion, it follows in their Lordships' opinion that the receiving instrument must share its fate. Broadcasting as a system cannot exist without both a transmitter and a receiver. The receiver is indeed useless without a transmitter and can be reduced to a nonentity if the transmitter closes. The system cannot be divided into two parts, each independent of the other."
>
> The receiver is indeed useless without a transmitter and can be reduced to a nonentity if the transmitter closes. The system cannot be divided into two parts, each independent of the other.

• (8:20 p.m.)

I have a second opinion to read to you also, Mr. Chairman, but this bears exactly on the point under discussion in clause 2(c) where the Canadian cabinet is endeavouring to split the right of free speech in two by making great mouth filling statements and high sounding platitudes about the fact that the right to freedom of expression is unquestioned. What good is the freedom of expression if people are not allowed to hear what is being said? Of all the idle, empty phrases I have seen in my life I have never seen the equal of this, that

the right to freedom of expression is unquestioned. Are we cutting out the right of freedom to hear? You do not have the right of freedom to speak when you are out in the middle of the Sahara desert or out on the frozen shores of Hudson Bay. You must have an audience to have freedom of speech.

What we have here is a proposed legal action, without precedent in the world, endeavouring to split the freedom of speech into two parts, but Viscount Dunedin has ruled that you cannot split the transmitter from the receiver in the matter of freedom of broadcasting. He went on to say:

> The argument of the province really depends on making, as already said, a sharp distinction between the transmitting and the receiving instrument. In their Lordships' opinion this cannot be done ... Broadcasting as a system cannot exist without both a transmitter and a receiver—
>
> Now, a message to be transmitted must have a recipient as well as a transmitter. The message may fall on deaf ears, but at least it falls on ears. Further, the strict reading of the word "telegraph", making it identical with the ordinary use of it, has already been given up in Toronto *v.* Bell Telephone Co. of Canada (1905) A.C. 52.

Then the judgment went on to point out the futility of trying to split into two what is really one undertaking. At the conclusion of his judgment Viscount Dunedin said:

> Although the question had obviously to be decided on the terms of the statute, it is a matter of congratulation that the result arrived at seems consonant with common sense. A divided control between transmitter and receiver could only lead to confusion and inefficiency.

Then the judgment went on:

> In my view the exclusive legislative jurisdiction of parliament extends up to the point where the T.V. signal is received by the subscriber and that the undertaking of the respondents is nothing more or less than an integral part of the receiving facilities.

Despite this opinion of the Privy Council of Great Britain, which has been quoted as authority by the supreme court of British Columbia, in this case we are asked to split the right of freedom of speech into two. We will allow the person who wants to speak the right to do so. His right to freedom of expression will be unquestioned, period. But there is nothing said in this bill about the right of the public to hear what is being said. That is really splitting the atom, right here in the House of Commons. We cannot see it being done, but if you will consider the matter, Mr. Chairman, you will see the cabinet is taking away the right of freedom of information from people in areas where they have not got C.A.T.V. installations, areas in which applicants are endeavouring to establish C.A.T.V. installations.

On Friday afternoon the Secretary of State gave reasons why she could not accept the amendment introduced by the hon. member for Edmonton-Strathcona. In speaking on this matter of freedom of speech, and the right to receive signals in your own home by whatever mechanical means you wish, so long as they do not violate any of the statutes of the Dominion of Canada, I have endeavoured to show that I do not personally hold the Secretary of State ignorant of the facts of C.A.T.V. operations. She is expressing views on behalf of the cabinet, and I hold the cabinet responsible for the ignorance that is displayed during discussion of these matters on this bill.

On Friday afternoon I could not believe my ears when I heard the Secretary of State speaking. As she spoke I tried to write down the reasons she was advancing. Now I am happy to have a copy of Friday's *Hansard* before me. I may say that I have heard her remarks more than once, and I would like to answer her arguments seriatim to show members of the committee the uproar that is being developed to becloud the entire issue. I uphold the freedom of speech and the right of C.A.T.V. operators to instal C.A.T.V. installations wherever they want to instal them. But on Friday afternoon the Secretary of State started off her remarks by saying this:

> Mr. Chairman, the objection I have to this amendment found support both from the Department of Justice and the Board of Broadcast Governors.

I endeavoured to answer that by pointing out that she did not pay so much respect to the Department of Justice when she was in opposition as she obviously seems to be anxious to pay to that department today. Of course the Board of Broadcast Governors is going to be in favour of her objection, believing that it should have the power to license C.A.T.V. installations. After all, that board has been doing this informally for some time. Its members believe that the bigger the empire they can build, the bigger and more important they will be in their own eyes and in the eyes of the public. To say that the Board of Broadcast Governors agrees with her argument is no argument at all in such circumstances. No one in his right senses would expect the Board of Broadcast Governors to say, "We would not like to extend our empire. We would like to be a big frog in a small pond." After its last public sessions we

were told that the B.B.G. agreed with the argument that C.A.T.V. installations should be licensed by it.

On Friday afternoon the Secretary of State continued her remarks by saying:

—I do not think any of us believe there is or should be a restriction on the reception of programs that are received in the normal course.

This afternoon I asked what is meant by balanced programs, and here we have the phrase "received in the normal course." Evidently this is a slap at C.A.T.V. reception facilities. It is an intimation that if a person has a home receiving set with a home receiving antenna, then what he receives comes to him in the normal course. But for several reasons that argument falls the moment it is uttered.

Why is the Royal York hotel in Toronto allowed to receive programs over a community antenna system while other people are denied the right to instal such a system? Is it the "normal course" for the Royal York hotel to receive its programs over a community antenna system? I believe it is; but by the minister's own arguments she says this is not receiving programs in the normal course. I maintain that the Royal York hotel is receiving its signals in the normal course by community antenna.

On the other hand according to the minister and to the Department of Transport, people who live in apartment houses, are receiving their signals in the normal course. What does the Secretary of State mean by stating, "as long as the programs are received by the normal course, I agree"? If a community antenna television system is the normal course for an hotel and an apartment house, then it is also the normal course for receiving signals through the air, even if a person lives in a real estate subdivision.

To show, how by a lot of wordage the issue can be confused, the Secretary of State went on to say:

However, signals must come from a properly licensed station ... we would not want them to receive them unless the station were licensed.

• (8:30 p.m.)

I do not know of a single C.A.T.V. installation in the entire Dominion of Canada that is receiving signals from any other than a properly licensed station. When a C.A.T.V. applicant is licensed by the Department of Transport—and that department is the only body which has need to handle the application—I can assure you they are told what stations they can pick up. You can rest assured that the Department of Transport specifies only properly licensed stations.

What is this hogwash about saying that the C.A.T.V. signals must come from properly licensed stations? No C.A.T.V. station in Canada has ever asked for the right to pick up any other signal than that of a properly licensed station. Why make this foufaraw on this matter? It reminds me of the story of the divinity student who was relating his experiences in preaching on the subject of defective speaking. The student pointed out that sometimes he was not too sure of his statements. He said, "I am not too convinced in my own mind that what I am telling the congregation is correct doctrine. Sometimes I hesitate to speak, and lower my voice". But his professor said, to him "When you are on weak ground shout and stamp your feet; the weaker your argument, the louder you shout and the harder you stamp your feet."

Some hon. Members: Louder, louder.

Mr. Cowan: Why are we bringing in this argument about a properly licensed station? The C.A.T.V. never picks up anything else. Then they bring in the business about pirate stations. No C.A.T.V. station ever picks up a pirate station. In commenting on the minister's remarks about pirate stations, I should like to point out that she makes a backhanded reference to not wanting people to listen to unlicensed stations. If there were unlicensed stations on the Atlantic or Pacific coasts I am sure you would only need to tell the fine people of British Columbia or Nova Scotia that they should not listen to those stations, to build up the biggest audience a radio or television station ever had. I am sure the minister must have been reading about the wreck of a pirate ship in the maritimes in recent days. The minister states:

Technically it would be possible to set up a broadcast or a rebroadcast station and make its programs available to everyone. However, I do not think the B.B.G. should be required to license them simply because such stations are technically feasible.

Once again we are off on a tangent. We are talking about C.A.T.V. stations which are nothing but reception centres; there is no broadcasting involved. They make no use of the air waves. But, the minister says that technically it would be possible to set up a broadcast or a rebroadcast station, and she does not think the B.B.G. should be required to licence them simply because such stations are technically feasible. I could not agree more. I am

old enough to remember the four-month period back around 1930 when the people who were trying to get into the radio world were screaming that they should not be licensed, and that the Canadian government had no right to say that they could or could not go on the air. The only difficulty is that electronically there are only so many channels available for radio stations, and in order to prevent congestion on the air someone has to authorize certain stations to use certain channels. For a period of time the United States government, the Mexican government and the Canadian government agreed that they would not restrict applications for radio licences. There are certainly a few male members of this house—none of the women are old enough—who will recall the episode about 35 years ago when they allowed all those people who wanted to do so to go on the air, and you could not pick up a station and make intelligent use of it because of the interference from other stations, some with weak power and nearby, and others with strong power and a distance away.

Then they decided they must limit the number of people who could get into broadcasting. A certain number of the channels in the air were limited to Canada, a certain number were limited to Mexico and a fair number were limited to the United States. In the case of C.A.T.V. the number of channels on the air has nothing to do with their applications. They have no use of the airwaves; they simply pick up the program in the air and transmit it by wire to their subscribers. Again, in her speech of Friday afternoon, the minister said this:

> Other considerations come into play, such as whether or not a C.A.T.V. or a rebroadcast station of some kind should be licensed in a given area.

What balderdash is involved here? Other considerations come into play, such as whether or not a C.A.T.V. or a rebroadcast station of some kind should be licensed in a given area. Well, what did they do in Wawa? There was already a radio station in there, and they put in a rebroadcasting station right on top of the station at Wawa.

What does the minister mean when she says that other considerations come into play, such as whether or not a C.A.T.V. or a rebroadcast station of some kind should be licensed? She is making out that they are incompatible one with the other. We have a concrete case in Wawa where the C.B.C. put in a rebroadcasting station on top of the C.A.T.V. They do not interfere with each other. One is a broadcasting unit making use of the airwaves, and the C.A.T.V. is a reception centre. They are not incompatible. There is no need to make a statement like that except to confuse the issue. Then we were told by the minister on Friday:

> Sometimes the B.B.G. turns down such applications because they believe that a broadcasting station will at some time in the future be built in the area and this would be more in the interests of the community concerned.

Who says that it will be in the interests of the community concerned. If the people in Napanee, Prescott and Gananoque wish to have a C.A.T.V. installation so that they can pick up more programs than are available to them over the Kingston station, or the one or two Ottawa stations which are available there, that is the concern of the people in the area, and nobody else. Why should people be denied the right of freedom of choice in picking up television programs from other stations that are available to them while they are waiting for another station to be put into their area? What would you think of a situation in which a community wants a highway built so that they could bring in trucks and motorcars—perhaps an area in northern Ontario or northern Saskatchewan—if the government said that they would not give them a highway because it is quite possible that a railway may go in there in the future? The people would not stand for such an answer.

Now, however, the Secretary of State and the cabinet are trying to tell the people in Napanee, Gananoque and Prescott that they cannot look at any stations other than the presently available stations because in the future the C.B.C. might wish to put in another station. Mind you, they say they are not stopping their plans, that they are really just pulling them in. But how long will it be before they put a second station in that area? In the meantime they deny these people freedom of viewing.

• (8:40 p.m.)

Then we have the Secretary of State saying this:

> The difficulty that both justice and the B.B.G. inform me they see in this amendment is that the phrase it seeks to add to the bill means different things to different people.

There is an argument, I am telling you. We have not heard that more than a million times in the past. That is, we cannot do something because a phrase means different things to different people. What about the clause on national unity that we were discussing the

other day and again this afternoon, when the hon. member for Burnaby-Richmond pointed out that the phrase "national unity" is or could be an entirely different thing from the phrase "Canadian unity"? If you are going to argue about two nations in this country you are going to have national unity practised by two different peoples. The hon. member for Burnaby-Richmond was endeavouring to have the clause read "Canadian unity" so there could be solidification of the situation.

We were told by the minister on Friday that she does not like the amendment suggested by the hon. member for Edmonton-Strathcona because justice and the B.B.G., forsooth, advise her that they seek to add a phrase which means different things to different people. That is why we have judges, because one firm says the law says this and another firm says the law says that, so obviously it means different things to different people. We have judges to decide. I should like to see any phrase in the English language that has only one meaning. We are given this puerile excuse that the B.B.G. and justice have informed the Secretary of State that the phrase seeks to add something which means different things to different people. Every phrase means different things to different people.

I regret having to say this, but in *Hansard* of Friday afternoon at page 6039, and carrying over to the next page, the Secretary of State is recorded as having said this:

> These signals may come from a C.A.T.V. station—

I have said before, and I must repeat again, that the minister does not know what she is talking about, because a C.A.T.V. system does not issue a signal. The minister stands in her place here and endeavours to persuade this House of Commons to vote in a certain manner by making a statement that is absolutely incorrect. This is the same thing as trying to tell you that water runs uphill or that black is white. You would not swallow that. The minister does not know what she is talking about when she says these signals may come from a C.A.T.V. station. C.A.T.V. stations do not issue signals; but the statement has been made, and there you are.

This is on all fours with a situation that developed in the committee on broadcasting, films and assistance to the arts. We had expert witnesses there and one morning we had the expert of experts. The minister knows who he is, but I cannot place him now. He made the flat footed suggestion to the committee in answer to a question by me that in the United States C.A.T.V. stations are licensed up to 50 subscribers. I never heard such a thing and I said to this expert of experts, "What are you talking about; where is this licensing authority?" He replied "yes; yes there is such an authority up to 50 subscribers." I have never heard of a C.A.T.V. station that works with as few as 50 subscribers.

During our noon adjournment I telephoned two authorities I know in western Canada and two people in Washington and I found there is no licensing authority in the United States of America for C.A.T.V. stations. We came back in the afternoon to an in camera session of that broadcasting committee. I thought that the expert of experts who had made this false statement in the morning would be there in the afternoon. The in camera session carried right on and finished its work about half past three. At that point a gentleman came over to me, also from the Department of the Secretary of State and said to me: "I want to tell you, sir, that there is no licensing authority in the United States. That was a mistake made this morning." Well, I might state that in the parlance of the street I really chewed his head off.

At that time I said to him: "What in the name of heaven do you mean by telling me, after the committee has brought in its report and has met in camera, that information given to us this morning is false information? Why do you tell me after the committee has risen that it is false?" He said to me he was not the man who made the statement in the morning. I said: "Oh, yes, everybody in the civil service who is responsible is always away on something much more important."

Here we have the minister herself standing up and stating that these signals may come from a C.A.T.V. station. This is a false statement because it is impossible; but it is given to you in evidence in order to persuade you to take some course of action. I say to you that in the committee on broadcasting we were given false information which was corrected after the committee rose. If we are going to make decisions on that kind of information we should reconsider the bill very carefully, clause by clause and sentence by sentence.

Then again on Friday afternoon the minister said:

> There is no quarrel with the proposition that operators who are licensed and lawfully transmitting signals should be able to broadcast to all.

We are not even talking about that, and no one is quarrelling with it. We are talking about the right of people to receive signals that have been properly and lawfully authorized. Why bring in this line of hokum? There is no quarrel with the proposition that operators who are licensed and lawfully transmitting signals should be able to broadcast to everyone; but those are broadcasters. This phrase, the right to freedom of expression—

The Assistant Deputy Chairman: I regret to interrupt the hon. gentleman but his allotted time has now expired. Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I found the remarks made by the hon. member for York-Humber (Mr. Cowan) very interesting, and I think that if someone intervenes between his two speeches, he will perhaps be able to continue his observations.

That is why I think I should say that freedom of expression implies also, as the hon. member for York-Humber pointed out so ably, freedom for each individual to hear the programs he wants.

[*English*]

Mr. Cowan: Mr. Chairman, I was referring to the remarks of the Secretary of State of last Friday afternoon, when she referred to the question of licensing of broadcasters. We are not worried about the licensing of broadcasters. We are talking about the right of reception, which is part and parcel of freedom of speech. The splitting of hairs is simple compared to the splitting of the right to freedom of speech, which I have never heard of being split anywhere else on the face of the earth. I should like to know about any place where anyone has tried to do this before the Canadian cabinet dreamed up this marvellous idea on its own.

The minister having referred to this issue of lawfully licensed broadcasters, which were not being discussed whatsoever, said:

> Consider, for example, the C.A.T.V. operator. Let us say that he wishes to rebroadcast four United States signals.

That statement again proves she does not know what she is talking about because a C.A.T.V. operator does not rebroadcast. The use of this expression confuses the issue and makes people wonder what this uproar is all about. This uproar is all about a lot of foufaraw and houfaraw introduced by the Secretary of State in respect of a question which is clear-cut, namely the right of freedom of speech, the right of the public to know and the right of the public to listen to every lawfully constituted bit of information it can pick up either in printed form, by word of mouth, on television or on radio.

Now this Canadian cabinet, which used to be called Liberal, says it is going to split freedom of speech because there is going to be the right of the broadcaster to freedom of expression. Lord Dunedin of the Privy Council rendered a judgment which has been quoted with great satisfaction by the Supreme Court of British Columbia, in which he said that you cannot separate the broadcaster and the transmitter; there is one operation, and to have freedom of speech you have to have ears.

I say to you that this idea of stating to certain areas that they cannot obtain the programs available because the Board of Broadcast Governors feels another television station may go into the area shortly, and that it would be inimical to its interests if there was a C.A.T.V. station there, is ridiculous. Leaving aside this statement, which proves that she does not know what she is talking about, let us assume that a broadcaster wishes to rebroadcast four United States signals. Under this operator's licence the B.B.G. still requires him to carry the national program in Canada. Why get so excited about bringing in four United States signals? I have referred on numerous occasions to the station at Pembroke where there is one local T.V. station. Two applications were made for a C.A.T.V. franchise up there. All they wanted to do was bring in three signals from Ottawa. All they could do mechanically and technically was bring in three T.V. stations from Ottawa.

• (8:50 p.m.)

Surely we will admit that the programs originating in Ottawa are Canadian and are national. But no, the last two applicants were refused the right to bring in the three channels from Ottawa because the local T.V. station would suffer economically from it. As I have explained more than once—and it looks as though I have to keep on explaining in the hope that facts and reason may permeate the minds of people—the applicants were turned down. I ascertained in a circuitous way that after two applications were turned down in the year ending March 31, 1967, because their operation would be inimical to the economic viability of the local Pembroke station, lo and behold a C.A.T.V. application was granted for the present year, since March 31, 1967.

It is a mighty funny situation when two men are turned down before March 31, 1967, because if they were granted a licence it would affect the local T.V. station in Pembroke; but since last April another gentleman who applied has been granted a licence for a C.A.T.V. station in Pembroke, and he is only able to bring in the three extra channels from Ottawa. In Pembroke they have had to look at the one T.V. station, the one operator, for some years, and I am told by the hon. member for North Renfrew that they are quite happy that they now have a selection of four channels because of this C.A.T.V. station.

But when C.A.T.V. operators make application to establish a business in Canada—and I am told by many of my friends in the province of Quebec that most of the C.A.T.V. installations in that province have been erected to bring in Montreal or Quebec city more clearly—and when one discusses the question of C.A.T.V. applications, there is always dragged in the argument that C.A.T.V. stations may bring in American stations. These people ignore the fact that many C.A.T.V. installations in Canada are bringing in only Canadian programs from more distant areas than the people can pick up with a home antenna.

The minister went on to say:

> Let us say that he wishes to—

I will not use her word "rebroadcast", but "pick up"—

> —four United States signals. In giving this operator a licence the B.B.G. requires that he also carry at least the national program of Canada from his local station.

The minister is learning fast, because I read to you her statement before the broadcasting committee in November, in which she said that one of the objections to C.A.T.V. was that it blanks out the local station and only brings in American stations; you cannot get the local station. But standing in her place on January 26 last, which is about two months after her original statement, she said:

> Let us say that he wishes to—

> —bring in—

> —four United States signals. In giving this operator a licence the B.B.G. requires that he also carry at least the national program of Canada from his local station.

I am pointing out that the Department of Transport demands that the local Canadian station that is available, if one is available, must be on the C.A.T.V. dial. The minister went on to say:

> If people have the right to receive all programs, this operator technically could pick up 10 or 12 signals, but he would be able to transmit only about six. So a conflict arises there in that the hon. member contends that people have the right to receive whatever programs are available to them, and these programs would be available if the C.A.T.V. operator broadcast them.

Toward the end of that last sentence the minister again used the word "broadcast", which shows that she is wrong. Let me dwell on this point for a moment. In Hamilton about four years ago there were three C.A.T.V. operators. If you wanted to hook in to a C.A.T.V. station in Hamilton you made your deal with any one of the three operators with whom you chose to deal. It turned out, of course, that three operators trying to cover a pretty big area such as Hamilton, by wire, was very expensive, and over the course of time the coverage developed into geographical areas.

I point out that if the Secretary of State is going to worry about picking up all 12 signals, you can put two operators into a town and let them each have six channels on their wire and you can then pick up 12 channels quite easily. In Ottawa they have followed the practice—that is, the Department of Transport and the city council—of splitting the town into two areas at Bank street. I do not know how many channels there are on the two wires, one east of Bank street and one west of Bank street.

But if the Secretary of State is going to worry about the people not getting all the signals that are available, I would point out that this problem can be solved by allowing the C.A.T.V. operators in Ottawa to cover the entire city. Then you could get six channels on one and six on the other. Don't sit back and say, "Well, we can't let the people look at C.A.T.V. because the chap can only bring in six programs, and 12 will be available." You do not have to do it that way; it can be done on a geographical basis and you can give people in the city all the coverage that is available. In this way they could bring in all the available programs.

But it is a specious argument to say that C.A.T.V. has to pull in every program coming over the air. Are you telling me that people looking at their television sets every night are trying to bring in all the programs available to them at any one time? They make a selection and look at the program that will please them most. To say that the subscribers to a

C.A.T.V. station are limited by the number of channels the C.A.T.V. station brings in is begging the question. You do not have to sign a contract with the C.A.T.V. operator before you learn what channels will be available to you. If you do not like the stations he is going to transmit to you by wire, you do not have to subscribe to his service. To make the statement that if you subscribe to the service you are then under the control of the operator, is ridiculous. This is still a free country. The people of Canada still have the right to make a choice in this regard. They should not be told, "This is the program you can look at. We are the wise guys. We won't let C.A.T.V. into Napanee, Prescott or Gananoque because it might stop another T.V. station coming in there."

The Secretary of State went on to say on that Friday afternoon:

> The law officers of the crown and our technical advisers, the Board of Broadcast Governors, do not feel there should be any stricture on the right to receive programs, any more than there is a stricture on the right to read newspapers.

I am glad to know that they subscribe to that belief, but I wish they would put into practice the belief that they claim to hold. The Secretary of State then went on to say:

> But if parliament were to endorse such a broad principle and say that all programs should be available to the people, this may cause considerable difficulty in the application of our licensing requirements—

What is the difficulty in subscribing to the broad principle of freedom of speech? We have the right to hear what we wish to hear. We have the right to hear what is being said. That is a broad principle, and thank God this nation up to now has subscribed to it. I am thinking here of the comments of the Secretary of State about pirate radio stations and that we would not want people listening to them.

My first hunting trip into northern Ontario, into the country of my hon. friend the member for Cochrane, was in 1951. We flew in from Smooth Rock Falls down toward the mouth of the Matagami, where it enters into Kapuskasing. I was in the area with a son-in-law and a nephew who was five years in the Canadian army overseas. We were really amazed with the small, battery-operated radio set that we had taken with us up to where the Matagami and Kapuskasing joined, because when we flicked the switch one evening we found the Russian stations coming in by the handful. We had never heard that kind of program before. Every so often they would give a 15 minute broadcast in English and announce from what part of Russia they were broadcasting. We were picking up pretty far north, as far as the transcontinental railroad and, as they say up there, we were on the downhill slide from the north pole. Russia was coming over the northern ice cap and Russian radio stations were plainly audible to the hon. member for Cochrane. Is the government thinking of licensing these people so they cannot pick up the Russian programs in that area? Perhaps it is because the Russian programs are so freely available in that area that the hon. member for Cochrane is so original in his views, because he must be listening to them occasionally.

• (9:00 p.m.)

If the government is saying that we cannot let the pirate radio stations be heard by people because the B.B.G. has not authorized them, then it is also saying we cannot let Canadians listen to the Russian stations coming in across the top of the world because the B.B.G. has not licensed them. How ridiculous can you get? But parliament endorsing a broad principle such as freedom of speech and saying that all programs should be available to the people, is held up to us as a bogey. What in the name of heaven is our attitude in this day and age of 1968. I say to you that the right to freedom of speech involves the right to receive information no matter where it comes from, as long as it comes lawfully and in accordance with our Canadian regulations and statutes.

The minister went on to say:

> But this would mean, at least theoretically, that if in a given area 10 or 12 signals could be received the people there would have a right to receive them if they had television sets.

I am glad she said that. I have never run across a person who picked up television signals without a television set. However, to return to the matter in hand, why should the people in Vancouver have a choice of seven available channels just because they are close to the United States border, and because there are a large number of television stations in Vancouver, yet the Canadian government tells somebody in Napanee "You will listen to the Kingston station or you won't have a program at all". Is this fair treatment for Canadians, a situation whereby in places such as Toronto or Vancouver where it is possible to pick up seven channels it is quite all right so far as the Canadian cabinet is concerned; but in places such as Napanee, where all they can pick up is Kingston, that is all they will

be permitted to look at because a second television station might be opened in the future? How ridiculous can the government's stand be on a matter of this nature?

The Secretary of State went on to say:

> They cannot receive all these signals unless something brings them to their sets. The C.A.T.V. operator might reply by saying: "I have six stations I want to transmit. The regulations say I cannot. I must transmit all 12, because parliament says everyone has a right to receive everything that is available."

Parliament should say that everyone has the right to receive everything that is available. As I said before, I do not pick up four television programs at one time on my home set. They are all available to me, but I do not pick them up simultaneously. I pick them up individually whenever I may wish to do so. For the Secretary of State to use the argument to a C.A.T.V. operator that he must transmit all 12 signals because parliament says everyone has the right to receive everything that is available is childish in the extreme. Why should a Canadian be limited only to the local T.V. station when more channels are available to him through an installation such as C.A.T.V. which is legal and proper in every way and which we have licensed in many parts of Canada?

I have already referred to the fact that it is stated in the B.B.G. report for the year ended March 31, 1967 that the Department of Transport has made 91 informal references to them on applications for C.A.T.V. licences. In making these references to the B.B.G. they said that 84 of the 91 applications would not compete with the local broadcaster. I have already asked why the cabinet is so solicitous of the local broadcaster. Why does he require protection from competition of the daily newspapers which sell advertising in the area? The newspapers are not protected against the T.V. operator, yet the T.V. operator is to be protected by the government against any competition which might make his economic life a little hard. The report states that C.A.T.V. must not be licensed because it can hurt the economic life of the local T.V. station.

I have in my hand the annual reports of the B.B.G. for the year ending March 31, 1963/64, 1964/65 and 1965/66. I have placed on the order paper, and it will appear in Wednesday's issue, a request to the Secretary of State to advise us what applications have been turned down for C.A.T.V. licences in these three years, because we are told the following in the report ended March 31, 1965:

> In the fiscal year ended March 31, 1965, the board examined 59 such applications and found that 46 of them, in its judgment, would not make the operation of existing T.V. stations uneconomical or inhibit the provision of alternate service.

This means that in that year 13 applications were turned down. I have asked to be advised which 13 areas were denied the privilege of freedom of speech, the right to look at whatever stations they could bring on a C.A.T.V. application by a C.A.T.V. installation, and the reasons for those refusals.

As I pointed out, in the year ended March 31, 1967 seven applications were turned down, two of which were in Pembroke, and since then the B.B.G. has informally advised the Minister of Transport to grant a licence to a third applicant. Also, since March 31, 1967, the B.B.G. said, an application for a C.A.T.V. licence in Clermont, Quebec was turned down; but now that it is after April 1, All Fool's Day, they are in favour of granting a licence to Clermont, Quebec, and it has been granted. Why is it that the B.B.G. has reversed its decisions that were evidently made on proper grounds, as set forth in their learned opinions, as each application is received and dealt with?

In the year ended March 31, 1966, the B.B.G. stated that the minister referred 82 C.A.T.V. applications to the board. The number included applications for new licences, extensions of existing systems, and changes in the channels carried. It stated further:

> The board found that 72 of them, in its judgment, would not make the operation of existing T.V. stations uneconomical or inhibit the provision of alternative service.

In the year ended March 31, 1966, the board turned down 10 applications. In the year ended March 31, 1965 they turned down 13 applications, and in the year ended March 31, 1967 they turned down seven applications, making a total of 30. I think the public of Canada and parliament are entitled to know which 30 areas have been deprived of the privilege of C.A.T.V. installations. It would also be interesting to know what applications are being considered by the B.B.G. at present.

I regret the hon. member for Kamloops is not here because I showed him a letter which I received from a man who pointed out that in Vancouver they have seven channels from which they can select the one they want to see, but when he and his wife go to visit a daughter and son-in-law in Kamloops there is

only one program available to them, namely the local T.V. station in Kamloops. Yet applications have been made for a C.A.T.V. installation in Kamloops and they are in the hands of the Minister of Transport. I am advised by the hon. member for Kamloops that there is a freeze on until parliament deals with the Broadcasting Act now before us. Why should the people in Vancouver be given such freedom of choice when it comes to television programs while the people in Kamloops are told to look at one local station and nothing else? They are told what is good for them. The people in Vancouver can do what they like; there are too many of them to be browbeaten, but there is a small group in Kamloops which will be told what to look at.

The other evening the hon. member for Prince Edward-Lennox told us of another application which has been turned down from a Mr. Dawson who applied for a C.A.T.V. licence in Napanee. I happen to know of two other applications in the Kingston area which have been turned down. Why does the B.B.G. interfere with the right of the people to pick up the programs they might wish, over the C.A.T.V. installation, which will not cost the Canadian taxpayers a cent, for which subscribers to the C.A.T.V. service have to pay in monthly instalments, and for which they are willing to pay as is obvious from the tremendous number of subscribers which has built up over the years?

• (9:10 p.m.)

I should now like to revert to the comments made by the Secretary of State in explaining why she could not accept the proposed amendment of the hon. member for Edmonton-Strathcona. Let me refer again to the comments made by the minister on Friday. She said she was told by Justice and the Board of Broadcast Governors that the ramifications of the suggested amendment were too wide and she was advised not to accept the amendment. We now find ourselves in the beautiful position where, in 1962, we screamed because the administration headed by Right Hon. J. G. Diefenbaker would not produce an opinion from the Department of Justice on the question of import and export taxes and the rebates that were made on tariff collections. We were told then that the government never produces these confidential, highly secret and very learned opinions that are exchanged between the Department of Justice and other divisions of the federal cabinet. So we screamed to the high heavens that this was not right. We were told that the cabinet was accepting the advice and that we, in the opposition, had to accept the opinion of the law officers of the crown, because the law officers of the crown never make a mistake.

We, in the opposition, and the Secretary of State was one of them, objected to this high handed action on the part of the cabinet in telling the elected representatives of the people that what they wanted to see was being withheld from their eyes. Now the Secretary of State, who five years ago shrilled and trilled with the rest of us against the high handed action of the Diefenbaker cabinet, stands in her place and says she is told that the ramifications of the amendment are too wide and she is advised not to accept it. In view of the fact that the Diefenbaker cabinet never did produce the opinion of the law officers of the crown in 1962—and I hope the hon. lady does not forget that we turned out the Diefenbaker government—I am not going to ask for the production of the document today. I do not want to see the lady get up and ape the Diefenbaker cabinet by stating, "We cannot produce an opinion that is so anxiously demanded." She might have demanded such an opinion in 1962, and she was right then. If I ask for a copy of the opinion in 1968, she will tell me I am wrong. I do not like that kind of thinking. If you are right in 1962, then you are right in 1968. You cannot be right in 1962 and wrong in 1968 on the same issue. I believe there are reasonable people in this house who will agree with me on that point.

The hon. member for Peace River speaking on Friday afternoon made a very interesting comment to the Secretary of State when he said, as reported on page 6041 of *Hansard:*

> I have not intervened in this discussion so far, but I believe it would be a serious error of judgment if we were to leave the subject in the absence of an indication that there is no restriction on the right to receive programs.

This clause has to be amended. The right of freedom of speech is too important to the people of Canada for a so-called Liberal government to allow a provision that the broadcaster's right to express himself is unquestioned to become the law of the land. Someone has to stand up for the individual viewer who wants to receive the programs that are being broadcast. There is no virtue in allowing people to broadcast programs and refusing the people of the nation the right to pick up those programs if they so desire. I ask the committee to support the amendment moved

by the hon. member for Edmonton-Strathcona. We dare not deny the right of freedom of speech to the people of this country unless we are going to admit we no longer have a democratic form of government.

The Chairman: Is the committee ready for the question?

Amendment (Mr. Nugent) negatived: Yeas, 22; nays, 44.

The Chairman: I declare the amendment lost. Shall the subclause carry?

Mr. Nugent: As I indicated earlier to the minister, if the amendment was still too sweeping I would have another to suggest. The argument used by the minister against the amendment the other day was to the effect that the words "by any means whatever" made it too wide. This amendment has just been defeated. The minister's entire argument was based on the fact that the amendment referred to "all programs available". The reasoning of the minister and her advisers apparently was based on the premise that the right to receive was going to complicate the situation to such an extent that the obligation of the government to make programs available would be involved. Since this was the case, I felt that we should then move an amendment which would preserve the right or freedom to receive without running into the dangers the minister envisaged. I will just have to take it for granted that the hon. members who voted against the amendment listened to the minister's reasons and therefore rejected the amendment on that ground.

I shall therefore present to the committee an amendment which is free of that criticism and which I hope the minister and her supporters will be able to accept. The amendment I propose reads as follows:

Clause 2, subclause (c) of Bill C-163 is amended by inserting between the words "expression" and "subject" in line 19 thereof the following: "and the right of persons to receive programs".

The clause as amended would then read:

(c) all persons licensed to carry on broadcasting undertakings have a responsibility for the programs they broadcast but the right to freedom of expression and the right of persons to receive programs, subject only to generally applicable statutes and regulations, is unquestioned.

Now, Mr. Chairman, the argument in support of the right to receive programs is simply the argument in support of the freedom of speech. It is just useless to enshrine within an act such as the Broadcasting Act that there is a right to freedom of expression unless, along with that, is the simple right to see and to hear what has been expressed. The amendment I have moved simply provides for the right to receive what has been broadcast or what has been expressed. This right is not a blanket right but is subject to the rules and regulations. I must confess that I am very surprised at the attitude shown by the minister's advisers in this regard.

[Mr. Cowan.]

• (9:20 p.m.)

It is argued that there is a great difference today between the programs available in different parts of the country. Cablevision is available to some citizens and not others. We have yet to feel the benefit of satellite television which the government will have to regulate with a great deal of flexibility. We have not yet begun to handle problems created by educational television on high frequency channels.

The minister has expressed the present feeling of her advisers, which seems to be that because we have dared express the view in the amendment that Canadians should be given the right to freedom of reception, it must be rejected on the ground that it would open the door to additional difficulties. If this is the case, then I feel that her advisers will be unable to make the changes that are required in our programming patterns and our broadcasting patterns to meet availability of reception through the different media in operation.

Surely I am not unjustified in suggesting that some areas of Canada receive more programs than others. For example, Edmonton, Saskatoon and Regina have one or perhaps two channels and no cablevision. In Vancouver and Toronto a multiplicity of channels is available and the government seems disposed to continue this situation.

Surely it is only fair to suggest that the reason one group of Canadians has a choice of programs and another does not is because the government wants to keep its thumb on those who cannot escape government supervision. In a nutshell, the government is saying that although it cannot restrict reception of those Canadians who are close enough to the border to receive programs from the United States, it can restrict reception of those who subscribe to cablevision because it has the power to license such systems.

I am wondering, Mr. Chairman, why the minister will not accept this amendment. Does she want to control reception of programs because, in order to justify government expenditure on broadcasting, there must

be a guaranteed audience? Is it because these programs are not up to standard and that this captive audience would not watch them if other programs were made available? If the minister is not going to accept this amendment I trust she will advance further reasons for our not having satisfied the sensibilities of her advisers in this regard.

The reason I have moved this amendment to this particular paragraph of the clause and not to another clause, as suggested by the minister, is because this paragraph deals with the freedom of expression. A corollary of freedom of expression, I submit, is the freedom to see and hear programs. Therefore the amendment properly belongs to this paragraph.

Second, we must not forget that freedom of expression is limited by the responsibility of the government to make regulations which ensure that our airwaves are properly and regularly used. My amendment similarly would be subject to the relevant statutes and regulations.

I acknowledge the considerable interest of the members of the New Democratic party in this matter, their having voted with the minister on the last amendment. I hope this was because they were persuaded by the arguments of the minister that the amendment would create such demand for television channels, for cablevision, and so on, that the power to regulate in proper manner would be inhibited.

However, Mr. Chairman, even those who have such faith in regulation cannot find any such objection to the present amendment, which merely asks for freedom to receive programs along with the freedom of expression. I have not suggested reception of all programs broadcast "by any means whatsoever". There can be no implication here of pressuring the government to meet any further demand. Neither would my amendment further inhibit the regulatory authority in any way.

Any suggestion that Canadians should be deprived of freedom to receive programs on the ground that some civil servant advisers are afraid of this right, or that it would cause more trouble in drafting regulations is, I submit, unacceptable. If that is their attitude, what is to prevent them from taking the next logical step? Having considered an application for a licence the authorities could tell the applicant that, although his application may not infringe the regulations, at some time in the future they might want to draw up further regulations which might be jeopardized were the application granted. Surely if the government believes in freedom of speech the minister has the duty to see that somebody takes a stand somewhere.

All my amendment does is to continue the concept of freedom of speech by adding the freedom to receive what is expressed. There is nothing in my amendment to create difficulty and I trust the minister will accept it in the interest of free speech in this country.

• (9:30 p.m.)

Miss LaMarsh: Mr. Chairman, before you put the amendment may I say that I do not think my hon. friend really intended to make an attack on the civil service. Our civil servants are paid to give expert advice to members of the house who, obviously, are not experts themselves. They have the responsibility to advise those in the executive branch of the house how to do what the government has decided to do. I know the hon. member is very generous and does not mean to impute some improper motive to civil servants who are doing their proper job.

I am sorry that the hon. member talked to such length but it seemed, since he was entering such high flights of rhetoric, that it would be a pity to interrupt him to say that I was prepared to accept his amendment.

Mr. Cowan: To say what?

Mr. Nugent: The amendment is accepted?

Mr. Cowan: Does the Secretary of State say she is prepared to accept the amendment?

An hon. Member: That's what she said.

The Chairman: Is the committee ready for the question. Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Nugent) agreed to.

Clause 2 (c) as amended agreed to.

The Chairman: The committee will now proceed to consideration of clause 2 (h).

Mr. McCleave: Mr. Chairman, the hon. member for Winnipeg South wishes to move an amendment here. Because of today's weather he could not get from Winnipeg to Toronto and could not come here. I am therefore speaking on his behalf. I understand that the minister is agreeable to standing this subclause until tomorrow.

Miss LaMarsh: Agreed.

[*Translation*]

Mr. Grégoire: Mr. Chairman, before this clause is allowed to stand, would the hon. Secretary of State give us a few explanations? I do not find the clause very clear, and I would ask her to give us a few explanations.

[*English*]

Miss LaMarsh: Well, the whole thing is stood. I think the debate should be stood at the same time.

The Chairman: Is it agreed that the subclause stand?

Some hon. Members: Agreed.

The Chairman: The committee will now consider clause 2(i). Shall clause 2(i) carry?

Mr. Cowan: Mr. Chairman, referring to clause 2(i) that is before us now and which reads:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

I can only ask this: Is there never going to be a halt at all on the amount of money that is to be spent in the broadcasting world, or do we simply keep on going and going, throwing money into the hopper for radio and television year after year, in ever increasing amounts?

Education, as we know and admit, is a provincial matter. While I regret that that is so—

Some hon. Members: Hear, hear.

Mr. Cowan: —I have to admit it and live with it. But when we talk about spending money for increasing the facilities for education broadcasts, I mean it when I say that we are talking about the past and not about the future.

I cannot see spending money on educational broadcasting, on educational programs, and for a very self-evident reason. All the classes in certain grades are following a curriculum that is laid down generally by the provincial department of education. The end result is that the teachers in the various classes throughout the large and small municipalities will bring some children to the same examination point, let us say, in the month of June, so that they will all be equally taught to answer the questions that are put to them in the final examinations. But surely no one in this house is going to say that all the children, day by day and week by week throughout the school year, are making the same progress and are discussing the same chapters in the prescribed books? We know for a fact that an epidemic may close a certain school for a week or so, and throw its students behind the other students in the same municipality and in the same grades.

I have always got a kick out of two girls who went to college and took the course in religious knowledge. I was a Presbyterian and enrolled in a Methodist institution. At least, it was Methodist when I was enrolled—Victoria University. They had a course in religious knowledge. Since there is nothing in religious knowledge that a Methodist can teach a Presbyterian, I never took it. But I did know of two girls who were taking religious knowledge and they had different professors, because of the schedule that had been handed to them.

One day one girl, walking across Queen's Park, said to the other, "How are you doing in religious knowledge?" The other girl replied, "We're doing very well. We're in the midst of original sin." The other girl said to her, "That's nothing, in the class I'm in we're past redemption."

I only tell you the story to show you that if two classes—

An hon. Member: Whom are you speaking about?

Mr. Cowan: I am speaking of two girls, my friend.

An hon. Member: In original sin and past redemption?

Mr. Cowan: I will admit I am in original sin where I am standing.

Some hon. Members: Oh, oh.

Mr. Cowan: I gave you that little story to show that classes do not maintain the same speed. There are other reasons for that. Teachers vary in their ability to impart knowledge, and classes vary in their ability to receive the knowledge and to absorb it properly.

I have the great good fortune of having resided in Toronto for the past 50 years, and during the last several years in my work with the Toronto *Star*—

An hon. Member: Good fortune or misfortune?

Mr. Cowan: —I had the opportunity of providing the school systems of Etobicoke, North York and Scarborough in particular, and some of the schools in the city of Toronto, with educational film. The use of educational film in the school systems of Canada is growing by leaps and bounds. The hon. member for Scarborough is an ex chairman of the board of education for the borough of North York.

Some hon. Members: Hear, hear.

Mr. Cowan: I have to tell you that the educational film programs of the borough of North York, the borough of Scarborough and the borough of Etobicoke are without peer in the Dominion of Canada, and in my opinion they are certainly in the forefront of educational film in North America.

Each film is available to a classroom teacher. A great many of the films come from the National Film Board. They are not made available free of charge to the school boards, and in many, many cases the school boards accept contributions of educational film from firms that are willing to provide this assistance to the educational film division of the borough.

The interesting thing to me is that the Toronto *Star* used to supply—and it may to this day, for all I know—used to supply a couple of thousand feet of educational film every month to the educational film division of Scarborough, North York and Etobicoke.

The point I want to impress on members of the committee is this. The teachers used to tell each other that they valued the film highly. It was placed in the library of the local borough governing the school system, and when the teachers wanted it they simply requisitioned the film, or sent for it. It was run off over the school projector and the teacher instructed the class in the meaning of the pictures and the idea behind the entire film.

• (9:40 p.m.)

The fact that these films are placed in a central library and sent out to the individual schools as requested, shows that the individual classes are not studying the same subject at the same time throughout the school year. Are we going to be asked to invest millions of dollars in an educational broadcasting system that may very well prove unworkable? What hope is there of maintaining every grade 7 class in Ontario at the same speed of comprehension on the part of the children, and at the same speed of instruction on the part of the teachers, throughout the year?

Individual classrooms can receive a benefit from educational film made available to them as their individual teachers request, but they will not receive the same advantage from educational film being shown to them over the airwaves of the nation. I believe this fact is self-evident.

The Secretary of State can state that clause 2 is only declaratory. I have been trying to tell the hon. member for Lotbinière and the hon. member for Lapointe that I do not mind voting for a declaratory clause which deals with English and French because that declaratory clause does not say that we are going to spend now the money involved. But why should we have a declaratory statement that facilities should be provided for educational television within the Canadian broadcasting system? By having this clause we are making a half promise that we will spend millions of dollars in the future. I say that we do not need to make such a declaration. We do not need to make a commitment at the present time.

Educational matters are being adequately and very completely covered by the national film board series of films, and by the educational films available through provincial departments of education and through tourist bureaus. British Columbia will send into Ontario beautiful films which show the geographic and commercial features of British Columbia and British Columbia schools can get similar films from the province of Ontario and the province of Quebec. The beauty of this arrangement is that teachers are able to use those films in keeping with the progress of their classes.

If you bring in educational television on the national broadcasting system it is going to be like the bed of Procrustes. Every teacher is going to know, no matter whether his class is ready to receive it or not, that the eleventh lecture on the history of Canada will be shown on next Thursday morning. In an individual class lectures Nos. 8, 9 and 10 may have been delayed. Why should a child who has only had lectures Nos. 1 to 7 suddenly be exposed to lecture No. 11 simply because a national television education system says that will be the lecture to be shown at eleven o'clock the following Thursday morning?

I am speaking from knowledge of the system in the borough of York North, the borough of Scarborough and the borough of

Etobicoke which are in the forefront of matters pertaining to educational film. Teachers of classes in those boroughs can use educational films when they want to, and not when some broadcaster on the air feels impelled to lecture the children of a certain geographical division on a certain topic. I say this clause is unnecessary and should not be in a declaratory part of the bill, where it has no teeth.

[*Translation*]

Mr. Grégoire: Mr. Chairman, clause 2(i) reads as follows:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

Now, through a bill on broadcasting, the federal government is interfering in a field which, in accordance with the British North America Act, comes exclusively under the provincial jurisdiction. We know that the educational field comes under the provinces. I will be told that it deals with the equipment of educational broadcasting.

Mr. Chairman, for a hundred years, we have been aware of precedents in other fields. The federal government uses a loophole to intrude into a field which does not come under its jurisdiction and once its position is established, it seeks to monopolize and take everything.

For years, for one hundred years in fact, Quebec and other provinces have consistently refused to allow the federal government to interfere in the field of education.

Today, by the roundabout way of legislation on broadcasting, the hon. Secretary of State is trying to open a small side window into the wall, in order that the federal government may penetrate in a field whose jurisdiction is exclusively provincial.

One might say that one intended only to provide to the Canadian broadcasting system educational broadcasting facilities. However, Mr. Chairman, Quebec is already working in that direction. Educational broadcasting is already in existence. In the area of Saguenay-Lake St. John, every day, morning and evening, there are educational programs entitled "Québec-télévision scolaire", produced by the Quebec government.

The Quebec government already has its own organization in the field of educational programs. It already has its own equipment for educational television and two television stations are already broadcasting, on a trial basis, educational programs. The federal government now wants to venture into that field,

[Mr. Cowan.]

when a provincial government has actually spent money to buy such equipment, which means that the federal government would also like to buy more equipment for exactly the same purpose, thus duplicating our funds and taxes.

In the province of Quebec—and maybe in the others also, I am not quite sure, the matter is perhaps under consideration—such equipment has already been purchased, a committee has been formed to operate it, films have been produced and are broadcast every day, morning and night, on the screens by private television stations in the Saguenay-Lake St. John area.

The two stations of our area, those of Chicoutimi and Jonquière, broadcast these films every morning and every night and give courses to those wishing to continue their 7th, 8th, 9th or 10th grades.

It has already started. The expenditures have been made. The equipment has been purchased. Why pay a second time and when it is already there and, furthermore, this is an exclusively provincial jurisdiction. What moves the Secretary of State to spend money to buy a second time what has already been purchased?

Are we also going to train another crew to use this equipment? Mr. Chairman, there is already a crew. It exists, it is there, more advanced than the embryo stage, because it has already started to prove its worth, if we are to judge by what we can see on the television screens.

If it exists, why this duplication? I was told—and I made an effort to see them this morning, also in Ottawa—about educational films prepared by the Ontario department of education which are fine indeed. Naturally, education falls within provincial jurisdiction, and Ontario attends to it. There could be an exchange of French language films between Quebec and Ontario, even though the member for York-Humber (Mr. Cowan) shakes his head. Indeed, English language films could be exchanged by the departments of education of British Columbia, Newfoundland and Ontario.

It is already the case, it has already been paid for once, in the form of taxes. Our taxes paid to the Quebec government have already been used to buy all that, but they would want the Quebec citizens to pay a second time for some equipment which would be placed in another building, which would come under the Ottawa government, another equipment exactly the same as the Quebec equipment, being a duplication thereof.

Why, Mr. Chairman? I admit that sometimes—and it is an argument which has been already put forward—the federal government has interfered in certain fields, precisely due to the lack of action by the provincial governments.

When the house passed the hospital insurance scheme, it was said that the provinces had taken no action and that the citizens who could not afford it still had the right to be hospitalized. It was true, the provinces had taken no action.

However, in this case, the provinces have already taken some action. The equipment has already been bought, already paid for and some crews have already been given the responsibility to use that equipment. Professors have already been hired; they have already prepared lectures and the films produced are shown on television. A series of lectures has already started since the beginning of January, I think. They have been shown by the Jonquière and Chicoutimi television stations. The equipment purchased was tested successfully.

If it has already been bought, the federal government can no longer say that the provinces are taking no action. This argument no longer applies, for Quebec already owns this equipment. So it would be a needless expenditure on the part of the federal government, since it has already been done, and there would be a duplication of taxes for Canadians.

I cannot see why the hon. Secretary of State would want to do that, since the field of education is a provincial matter.

I will be told that the provinces are the ones which will decide how to use the facilities and which will set up their own courses. I cannot imagine the Quebec government, which is already fully equipped, turning to the C.B.C. and telling them: You have the facilities, we will use them. I cannot imagine the Quebec government wanting to borrow the facilities of the federal government when Quebec already fully controls facilities which a group of competent professors is already using, since they have more experience in that field than the officials of the federal government.

In my opinion, that clause is unnecessary, it is one more infringement of the Canadian constitution, in short it violates the Canadian constitution.

We will be told that nothing will be imposed on us in the field of education. I know the argument of the Secretary of State, but provinces have already complete and very adequate equipment. Why then put at the disposal of a province equipment which has already been purchased and paid for? It is a good argument since Quebec already has such equipment to produce its own school films. The minister can no longer put forward the pretext that it is to purchase equipment which she will make available to provinces, because provinces already have it. Such a reason can no longer be put forward.

What are they trying to hide by introducing such a clause? Would the hon. Secretary of State like the Canadian broadcasting system to have an educational network which would produce its own films? Mr. Chairman, in my opinion this clause is useless both from the constitutional and from the practical point of view. It would perhaps have been useful a year and a half or two years ago, when the provinces had taken no initiative in this field, but not now, when the provinces have taken steps in this respect, bought facilities and acquired experience. In fact, in the province of Quebec, courses are already being telecast, and the hon. members for Roberval and Chicoutimi (Messrs. Gauthier and Langlois) will no doubt bear testimony to this, since they must have seen these courses produced by the province of Quebec, using Quebec equipment and with the help of a team of Quebec professors. Moreover, education falls within the jurisdiction of the province of Quebec.

In my opinion, to spend again some taxpayers' money to purchase equipment already available would be duplication of public funds and this is unacceptable. A second series of programs is perhaps planned.

Mr. Chairman, may I call it ten o'clock.

[*English*]

The Assistant Deputy Chairman: It being ten o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

Proceedings on Adjournment Motion

AIRPORTS—VANCOUVER PROTEST AGAINST IMPOSITION OF TOLLS ON APPROACH

Mr. Barry Mather (New Westminster): Mr. Speaker, before the house recessed last month I sought, on orders of the day, to raise a question concerning whether the government had received protests from the Vancouver area about the government's declared intention to link, by means of a toll crossing, Vancouver and Sea island on which the Vancouver international airport, one of the great airports, is located. This question was not accepted by the Chair at that time. Therefore, I wish to raise it again this evening. I do so in the hope that by raising the question a situation which I think is of considerable interest to the people in the lower mainland of British Columbia might be clarified. I think I am right in saying there is no other great Canadian airport which is or will be hampered by a toll approach. If the Vancouver Sea island approach is to be subject to toll, this will amount to an unfair tax and a great deal of annoyance to all concerned.

• (10:00 p.m.)

My colleague, the hon. member for Burnaby-Richmond (Mr. Prittie), is of the opinion that while he welcomes the idea that the government is going to erect this crossing or bridge he regrets very much that it will be subject to toll. That hon. member in this regard also stated:

> As far as I can determine tolls might have been avoided if the B.C. government had agreed to share the costs. In any case it will be several years before the bridge is actually in operation. In the meantime in order to relieve the pressure on the two lane Moray Channel bridge and Oak street bridge the municipality of Richmond has asked that the Department of Transport build a causeway over the middle arm of the Fraser from Sea island to Lulu island (generally in the Gilbert road area). Such a causeway wouldn't cost a great deal and could handle southbound traffic to Richmond and Delta. In November the Minister of Transport informed me that it "is receiving urgent attention". Let us hope that this project escapes the austerity cuts.

I have little or nothing to add to that. I shall only repeat that I hope by raising the question again in connection with this potentially strategic and important crossing and the regrettable idea of imposing tolls, the government will give an answer tonight to clarify this whole situation.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the federal government has undertaken to provide access to Sea island to service the new international airport being built by the Department of Transport for Vancouver and the lower British Columbia mainland. The terms and conditions under which the federal government accepted this responsibility were that user charges would be sufficient to recover the capital cost of the facility over a reasonable amortization period. It is not now and never has been the responsibility of the Department of Transport to provide vehicular access to and from crown owned airports.

The government has been of the opinion that it could not logically be expected to provide roadways to airports on a non-toll basis. It must be readily apparent that the capital cost of undertaking such a policy on a national scale would be enormous, especially in major centres such as Montreal and Toronto.

However, in Vancouver we have a rather unique situation. The airport is located on an island that is not now adequately serviced by crossings to meet the demand of the existing airport. It was also made apparent by local municipal authorities that they were not in any position to finance the construction of facilities required to meet existing and future traffic demands expected to be generated by the opening of the new international air terminal later this year.

For these reasons the federal government agreed to construct the necessary facilities to provide adequate access to the new airport on the understanding that tolls, sufficient to recover the capital cost of the facilities over a reasonable number of years, would be levied on the users.

I want to make it quite clear on behalf of the government that the government on the other hand does not intend to levy these tolls against residents of Sea island who have a traditional right of free access to the island. Special arrangements will be made to ensure that anyone who is now resident on the island will not face toll charges to get to and from his residence and place of work.

GRAIN—WHEAT—INQUIRY AS TO INCREASED DELIVERY QUOTAS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I regret that the Minister of Trade and Commerce (Mr. Winters) is absent. However, I understand his duties will keep him away until the middle of February. Under the circumstances I feel I must raise the complaint I originally made on December 18 and 19 in the hope that somebody else will answer on his behalf.

The nature of my complaint is that the government is leading farmers to believe they are to receive at least $1.95½ for every wheat sale the government makes when in fact the replies of the Minister of Trade and Commerce on two specific dates, December 18 and 19 when I raised this question on orders of the day, would not indicate that to be the case.

Furthermore, the entire question of $1.95½ for No. 1 wheat is related to the over-all annual pool operated by the wheat board. Last year the pool was closed off on January 13. This year the minister has indicated that the pool will not be closed off until some time in March.

The minister, in his replies to my questions on December 18 and 19, was contradictory and evasive. With the continuing delay in closing the pool, the returns to the wheat producers will progressively get lower. On December 18 last I asked the minister whether as a result of the wheat sales to China there would be appropriations from the federal treasury to the wheat board fund. I was dealing specifically with one sale. The purpose of my question was to determine whether the latest sale to China was at a price lower than the $1.95½ which was supposedly guaranteed by the government.

The next day I asked the minister whether the supposed guarantee of $1.95½ was to apply to each individual sale and contract, or whether it applied to the over-all average of the pool for one year. The minister then replied that they were working out the details but as of then it applied to each individual contract. Indeed, these two statements were contradictory.

I urged the minister to close off the pool as early as possible in order that the wheat producers might receive the highest return possible for the 1966-67 crop year. I have obtained the high and low prices for wheat in each month following the closing of the wheat pool in the previous year, that is, January, 1967. In order to complete my argument I will list the highs and lows for each month up to and including part of January, 1968, for No. 1 northern wheat, basis the lakehead. The highs were as follows, from January, 1967, to January 1968, $2.13, $2.12⅞, $2.13, $2.13⅛, $2.12⅞, $2.14½, $2.07¾, $2.06¼, $1.96¼, $1.96, $1.91⅜, $1.91⅜, $1.92. The lows for the same period were as follows: $2.11⅞, $2.12⅛, $2.12½, $2.12⅝, $2.12⅝, $2.08⅝, $2.05½, $1.96, $1.91, $1.91⅞, $1.89⅜, $1.89⅜, $1.90⅝.

Calculations of the average high from January, 1967, to the end of July would indicate that the average high from the time that the last wheat pool was closed off until the end of July, which was the previous crop year, was $2.12. The average low in that same period was $2.11. So that the average price received in the first seven months of 1967 would have been between $2.11 and $2.12.

Since the new crop year, in which the government has allowed the Canadian farmers to be without a wheat agreement, the average high from August until the present time has been $1.94. The average low in that same period is calculated to be $1.91. So that if one averages out the highs and lows, the average receiving price without a wheat agreement is in the order of $1.92½.

In the determination of the amount in the pool at the time of closing, all the moneys received from the date of the last closing until the announcement of the 1966-67 closing date of the pool are thrown in together and an average price is determined.

During the first seven months of 1967 the volume of sales has remained relatively high. However, since the beginning of the new crop year not only have the prices come down but the sales, too, have been reduced. A headline in the Manitoba *Co-operator* of January 4, 1968, reads, "Wheat and Flour Exports Smallest for Twelve Years". The article goes on to say that Canadian wheat, aggregating 97,561,000 bushels for the first four months of the current crop year, is the smallest movement for that period since 1955-56.

I have urged the minister to close off the pool as of January, at the same time as he closed off the pool last year. Between January, 1967, and January, 1968, the average high asking price, basis the Lakehead, was $2.03. The average low in the same period was $2.01. So that if the pool were closed off immediately, the average price, without calculating freight and other carrying charges, might be in the order of $2.02 on No. 1 wheat. However, since the asking price since September has continuously been below $2, it does not take much of a mathematician to realize that if the 1967-68 pool is not closed off immediately, the returns will not be $2.02 but will progressively continue to decline with each passing day.

• (10:10 p.m.)

The minister now is pretending to suggest to the farmers that he is guaranteeing them $1.95½ for wheat. In fact what he is doing is manipulating the wheat pool and the farmers'

own money, and awaiting the day when he will announce the final payment which will no doubt be above the $1.95½, but will, as I have already pointed out, be below the maximum they might have received if the pool had closed off on the same date as it did in the previous year.

The minister is now playing with averages. He has more time because he has fewer sales. However this is not in the interests of the farmers. Calculations of the pool should be made in such a manner as to provide the maximum returns to the farmers. By stalling, the minister is not giving them the maximum returns. He will no doubt achieve his prediction that it will cost the government little or no money to guarantee $1.95½ if he manipulates with the pool account.

If the minister closes off the pool in March, he will then have only four months in which to guarantee $1.95½. Since the sales are relatively slow, it will be easy for him to recover this amount once the new grains agreement comes into effect, that is if the countries sign the agreement.

I therefore suggest that the minister should immediately close off the pool for the maximum benefit to the producer, and he should unequivocally state that farmers will receive $1.95½ for every sale that is made, rather than manipulate the fund and deceive the producers into thinking that they are receiving $1.95½ for every sale when in fact he intends to average out the annual returns in order that the $1.95½ be achieved.

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am sure the Minister of Trade and Commerce would like me to express his regrets at not being able to be here this evening to listen to the hon. member's very effective submission. As he knows, the minister is away in Europe and Asia on a selling mission, and I am sure we all wish him well. We certainly hope he will be able to sell more wheat during his mission there.

The hon. member for Mackenzie has asked whether there will be a transfer of funds to the Canadian Wheat Board as a result of the recent sale of wheat to China. Perhaps I should repeat the government's guarantee to western grain producers as announced by the Minister of Trade and Commerce to the House of Commons on September 27, as recorded at page 2558 of *Hansard*:

> Pending ratification and only until that date, the government is prepared to make up the difference between the agreed schedule of Geneva minimum prices, related to approximately $1.95½ basis No. 1 Northern in store at the Lakehead, and any wheat sold by the Canadian Wheat Board below this level during the period August 1, 1967 and July 1, 1968.

[Mr. Korchinski.]

This means that on any and each sale made by the Canadian Wheat Board between August 1, 1967 and June 30, 1968, at prices under the agreed international grains arrangement minimums, the government will make up the difference to the board. This action was intended to enable the board to price competitively without undermining the per bushel return to producers.

Hon. members are aware that for commercial reasons it has been the long standing practice on the part of the government not to divulge the selling price of wheat in individual markets. I cannot therefore comment on any individual sale by Canada in relation to the minimum prices set out in the new international grain agreement. I can only repeat that the government will reimburse the wheat board for each sale negotiated at a price level under the I.G.A. minimums. The government will shortly be tabling an estimate in the house for this purpose.

POWER—BRITISH COLUMBIA—LOCATION OF NEUTRON GENERATOR

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am very pleased to see that a scientist, the parliamentary secretary to the Minister of Energy, Mines and Resources, will reply to me when I complete my brief remarks. I may say that I represent a riding which includes several research groups interested in scientific achievements. In these groups we find the very large and competent group of the Consolidated Mining and Smelting Company, the research group in Notre Dame University at Nelson, the research group of Selkirk College at Castlegar, and the group concerned with forest research in the Celgar Corporation in the Castlegar district.

All these groups have followed very closely the developments in the research industry, in government and in universities, and they have followed very closely the development of the intense neutron generator. In this connection I want to quote very briefly from *Science Forum*, to indicate the importance of this astounding development. I am quoting from an article entitled, "I.N.G.: A vehicle to new frontiers" by L. G. Elliott, W. Bennett

Lewis and A. G. Ward, men well known in this field:

> Possibly the most contentious issue in Canadian science today is the proposal by Atomic Energy of Canada Limited to build the intense neutron generator. Dispute has arisen primarily because of its high cost (between $150 and $200 million capital cost plus $20 million a year operating cost) and the fear that it will sap government funds away from other areas of science. But there are other issues besides this question of national priorities. Some scientists feel that there has been insufficient discussion of the project, and even that debate has been discouraged. The deans of Canada's engineering schools have expressed concern about I.N.G., but the Science Council of Canada has given its provisional approval. Cabinet approval still is needed before the project can go ahead.
>
> In order to promote discussion of this important issue, *Science Forum* has sought opinions on both the pros and cons of I.N.G. from its principal proponents and other scientists knowledgeable in several areas—engineering and materials science, nuclear physics and high energy physics. These are presented in this and the following articles. Other aspects are dealt with in the comment section.

The article is a complete analysis of the situation from various points of view. There is another article that deals briefly with the opposing views and it is entitled, "I.N.G.: The wrong thing, in the wrong place, at the wrong time". The article reads in part:

> Nevertheless I believe that I.N.G., which is possibly the biggest and certainly the most expensive single undertaking in the history of Canadian scientific research is the wrong thing, in the wrong place, at the wrong time.

The author goes on to give the reasons he has for coming to this conclusion.

Then, I go to another article entitled, "I.N.G.: A good thing—under certain conditions", by K. G. McNeill. He has this to say in part:

> There are, then, two very major logistic problems connected with placement and timing. At the moment, only at Chalk River can the initial development be done, but the final location must be elsewhere—somewhere within an easy hour or two of an international airport, a large industrial centre, industrial research laboratories, a number of universities, teaching hospitals, a major arterial road. With respect to timing, it must be built sufficiently swiftly that exciting experiments are not done elsewhere (as they undoubtedly will be in time), but the urgency must not be such that everything is built abroad. Such matters require decision—and I believe one of the worst things that can happen is for a firm decision about the future of I.N.G. to be delayed or not made clear. If that happens we may finally end up, not with an accelerator in hand, but with an accelerator in the bush, which no one by then will really want.
>
> In summary, I believe I.N.G. is good for science, and that with the right conditions it can be good for Canadian science and good for Canada. But I do not see the guarantee of these right conditions in current plans.

The conditions which this gentleman lays down as to the location, point very definitely to the Kootenays as a suitable site for this development. We have an airport there; we have research laboratories, teaching hospitals, universities and all the rest. It was as a result of the interest in my riding in this important development, Mr. Speaker, that I asked the following question on January 23 of the Minister of Energy, Mines and Resources (Mr. Pepin):

> Mr. Speaker, I should like to address to the Minister of Energy, Mines and Resources a question of considerable importance to the people of this country. In view of press reports about the recommendation of the Science Council of Canada that an intense neutron generator be built at a cost of $150 million, and in view of press reports that the federal cabinet has approved the expenditure of $1 million to investigate a site which would provide an ample source of cheap power, what action has been taken on this question to date and has the minister received representations from mayor F. E. DeVito of Trail, on behalf of the regional district, that the Kootenays be considered for this site as being an appropriate one for the development of cheap power—

• (10:20 p.m.)

The United States is carrying on investigations in this respect in Chicago. Unless we are very careful the United States will be ahead of us in this very unusual and outstanding development. I look forward to the parliamentary secretary's reply with respect to the government's intentions and policy, based on the recommendations of the Science Council of Canada.

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I listened with great interest and not a little sympathy to the submission made by the hon. member for Kootenay West. As he well knows, his area, and certainly the Trail area, has been active in the past in nuclear programs. It was the first source—a very efficient and economic source—of heavy water back in the early days of atomic energy in the mid-40's. From some of the things he said and from some of the things I have read I see no reason why his area would not be seriously considered for the location of a big research project of this type.

I.N.G.—the intense neutron generator project—would if undertaken in this country be the largest basic research program Canadians have ever initiated. Its capital cost would be in excess of $150 million and it would have an annual operating budget of $20 million a year. This is big money in anyone's terms.

The hon. member said that there had been insufficient discussion of this subject. He derived that statement from the new publication "Science Forum", which I think is an excellent one. The authors of this publication are to be commended for their interest not only in I.N.G., its nature, its pros and cons and its location, but also for their intention of going on to explore other scientific projects, as well.

This publication states that the pros and cons of I.N.G. should be looked into very carefully. I can assure the hon. member that the government is looking into them very carefully. The budget for the coming fiscal year 1968-69 is approximately $1.5 million. Those funds are being devoted to further investigation into the desirability of this project being undertaken over the next six or seven years.

There is also the important matter of logistics—as the "Science Forum" described it—of location as well as timing. The hon. member is quite correct; you do need good transportation facilities and an industrial airport. You also need nearby an industrial complex that is really interested in scientific research so that the scientists can talk to other scientists in related disciplines. You need research laboratories of other types.

It is not clear that the I.N.G. development should be located at Chalk River. It could be located in one of half a dozen other areas in Canada. My understanding is that if this project were to go ahead it would have a high Canadian content—75 per cent or more—and would employ at least 50 top grade scientists.

As I said at the beginning, Mr. Speaker, a big decision is involved. It is a very expensive project, one which can, however, break new ground in a big way in basic research in this country. It is being looked at carefully, and I have mentioned the scale of the budget so as to indicate the government's continuing interest and intent in this regard.

Motion agreed to and the house adjourned at 10.26 p.m.

APPENDIX

BROADCASTING—CORRESPONDENCE RESPECTING PROMOTION OF NATIONAL UNITY

[*Translation*]

Montreal, Que., November 6, 4:18 P.M.

The Honourable Judy LaMarsh,
Secretary of State,
House of Commons,
Ottawa, Ontario.

Madame, you have recently stated on private and public television that the CBC must be a factor in national unity, and whoever is not ready to conform to this aim should leave the corporation. You are already interpreting the bill on broadcasting in a manner which is most disturbing and which compromises the exercise of our profession. We take objection to the wording in a law which reads: The national broadcasting service should...contribute to the strengthening of national unity... We believe that our prime role, as producers, is to reflect and to interpret the living reality in a country. We do not believe that official government thinking is necessarily the kind of objective thinking which should be the basis of political and cultural information. The CBC is obliged to bring to light all forms of power in the sense that it must allow a confrontation of forces and debates on the relative values of any given society. If we are to be the vehicle for or to promote one political line then we are willingly conniving with an organ of propaganda. We have at all times refused to do so; we refuse to do so today, when what you are saying is in short, that the Left will be tolerated on the condition that it be reactionary. And in this way our function as producers will remain while governments come and go. And thus will it be as long as "Ici Radio Canada" and "This is the CBC network" are heard by Quebeckers, "Canadiens" and "Canadians".

The Association of Producers

Claude Sylvestre, Secretary

P.S. The Association includes CBC television producers in Montreal, Quebec, Ottawa, Halifax, Cornerbrook, St. Johns (Newfoundland), Winnipeg, Edmonton, Vancouver. For the promotion of the interests of "Canadiens" and "Canadians".

THE SECRETARY OF STATE
Canada

[*Translation*]

Ottawa, November 10, 1967

Dear Mr. Sylvestre,

I have your telegram of November 6 on behalf of the Association of Producers.

Let me first offer the reassurance, if such is required, that there is nothing in the Broadcasting Act nor is there any intention on the part of the government to in any way interfere with the fundamental right of Canadians, whether CBC employees or otherwise, to hold personal and private political views of their own choosing. The issue then is solely in terms of the responsibilities of CBC employees as, in a very real sense, the custodians of a powerful and valuable national asset provided and supported by the people of Canada.

I trust that I am interpreting your telegram correctly in thinking that we are agreed, too, that no CBC employee has the right to use these facilities entrusted to him as a vehicle for promulgating his own political viewpoint, no matter what that might be. Nor has any employee the right to use these facilities in a manner subversive to the democratic process.

As for your role in positive terms, I support, and I believe the legislation supports, your own interpretation that it is "to reflect and to interpret the living reality in a country." I accept that statement, provided you mean by "reflect" an honest attempt to mirror the broad spectrum of Canadian viewpoints, and by "interpret" an honest effort to present and explain these viewpoints with balance and perspective.

Nor can I take any objection nor find any in the legislation to your thesis that the CBC should not be "an organ of propaganda" in promoting particular political policies or points of view of any government, party, movement or indeed of any individual.

The Corporation does have a definite right, indeed an obligation, to ensure that these various policies and points of view are exposed to the Canadian people. But the decision as to which proposals are to be implemented rests surely with the people who, forming their judgments on the basis of the

varied information available from the CBC and other media, express their will through their legislatures and their governments. The Corporation's mandate, in short, is to expose problems and identify options for the people, in a fair and balanced way, but not to dictate solutions or choices to them.

The question then is whether Section 2 (g) (iv) in the Broadcasting Act, in fact, infringes either on the essential independence of the Corporation from particular political policies and pressures or on the equally fundamental requirement that the citizens of Canada have available to them through the CBC a comprehensive and balanced exposition of all available viewpoints.

I think one must look for the answer to this question first and foremost among the reasons why we have a Canadian Broadcasting Corporation, why it was decided in 1932 to establish a publicly-owned broadcasting system and why that system has been supported and re-enforced by succeeding Parliaments continuously since that time. Let me refer to but two of the statements which the then-Prime Minister, R. B. Bennett, made in introducing the legislation in question:

"Canadians have the right to a system of broadcasting from Canadian sources equal in all respects to that of any other country. The enormous benefits of an adequate scheme of radio broadcasting controlled and operated by Canadians are abundantly plain. Properly employed radio can be *a most effective instrument in nation-building* with an educational value difficult to estimate."

And again:

"First of all, this country must be assured of complete control of broadcasting from Canadian sources, free from foreign interference or influence. Without such control radio broadcasting can never become a great agency for the communication of matters of national concern and for the diffusion of national thought and ideals and without such control it can never be *the agency by which national consciousness may be fostered and sustained and national unity still further strengthened.*"

The underlining is, of course, mine—to stress the most fundamental fact!—the CBC was created, and has been maintained since, not as an agency independent or neutral from Canadian unity, but precisely to foster and enrich that unity. Or, to use the words of Bill 163-C, "to contribute to the strengthening of national unity."

Certainly the CBC is independent of government. As you so aptly put it, its function remains "as governments come and go." But the CBC never has been and is not now independent from Canada, from the existence of this country as a single sovereign state. In truth, the Corporation draws its own existence from the very fact of Canada.

That does not mean, of course, that the CBC is bound by the concepts of national unity laid down by Mr. Bennett in 1932 or by any other government, past or present. Surely the applicable concept or form of national unity at any point in time is precisely what the people of Canada at that point in time want it to be for that point in time. If the process of nation-building is never ending, so certainly the political arrangements of a single unified state are not bound in time or cement.

As I have noted previously, we agree that the CBC has a right and obligation to contribute to that process by, in your own words, reflecting and interpreting the various viewpoints available at any particular time concerning these arrangements. But in meeting this responsibility, the CBC must act within the bounds of its overall mandate to contribute to the development, not the destruction, of our national unity, whatever particular form the people of Canada might will for it at any given point in our history.

In that context and in those terms, I find nothing in the new broadcasting legislation to contradict the role of CBC producers as you yourselves envisage your professional responsibilities.

Sincerely,
Judy LaMarsh.

HOUSE OF COMMONS

Tuesday, January 30, 1968

The house met at 2.30 p.m.

LABOUR AND EMPLOYMENT

First report of standing committee on labour and employment—Mr. Faulkner.

[*Editor's note: Text of foregoing report appears in today's Votes and Proceedings.*]

CANADIAN CONSTITUTION

STATEMENT ON ARRANGEMENTS FOR FORTHCOMING CONFERENCE

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to make a short statement about arrangements in contemplation of the forthcoming constitutional conference which opens next Monday.

The agenda of the conference was included with my letter of January 16 to the provincial premiers, copies of which were tabled in the House of Commons on January 25 and included in *Hansard* of that day. In my letter I suggested to the premiers that "we agree to make public the opening sessions of the first day when the various governments ordinarily present their initial statements". I also suggested that consideration could be given to having the closing session public. Arrangements are accordingly being made to permit full coverage by television, radio and press for these sessions.

So far as admission to the conference room itself is concerned, the main problem is space. The conference will be held in room 200 of the west block. After providing for the various delegations and their staffs, for television and radio facilities, and for the translation and secretarial facilities that are necessary, there will, I am afraid, be very little space in the actual chamber itself for members of parliament, for representatives of the press or for others. It has seemed to the government to be best to divide what space there is equally between representatives of the information media and members of the different political parties represented in the House of Commons. I wrote yesterday to the leaders of the various parties indicating that there would be, of course, accommodation for the leaders themselves, and giving an allocation of seats on a party basis roughly in proportion to representation in the house. It will be for each party to determine to what members the seats should be allocated.

For other members of parliament who may be in a position to be present and for the press we will have closed circuit television in a number of rooms in the west block. In addition there will be the normal television and radio facilities.

As I said yesterday, it will be for the conference to decide when and to what extent it may be desirable to hold executive sessions. Several of the premiers have expressed the view that executive sessions may be necessary for the purpose of negotiation and full and frank discussion leading to agreement. Such private sessions have, of course, been the almost invariable pattern, for federal-provincial conferences in the past, but I think a substantial departure from past practice is desirable because of the special nature and importance of the matters to be discussed.

As members are aware, the Minister of Justice is visiting the provincial capitals to have advance discussions with the premiers and their advisers in order to ensure that the meeting beginning February 5 will be as productive as possible. The government will also be publishing, and will table in the House of Commons later this week, a document on its proposal for the establishment of a Canadian charter of human rights. The recommendations of the royal commission on bilingualism and biculturalism have of course been public for some weeks and they will be on the agenda. I shall be making an opening statement to the conference, which I expect will be accompanied by additional material that will be made public—that is, the additional material —before the conference opens.

It is the hope of the government, as I am sure it is the hope of all members of the house, that we may see real progress at the conference itself and at meetings to follow, in the achievement of more satisfactory arrangements within the confederation of today and in the review of our constitution to ensure as effective provision as possible for the confederation of the future.

Canadian Constitution

• (2:40 p.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to thank the right hon. Prime Minister for his statement and the information he has given about the arrangements relating to the conference, in particular the arrangements made for representatives of parties in the house to attend as observers, as well as arrangements for other members of the house to follow the proceedings on closed circuit television.

The conference is, of course, one of tremendous importance. I would think it is certainly the most important federal-provincial conference to be held in my time in politics. It will certainly be the fervent wish of all members of the house, and indeed of all people in the country, that substantial progress be made.

The Prime Minister referred to a charter of human rights to be tabled in the house. We shall not attempt to make any comment on that until we see the proposed charter. If I may express a particular hope, however, it would be that it will be possible for the conference to make initial, substantial progress. I think we all recognize that the problems are of such an order that it would not be practical to expect a complete solution to be achieved in two or three days or even several times two or three days, but I hope the accomplishments in those two or three days will be substantial. I also hope that at the conference arrangements will be made for continuing not only discussion but working parties, so the country can proceed with actual work on these very important matters.

I repeat what I said when I started, that I regard this as a conference of the greatest importance and I wish the Prime Minister, his colleagues and the provincial premiers the utmost success in their deliberations.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, we are appreciative of the arrangements the Prime Minister has made so the various parties in this house can have representatives as observers at the proposed constitutional conference. I think this is a very useful move if the members of the house are to be properly informed so that later we can discuss intelligently the whole question of constitutional change in this country.

I would like to ask the Prime Minister whether he would give some thought to making it clear to the provincial premiers that if they in turn would like to include in their

[Mr. Pearson.]

delegations representatives from the opposition parties in the legislatures, they would be entitled to do so. I happen to know that in one or two instances premiers have indicated a willingness to do so, provided this were acceptable to the federal government. I think the more people we can involve in this dialogue that will go on for the next few months in Canada, the better the chance that we will get some mutual understanding of the problems.

I would also like to ask the Prime Minister whether he would give some thought to the possibility of the observers being allowed to sit through the closed sessions of the conference. I know this is not customary when federal-provincial conferences are discussing financial matters and agreements, but in view of the fact that at this exploratory conference matters will be discussed which will ultimately have to be debated in parliament and in all the provincial legislatures, it seems to me there would be a better opportunity for an understanding in depth of the problems that confront this country if the observers were allowed to attend throughout the entire conference. I recognize, of course, that the Prime Minister himself could not make this decision and that the premiers in attendance would also have to agree, but I would like to proffer it to the Prime Minister as a suggestion.

Finally I would urge again, as we have done so often in the past, that following this conference the Prime Minister give serious consideration to the setting up of a parliamentary committee to discuss the constitutional changes which may be necessary in this country to ensure that our constitution is in keeping with the times in which we live. The parliamentary committees which have been in operation during the past few years on a number of topics have demonstrated the extent to which it is possible in this house to achieve a consensus on many controversial subjects. I think a parliamentary committee might do the same thing with respect to constitutional changes.

I should like to say also that we consider this constitutional conference to be one of the most important gatherings in our time. We hope it will be a success, and certainly anything we can do to contribute to a better understanding and to better co-operation among all parts of Canada will be done to the fullest extent possible.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, we have listened to the statement made

by the Prime Minister and, for the time being, we are satisfied, though we will attend the conference as observers only, since I understand that representatives from every party will be invited.

I consider this conference as one of the most important ones up to now. We are entering in a negotiation era which will concern all the provinces and the whole country. I think that this conference greatly interests all the parties in the house.

We bitterly regret that our parliamentary system does not allow representatives of the opposition to participate actively in the negotiations instead of attending the conference only as observers. Having been elected by the people, I feel that we are all equal and that we have the same responsibilities. I have always deplored the fact that, in such a case as this, we attend simply as observers while the party in power negotiates the agreements. To my mind, this is a defect in our parliamentary system.

I should like to ask the right hon. Prime Minister and, indirectly, the premiers of all provinces, to look into the possibility of inviting us to the negotiating table in this most important circumstance for the whole of the country.

We will consider it a pleasure and a duty to appoint a representative of our party as an observer to follow the progress of this conference which, I hope, will suggest a constitution more beneficial to all provinces and more likely to contribute further to unite Canada from coast to coast.

• (2:50 p.m.)

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we would like to thank the Prime Minister for the outline he has given us today with respect to the forthcoming federal-provincial conference. I think it is logical to give the members of this house the opportunity of attending the conference, at least as observers, because in recent months some criticism has been voiced over the fact that we seemed to be moving in the direction of government by federal-provincial conference. I believe this move will assist in dispelling the fears in this direction.

The Prime Minister has indicated something of the agenda for the conference. I was rather perturbed to read in the newspapers the other day a statement to the effect that an outline of the government's proposals to be advanced at the conference was presented to the Quebec Liberal convention. I thought this was rather improper, if such was the case, and perhaps there should be some clarification of this point.

I am sure we all desire the further development of our confederation. Without question there will be a wide divergence of opinion as to how this objective is to be achieved. As has been stated, this conference will be more or less of an exploratory nature and it will take a great deal more discussion and many more conferences to work out a program that will be adequate for the needs of Canada and contribute to the development of this great nation.

OIL

INQUIRY AS TO ARRANGEMENTS RESPECTING EXPORTS TO U.S.

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources and ask whether undisclosed commitments have been made by the minister or by the government of Canada regarding the export of our oil to the United States.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I too have seen the article which appeared in this morning's *Globe and Mail* and which contains a certain number of innuendos. One of these innuendos is that there is something tricky about the fact that the figures related to this arrangement have not been revealed. I have no objection to saying that some communications have taken place between the two governments on certain levels of oil export in order to avoid difficulties later. We do not want to have export controls; consequently we have to accept certain restraints in connection with this matter.

I want to say also that the recent exchange is part of the continuing process of negotiation on oil matters between the two countries. There is nothing new in this method. The process has been followed by the present government in the past as well as by previous governments. Let the record speak. The record has spoken eloquently in the past and I am sure it will speak eloquently in the future.

Mr. Stanfield: Does the minister propose to disclose what are these levels to which he has alluded?

Inquiries of the Ministry

Mr. Pepin: No. In my announcement of the 23rd, I think it was, I did refer to a framework of the agreement. This phrase was deliberately chosen. The framework of the agreement is something extremely complex. It includes all sorts of things like the good will of both countries in oil matters; our desire to avoid export controls; our desire not to lose what is referred to as "overland exemptions"; our interest in building the loop—

Mr. Speaker: Order, please.

Mr. Stanfield: In the next few days, Mr. Speaker, will the minister make a statement on motions or on some appropriate occasion outlining the present objectives of this government with regard to oil policy, so the house and the country will be brought up to date on these objectives?

Mr. Pepin: Mr. Speaker, a month or so ago we had a full two day debate on these matters. I spoke for 45 minutes on the subject, and I shall be delighted to send my hon. friend copies of my speech.

Mr. Stanfield: Mr. Speaker, do I understand my hon. friend to indicate that he will not be making such a statement as I requested?

Mr. Pepin: At the time, Mr. Speaker, I said—perhaps it was not very political or partisan on my part—that the policy introduced in 1961 by some hon. members now on the other side of the house was still a valid one, but I said we were improving upon it every day.

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources a supplementary question. In view of the fact that any arrangements between the two governments regarding levels of exports would necessarily involve the plans of the companies concerned, would the minister inform the house whether these levels agreed upon in the communications to which he has referred have been communicated, in whole or in part, directly or indirectly, to the oil companies concerned?

[*Translation*]

Mr. Pepin: Mr. Speaker, it is the second insinuation that I find in that article and I am very happy to be able to answer it as follows. It is normal for the government of Canada to co-operate with private companies, large and small, in all circumstances, in the interest of Canada.

[Mr. Stanfield.]

Second, I would like to say that the project now under way, that is the Chicago looping, had the support not only of the major companies but also of the independent companies. That is shown by the statements made beforehand and by the messages of congratulations we received from the Independent Petroleum Association of Canada.

I would also like to point out to the hon. member that 54 per cent of the shares of the Interprovincial Company are held by individuals.

[*English*]

Mr. Speaker: Order, please.

Mr. Lewis: A further supplementary question, Mr. Speaker. I thank the minister for his general lecture about his co-operation with independent as well as large companies, but may I ask the minister whether, be the companies large, small, independent or dependent, the information that he refuses to give the house has been given, in whole or in part, directly or indirectly to any of those companies?

[*Translation*]

[*Later:*]

Mr. Pepin: Evidently, Mr. Speaker, no company would have invested $100 million in the United States and $80 million in Canada without having an idea of the economic possibilities of the project.

Mr. Lewis: That is no answer.

[*English*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the minister what I hope is a straightforward and direct question to which I also hope he will give a reply.

Some hon. Members: Oh, oh.

Mr. Fulton: Do not hon. members opposite also hope they will get a reply? My question is, are there in effect between the government of Canada and the government of the United States any arrangements with respect to the control of exports of oil from Canada beyond those that have been disclosed to the house or made public?

Mr. Pepin: Mr. Speaker, I have said very clearly that some communications on levels have taken place. I said this was not new, that it had been done previously by this government and by governments before that. However, I insist that even disclosure of figures would not give a true picture of the

situation because the situation is more complex than that. I also insisted on the fact that there were other factors that would have to be taken into account in order properly to judge the situation.

Mr. Fulton: Mr. Speaker, my question did not relate to communications about levels; my question related to arrangements in effect. Are there any arrangements in effect between the two governments beyond those that have been disclosed?

Mr. Pepin: My hon. friend knows that these arrangements that are in effect are made every year. I have been minister—

Mr. Fulton: But they are usually disclosed.

Mr. Pepin: No—

Mr. Speaker: Order, please. We are now embarking upon a debate. This is the question period.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask a supplementary question on this subject. Is the minister prepared to divulge to the house the levels that have been suggested between the two governments with respect to any restriction on oil exports? Is he prepared to give the house the information that has already been given to the oil companies in question?

Mr. Pepin: Mr. Speaker, my simple "no" answer must be understood in the context of what I have already said on this subject.

[*Translation*]

EMERGENCY MEASURES ORGANIZATION

INQUIRY AS TO ESTABLISHMENT OF SCHOOL IN QUEBEC

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Industry and Minister of Defence Production.

Can he tell the house whether an agreement has been reached between the federal government and the Quebec government with a view to establishing a civil defence school in Quebec?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I had talks last week with the secretary of the province of Quebec with regard to his intention of establishing in that province civil defence schools, such as exist in other provinces. No agreement has been reached in that connection.

[*English*]

NATIONAL DEFENCE

NORAD—POSSIBLE CHANGE IN CANADIAN COMMITMENTS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, my question is for the Minister of National Defence. In view of reported negotiations between Canadian and United States officials respecting an overhaul of continental air defence, could the minister advise whether the government intends to bring before the house in the near future proposals that would drastically alter Canada's commitments to NORAD?

[*Translation*]

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the hon. member uses a word which is not quite correct when he talks about negotiations.

We have been aware of certain possible options which the United States government could take and which could concern the North American defence, but no decision in that respect has been taken and no negotiations, as such, have been entered into.

[*English*]

Mr. David MacDonald (Prince): A supplementary question, Mr. Speaker. In view of these considerations would the Minister of National Defence agree to the calling of a joint meeting of the committees on defence and external affairs to consider these far reaching agreements?

[*Translation*]

Mr. Cadieux (Terrebonne): It has already been accepted, Mr. Speaker, and I think that the committees should convene in the near future.

[*English*]

INDUSTRY

CHATHAM, ONT.—CLOSING OF SUGAR REFINERY

On the orders of the day:

Mr. H. W. Danforth (Kent, Ont.): I wish to direct a question to the Minister of Industry. Can the minister indicate to the house whether any steps were taken by the government in an attempt to keep the Canada and Dominion Sugar Refinery in operation at Chatham, Ontario? Or are there any current plans to encourage the reopening of the plant after the unfortunate announcement yesterday by the company that it would close the plant permanently?

Inquiries of the Ministry

Hon. C. M. Drury (Minister of Industry): During the course of the year there have been discussions with the sugar company with a view to seeing whether any arrangements were possible to enable it to continue in operation in that area.

Mr. Mac T. McCutcheon (Lambton-Kent): A supplementary question to the Minister of Agriculture, Mr. Speaker. In regard to the closing of the C and D sugar refinery, what arrangements have been made, will be made or are to be undertaken respecting the payment of subsidies for the growers in that area who supplied the sugar company? Will there be any change in this regard?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the subsidy payments for past years will of course be consummated, but inasmuch as the sugar company is closing its plant there may be no sugar beet business in the area in the coming year. In that event I would take it that subsidy payments will be discontinued. The whole matter will be looked into. I am meeting with the directors of the sugar company this afternoon and everything that is possible within the law will be done to protect the position of the farmers in the area.

Mr. McCutcheon: A further supplementary question, Mr. Speaker. It is pretty obvious that there should not be any sugar subsidy payments if sugar is not being refined. I was referring to the year 1967—

Mr. Speaker: Order, please. The hon. member is presenting argument, not asking a question.

Mr. McCutcheon: On a point of order, Mr. Speaker, the subsidy payment is on the 1967 crop. Actually it is paid in 1968. I merely want to know what the plans are for the 1967 crop.

Mr. Greene: The announcement of the sugar company was only made known to my office yesterday. To the best of my knowledge that is the first time it was made public. Certainly this entire matter will be reviewed, and I shall be very pleased to let the hon. member know about any decisions that are made with respect to any change that may be applicable, just as soon as the government has any change to announce.

Mr. W. H. A. Thomas (Middlesex West): A supplementary question, Mr. Speaker. Could the Minister of Agriculture assure the house and the sugar beet producers of Ontario in the region affected that the contracts as arranged for the 1967 crop will be completed?

Mr. Greene: Mr. Speaker, this matter will certainly be looked into and everything possible will be done to protect the position of the farmers who, as the result of the closing, certainly find themselves in a most difficult position.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ANNOUNCEMENT FOLLOWING PROVINCIAL REPRESENTATIONS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister. I understand the Prime Minister told the press that the cabinet did not finalize its decision with respect to the implementation of medicare in its meeting this morning, but hopes to do so on Thursday. I ask the Prime Minister, does he intend to make a statement on Thursday or Friday on motions with respect to the government's final decision on this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope we shall complete this consideration on Thursday. As my hon. friend knows, we are re-examining this matter in the light of requests made by provincial governments. When our consideration is complete it is my intention then to convey to the provincial governments and the House of Commons the decision we have reached as the result of the request for re-examination, but I cannot give the exact day on which that will be possible.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker. I ask the Prime Minister whether the government has tried to be flexible about the four points that are set out in the bill so some of the plans that now exist in provinces that have medical care schemes can be considered.

Mr. Pearson: Well, Mr. Speaker, I am afraid my hon. friend will have to wait until I make my statement in the house and to the provinces. I hope to do that with a minimum of delay, I assure you.

Mr. Douglas: A further supplementary question, Mr. Speaker. May I ask the Prime Minister whether this reconsideration by the

cabinet applies only to the date of implementation and not to the medicare plan itself as it is contained on the statute books?

Mr. Pearson: Mr. Speaker, in our re-examination we are concerned only with the time of implementation.

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): Yesterday I asked the Prime Minister whether, since the number of unemployed in Canada increased by 87,000 during the past year, the government had any plans to lay before the house to correct this serious situation. The Prime Minister declined to answer my question because he felt my figures might be incorrect. Now that he has been able to read the Dominion Bureau of Statistics daily bulletin for January 11—

Mr. Speaker: Order, please. Will the hon. member kindly put his question?

Mr. Hees: Mr. Speaker, now that the Prime Minister has been able to verify my figures by reading the document I referred to, is he able to advise the house what the government plans to do to correct this serious situation of rising unemployment?

Right Hon. L. B. Pearson (Prime Minister): All our plans and policies are designed to keep unemployment to a minimum, and I hope in that regard we shall be more successful than the government of my hon. friend was some years ago.

Mr. Hees: A supplementary question, Mr. Speaker. Since the government considers it quite satisfactory to have unemployment increase by 87,000 during the year, will it reconsider its plans and see if it cannot do a little better in the months ahead?

[*Translation*]

CLOSING OF PAPER PLANT IN CLARKE CITY, QUE.

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I should like to put my question to the hon. Minister of Manpower and Immigration.

In view of the closing down of the Gulf Pulp and Paper Company plant at Clarke City, the only local industry, can the hon. minister tell us if efforts are still being pursued with a view to finding employment for the hundreds of workers who were laid off in that area?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, that duty falls to our manpower centres, and I believe they are at work trying to find employment for those people.

FLOODS

QUEBEC—REPORTED DAMAGE IN NICOLET AND RICHELIEU COUNTIES

On the orders of the day:

Mr. Florian Côté (Nicolet-Yamaska): Mr. Speaker, may I direct a question to the hon. Minister of Transport?

Has the hon. gentleman received a request from the municipal authorities of the towns of Sorel, Lac St-Pierre, and Port St-François located in the Nicolet and Richelieu constituencies, as a result of flood damage by the St. Lawrence river? If so, would the hon. Minister of Transport be prepared to designate that area as a distressed area?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I have received some representations; I cannot say specifically from which organizations they came without first checking my files. I have made a full inquiry into the background of the whole situation. The brief report I have prepared on the subject is now ready, but I do not yet have a translation. I hope to have it for tomorrow, when it will be available to the hon. gentleman.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question and ask the Minister of Transport whether the report he was supposed to receive from his department about the work of icebreakers on the St. Lawrence is ready and whether the minister intends to make a statement in the house in connection with that report?

[*English*]

Mr. Hellyer: This is the report to which I was just referring. I am not sure that I should make it to the house, but the background will be available to hon. members

tomorrow when I would, of course, be able to answer any other questions by way of amplification.

Mr. J. M. Forrestall (Halifax): I trust this is the report resulting from inquiries to ascertain whether icebreaking is the cause of the flooding or whether some other cause is responsible. In saying he is not sure he should make the report to the house is the minister suggesting that this matter is not sufficiently important to be dealt with—

Mr. Speaker: Order.

Mr. Hellyer: No; it is a very important subject, and I hope the information available will be to the hon. member's satisfaction.

BRITISH COLUMBIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question for the Minister of National Defence concerning the matter I raised with him yesterday, namely the serious threat of floods in the Bella Coola valley. May I ask whether the hon. gentleman has anything to report to the house about the situation?

Hon. Léo Cadieux (Minister of National Defence): I have received a report from the area commander who says he is aware of the serious situation on the Bella Coola. He also informs me that he has had no request for help from the provincial authorities.

Mr. Howard: I am amazed that the provincial government does not exhibit more interest in this matter. Perhaps I might ask the Prime Minister whether any mechanism exists within the federal structure which would permit this area to be declared a disaster area and thus enable—

Mr. Speaker: Order. I do not think that question is in order.

Mr. Howard: On a question of privilege, a few minutes ago the hon. member for Nicolet-Yamaska was permitted to ask a question related to a declaration concerning a disaster area. This is an equally serious matter concerning an area of British Columbia—

Mr. Speaker: Order. The hon. member's first question was permitted. He then asked whether there was a mechanism or procedure available, and I do not think a question of that kind is in order.

[Mr. Hellyer.]

TRADE

REPORTED HEAVY IMPORTS OF VEGETABLE OILS

On the orders of the day:

Mr. George Muir (Lisgar): My question is directed to the Minister of Agriculture. Is the government initiating any steps on behalf of the sunflower growing industry of Canada which is presently threatened by heavy imports of vegetable oils amounting to an estimated 39 million pounds in 1967?

Hon. J. J. Greene (Minister of Agriculture): I shall be pleased to take the question as notice.

Mr. Muir (Lisgar): While he is looking into this question would the minister take notice of the fact that 2,000 tons of sunflower oil has been purchased from overseas for delivery at Toronto—

Mr. Speaker: Order, please.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Would the minister also look into the imports of rapeseed oil?

Some hon. Members: Hear, hear.

Mr. Greene: I would be very happy to do so, as I am aware of the great concern felt by the hon. gentleman for rapeseed and rapeseed oil.

[*Translation*]

CANADA LABOUR CODE

INQUIRY AS TO REPORT ON TRANSPORT INDUSTRIES

On the orders of the day:

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, my question is directed to the hon. Minister of Labour.

Does he intend to give effect to the recommendations made by the Murchison commission concerning the Canadian Labour Code and exclude highway truckers from the normal provisions in the code?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): As I believe I have stated on two occasions in the house within the last ten days, the Murchison report is being considered by officials of my department in the light of representations which have been made both by drivers and employers. When conclusions have been reached by my officials I shall be laying the matter before cabinet.

EXTERNAL AFFAIRS

MIDDLE EAST—INQUIRY AS TO RENEWED HOSTILITIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question for the Secretary of State for External Affairs. Is the minister in a position to give the house any information about serious hostilities which have broken out in the Middle East, reportedly around noon today?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker, I can add nothing to what came over the wire.

CANADIAN CONSTITUTION

REPORTED STATEMENT BY JUSTICE MINISTER RESPECTING PRIORITY

On the orders of the day:

Hon. E. D. Fulton (Kamloops): I have a question to direct to the Prime Minister. Has the attention of the right hon. gentleman been called to a statement made by his colleague the Minister of Justice during a recent television interview, when he said, referring to last April:

> My feeling then was that the constitution was not very high on the list of priorities as things that this country must do. Quite frankly it's still pretty much my feeling now.

In the light of the statement made today by the Prime Minister about the importance of this forthcoming conference and the urgency attached to it, may I ask the right hon. gentleman whether that statement by the Minister of Justice reflects government policy?

Right Hon. L. B. Pearson (Prime Minister): There's no use the hon. gentleman attempting to drive a wedge between the Minister of Justice and myself.

Some hon. Members: Oh, oh.

Mr. Fulton: I am glad the Prime Minister admits a gap is there.

TRADE

SUPPORT OF IMPORT RESTRICTIONS BY U.S. UNION LEADERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Finance. Has the minister been informed of the changing policy by the A.F.L.-C.I.O., that is to say by the heads of the international unions in the United States, by virtue of which instead of supporting liberal trade policies they intend to support protectionist policies aimed at restricting imports, including textiles, manufactured goods and oil, from countries such as Canada in an effort to protect the living standards of United States workers? If so, what does the hon. gentleman intend to do to protect the living standards of Canadian workers?

Hon. Mitchell Sharp (Minister of Finance): I have not heard of any change in the attitude of those organizations, but I am sure the house would agree that if a policy similar to that suggested were followed by organizations such as these throughout the world, mutual impoverishment would result.

FISHERIES

REPORTED EXCLUSION OF HUMANE SOCIETY OBSERVERS FROM SEAL HUNT

On the orders of the day:

Mr. Andrew Chatwood (Grand Falls-White Bay-Labrador): May I direct a question to the Minister of Fisheries. It has to do with press reports claiming that Mr. Alex MacLaurin, president of the Canadian Society for the Prevention of Cruelty to Animals, has expressed a complaint that the Canadian government has barred his observers from the annual seal hunt in the gulf. Can the minister confirm or deny this allegation and, if it is correct, why was this action taken?

Hon. H.-J. Robichaud (Minister of Fisheries): A few days ago I read with astonishment a Canadian Press report which appeared in a number of Canadian newspapers to the effect that the president of the Canadian S.P.C.A. had protested to the Canadian government about being barred, for the first time, from sending observers to the seal hunt.

The facts are as follows. About two weeks ago I wrote to the president of the Canadian S.P.C.A. advising him, well in advance of the seal hunt, that in view of the heavy departmental commitments in connection with law enforcement during the hunt the helicopters and other equipment available to the department must be used solely for departmental purposes. This is altogether different from barring S.P.C.A. representatives as observers from the annual seal hunt.

Mr. J. R. Keays (Gaspé): May I ask the minister whether he will consider notifying the president of the New Brunswick humane society in order to avoid publication of fictitious reports on the hunt.

Inquiries of the Ministry

AIR CANADA

INQUIRY AS TO CHANGE IN FINANCING METHODS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question to direct to the Minister of Finance. Can the minister report any progress with regard to his desire as expressed in the budget speech, to make Air Canada more public?

Hon. Mitchell Sharp (Minister of Finance): Our discussions in connection with the financing of Air Canada are proceeding. I know the Minister of Transport shares my view that very substantial progress is being made in this direction.

WINNIPEG—JET OVERHAUL FACILITIES

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is directed to the Minister of Transport. I wonder whether the minister is in a position to confirm reports to the effect that Montreal will be the future site of intercontinental supersonic air traffic; and does Air Canada still feel its major jet overhaul facilities should be maintained in Winnipeg?

Mr. Speaker: Order, please. I doubt whether this is an extremely urgent matter. I would think it is the type of question which should be placed on the order paper.

BUSINESS OF THE HOUSE

REQUEST FOR MEETING OF HOUSE LEADERS ON BROADCASTING BILL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct this question to the Minister of National Health and Welfare in his capacity as government house leader. In view of the fact that we have now spent at least eight sitting days on one clause of the broadcasting bill, would the government house leader consider calling a meeting of the various house leaders in an effort to see whether we can reach some agreement concerning the amount of time we will spend on this matter?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker. I have already had a word with the house leader of the official opposition. I hope we will get together this afternoon to discuss a possible time limitation with regard to this measure which is now before the committee.

[Mr. Keays.]

INQUIRY AS TO CALLING OF PUBLIC ACCOUNTS COMMITTEE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare in his capacity as house leader. Is it the intention of the minister to call the public accounts committee and, if so, when may we expect that announcement?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would be happy to have a word with my hon. friend, as chairman of the committee, to determine whether a reference should be made to it.

REQUEST FOR CONSIDERATION OF REFERENCE TO TRANSPORT COMMITTEE

On the orders of the day:

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, while I am on my feet, as a point of order may I draw to the attention of members of the house the government order with regard to the reference to the standing committee on transport and communications. There is some desire on the part of hon. members in all parts of the house to have this committee set up. I wonder whether I might call this as the first item of government business on the understanding that it would be passed without debate.

Mr. Starr: We agree to that, Mr. Speaker.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

VETERANS AFFAIRS

INQUIRY AS TO INCREASE IN CEILING ON PERMISSIVE INCOME

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Veterans Affairs. Yesterday, in reply to a question asked by the hon. member for Kootenay West concerning an increase in the permissive income ceiling for war veterans allowance recipients, the minister gave a certain answer. Has the minister now informed himself, and can he give the house the correct answer?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I gave the correct answer as part of the answer to another question raised a few moments later. I think the hon. member will find it a little later on in the proceedings.

FREIGHT RATES

CREAM—INQUIRY AS TO APPLICATION OF NEW RATES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. On November 27 the minister indicated that the proposed 1,000 per cent rate increase on cream shipments by rail would be postponed for 60 days to allow for further consultation. Since 60 days have almost elapsed has the minister any further information with regard to the rates?

[*Later:*]

Mr. Korchinski: Mr. Speaker, may I ask the minister if he does not have the answer to my question today, whether he will give it at a future date.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I do have the answer. I was involved in the solution of a very important problem at the time the hon. member asked the question. I appreciate his geniality and co-operation in posing the question a second time.

I presume he is referring to the freight rates on cream. The railways have advised the commission that they will file tariff supplements to further postpone the coming into effect of the increase on cream and return empties for a period of at least another 30 days beyond February 3.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

SHORTAGE OF BILINGUAL OFFICERS ON PARLIAMENT HILL

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Prime Minister.

In view of the fact that more than four years ago, the Prime Minister promised that members of the R.C.M.P. on duty on parliament hill would be bilingual, and in view of the fact also that nothing seems to have been done in this direction until now, could the Prime Minister tell me when measures will be taken to ensure that members of the R.C.M.P. on parliament hill are bilingual to greet people coming from all parts of Canada?

Mr. Speaker: I do not believe this is truly an urgent question that may be put at this time.

If the hon. member considers there is really an emergency, he might bring it up on the adjournment motion.

Mr. Grégoire: I must admit there is no great urgency because this matter has been under consideration for four years.

[*English*]

CANADA PENSION PLAN

TOBACCO—INCREASED EXEMPTIONS TO ASSIST GROWERS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of National Revenue. Is the minister prepared to answer the question I asked on January 22, with regard to increasing the exemptions for contributions under the Canada Pension Plan for casual workers in agriculture?

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, I am not in a position to reply today but I will do so tomorrow.

[*Translation*]

[*Later:*]

Mr. Chrétien: Mr. Speaker, I am now ready to answer the question asked by the hon. member for Middlesex West.

A change such as that suggested by the hon. member would require an amendment of the Canada Pension Plan which would have to be approved by the provinces. This matter, like all those concerning which representations have been made, will be given careful consideration the next time the house studies the Canada Pension Plan with a view to effecting changes therein.

[*English*]

FINANCE

PROTECTION FOR GREENHOUSE OPERATORS—REPORTED STATEMENT BY TRADE MINISTER

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, may I direct this question to the right hon. Prime Minister. I do so because of the grave importance this matter has in respect of the greenhouse industry. Has the Prime Minister's attention been drawn to a recent speech by the Minister of Trade and Commerce in Toronto in which he is reported to have said that he suspects that any protection given the greenhouse industry will be of a temporary nature so the growers can phase out their capital commitments and seek other means of earning a livelihood. May I ask the

right hon. gentleman whether this is a reflection of official government policy in this regard.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my attention has not been directed to this report of the speech. I shall be glad to look into it.

SHIPPING

REPORT ON ADMINISTRATION OF SMALL BOAT HARBOURS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport. Now that he has solved his problem for the moment I should like to ask him, in view of the growing concern among commercial fishermen and other boat owners on the coast of British Columbia about the continued application of the 1964 wharfage regulations, whether he is now in a position to inform the house what are the intentions of the government in respect of implementing the recommendations in the report of Dr. Tom How concerning side wharfage and small vessel harbour administration.

Hon. Paul Hellyer (Minister of Transport): I am not in a position to do so at the moment, Mr. Speaker. This is a very complicated question, as my hon. friend knows. I might try to do so at a later date, but I do not have the information at the moment.

Mr. Barnett: Mr. Speaker, would the minister be bold enough to give us some target date by which he expects to make an announcement?

Mr. Hellyer: I think I would be prudent not to do so, Mr. Speaker.

[*Translation*]

AGRICULTURE

INQUIRY AS TO REPORT OF TASK FORCE

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

Some months ago, the government established a committee to inquire into the situation of farm problems in Canada. Is the preliminary report of this committee expected soon?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the first report is expected in December 1968.

[Mr. Danforth.]

[*English*]

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—INQUIRY AS TO PROGRESS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Minister of Public Works. Since Colonel Edward Churchill has been working for about half a year on the rescheduling and revising of plans with regard to the Northumberland strait crossing, can the minister tell us when we may expect a resumption of that important project?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the project is proceeding very well at the present time. I do not know what the hon. member means by "resumption".

CANADIAN CONSTITUTION

ATTENDANCE AT CONFERENCE OF PROVINCIAL OPPOSITION PARTY REPRESENTATIVES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister. I understand that on motions my leader, the hon. member for Burnaby-Coquitlam, suggested that the Prime Minister might indicate to the provincial premiers that the provincial opposition leaders or their representatives might be invited to the forthcoming federal-provincial conference in the same capacity as the opposition members of this house. Will the Prime Minister give consideration—perhaps favourable consideration—to this suggestion?

Right Hon. L. B. Pearson (Prime Minister): I shall be very glad to do that, Mr. Speaker. Of course it is entirely up to the premiers of the provinces whether they would wish to bring with them representatives of the other parties. We would have no objection whatever. Of course the question of space would be involved, and we might have to throw out some of the press and radio representatives.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to ask a supplementary question and ask the right hon. Prime Minister whether the independent members will also be invited as observers to this conference?

[*English*]

Mr. Pearson: Mr. Speaker, I think my hon. friend should be given representation in exactly the same proportion as the other parties.

INDIAN AFFAIRS

INQUIRY AS TO CONFERENCE ON ADMINISTRATIVE PROBLEMS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. On November 20 the minister indicated he had received representations from Manitoba, Saskatchewan and Alberta pertaining to Indian affairs, particularly as they affect the responsibility of provincial governments in respect of child welfare. Has any decision been reached as a result of these representations and is the minister in a position to disclose that decision to the house?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think a not dissimilar question was asked by the hon. member on November 20. I told him at that time that we had replied to the prairie provinces suggesting that in our view the problems were different in each province and that we might prepare some background papers before we met. I received a letter today from Hon. Mr. Colborne of Alberta who thinks it is quite unnecessary to prepare papers and wants a meeting held soon.

I want to assure the house that I am gratified by what I interpret as an indication on the part of the prairie provinces that in their view now the Indians of Canada, in addition to being Canadian citizens, are also citizens of the provinces. I am sure hon. members will also be gratified by that realization. There seems to be an indication that the provinces are agreed that the services granted to all other citizens in the provinces should be granted as well to the Indians, so we will not be long delayed in meeting with the provinces.

TRANSPORT AND COMMUNICATIONS

CONSIDERATION OF ATLANTIC PROVINCES TRANSPORTATION PROBLEMS

Hon. Paul Hellyer (Minister of Transport) moved:

That the Standing Committee on Transport and Communications be empowered to consider and report upon all aspects of transportation as they relate to the Atlantic Provinces, taking account of the conclusions and recommendations of the Atlantic Provinces Transportation Study, January, 1967, Volumes 1 to 12, prepared by the Economist Intelligence Unit Limited, and the Report of the Royal Commission on Transportation, 1961, Volumes 1 and 2, and recommend what measures should be initiated in order that the national transportation policy may be as fully implemented as possible in the Atlantic Provinces.

That the said Committee shall examine, in particular, the effectiveness of the Maritime Freight Rates Act with power to study and make recommendations concerning:

(a) changes or alterations which may now be desirable in the Maritime Freight Rates Act; and

(b) alternative methods of assisting transportation in the Atlantic Provinces either in addition to the Maritime Freight Rates Act or in substitution therefor in whole or in part with the purpose that maximum benefits be obtained by the Atlantic Provinces from the expenditure being made.

That for the purposes of this inquiry, the said Committee shall be empowered to adjourn from place to place within Canada; that the Clerk and necessary supporting staff be authorized to accompany said Committee, and that the Committee be authorized to engage the services of counsel, accountants, etc.

Motion agreed to.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Monday, January 29, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Tardif in the chair.

On clause 2—*Broadcasting policy for Canada.*

[*Translation*]

Mr. Grégoire: Mr. Chairman, when the house adjourned last night, I was stating my opposition to the passing of clause 2(i) of Bill No. C-163.

I was saying that education is not a matter of federal responsibility but that, under the British North America Act, it comes under the jurisdiction of the provinces. That is why I do not see any need for paragraph (i) which stipulates that:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting.

I was saying, Mr. Chairman, that Quebec already has facilities for educational broadcasting and I would like to correct my statement to that effect. It would have been more

accurate to say that Quebec owns a studio and that it has rented some equipment to make films that would be shown on television as educational programs.

In fact, there is now a pilot project known as "Tévec" which is merely an experiment, as should be done normally. A quite numerous team is now working on this.

A series of studio programs has been produced with rented equipment, it is true, and not only is the project under way, but it is making good progress.

A few members of that team were telling me today that if the experiment proved a success, Quebec would purchase equipment for educational broadcasting and if it failed, it would drop the project. Therefore, I am of the opinion that it is useless to provide the Canadian broadcasting system with such equipment which will be of no use, since experiments would have been unsuccessful.

Therefore, I wonder why that subclause is included in Bill No. C-163. I think that it would be a duplicate use of public funds, since Quebec is now organizing such an educational broadcasting system, since it already has a well-experienced team working in that field and has rented the complete equipment to start producing educational programs. I wonder why Ottawa would start over and pay again for present facilities.

Administrative efficiency requires indeed that duplication of expenses be avoided for already available equipment.

This is why, Mr. Chairman, as a result of the constitutional and practical arguments which I put forward yesterday in affecting to that subclause, the presentation of an amendment is advisable.

Therefore, I would move that subclause (i) of clause 2 be purely and simply deleted, because it adds nothing to the bill on Canadian broadcasting and, moreover, it is contrary to the constitution, to the British North America Act.

The Assistant Deputy Chairman: If the hon. member is against this subclause of clause 2, all he has to do to show his disapproval is to vote against it when it is put to the vote.

Mr. Grégoire: As you wish, Mr. Chairman; do that.

[*English*]

Mr. Prittie: Mr. Chairman, I do not want this part in respect of educational facilities to pass without making some remarks about it. When the committee on broadcasting begins its hearings on educational television one of the problems it will have to solve is the definition of educational television. I suggest it might be a little difficult to define this phrase because there are two possible definitions. The first relates to educational television for elementary and secondary schools and perhaps colleges. The second relates to adult education.

Having regard to school broadcasting, it seems to me there has been an inexcusable delay in bringing in a bill to establish facilities for educational television. At least two provinces that I know of, Alberta and Ontario, have been pressing the federal government for some time to build these transmission facilities. Indeed, Alberta was ready to start a year and a half ago and Ontario has been rather impatient.

The committee on broadcasting is going to begin its hearings on this subject on February 8. It will be hearing from those provinces which wish to be represented and from representatives of private organizations and perhaps from individuals. At the rate we are dealing with broadcasting matters here in Ottawa it is difficult to tell when this program will actually come into force. The committee will hold hearings in February and March and some time after that the bill will come back to the house. So educational broadcasting may not even begin in the year 1968.

• (3:40 p.m.)

I have the feeling so far as school broadcasting is concerned that we are once again in the position where events may overtake us. It seems to me that before very long schools in the urban areas of Canada will not be requiring the regular, through the air transmission facilities. With the developments which have taken taken place in closed circuit systems, more extensive use of films and videotapes and that sort of thing, it seems to me that the larger centres and any school district which is in an urban area will not need through the air facilities. They may still be required for some time to come in rural areas, but I suggest that technical developments are overtaking us in this field.

With regard to the second possible definition of educational television, that concerning adult education, I think there are some difficulties. The definition is very difficult. "Adult education" can mean almost anything. It can mean the ordinary type of public affairs broadcasting which is now taking

place on the regular television and radio stations, it can mean actual instruction in university and college courses for adults, and it can mean instruction of the type with which the department of manpower is concerned. I remind the hon. member for Lapointe that this is a very legitimate concern of the federal government which recognizes that it is responsible for manpower training. Television can be used for this purpose.

It seems to me that the general heading of "adult education" might be interpreted in some provinces to mean political broadcasting as well, and this is where the difficulty may lie. If some attention is not given to this aspect of the matter we will have ten provincial systems of broadcasting in relation to adult educational programs and while some of the broadcasting carried out may indeed provide adult education some of it may simply be propaganda or politics.

I do not know how this difficulty can be overcome. It may be that in each province it will be necessary to establish an authority such as the Independent Television Authority in Britain to be responsible for adult educational broadcasting. I am thinking of an authority on which would be represented the Canadian Association for Adult Education, or the provincial equivalent, the school trustees, associations of teachers, and perhaps chambers of commerce and trade unions. It seems to me that unless we figure out how this matter is to be handled by some independent authority, educational television under the general heading of "adult education" will be open to possible abuse. There are very great possibilities in this area which need to be explored and exploited. I hope we can find a way of doing it so that this type of broadcasting does not become simply a propaganda arm for provincial governments.

Mr. Noble: Mr. Chairman, it seems to me that many of the complaints, suggestions and observations which hon. members have been making in the last few days respecting the operations of the C.B.C. and Bill C-163 have been made in succeeding sessions of parliament for several years. Yet the C.B.C. goes on its merry way paying very little attention, if any, to appeals made by members of this house in their crusade for the elimination of programs from the C.B.C which are offensive to a wholesome and decent way of life. The type of degrading—

Mr. Stanbury: On a point of order, Mr. Chairman, which subclause is under discussion? If it is subclause (i) I think the hon. member is off base.

Mr. Noble: I will come to that, Mr. Chairman, if you will give me a little time. I think we can deal in generalities.

Miss LaMarsh: No, you cannot.

The Assistant Deputy Chairman: Order, please.

Miss LaMarsh: We have been on this bill for nine days and nobody can deal in generalities.

Mr. Noble: The type of degrading programs that many objected to as far back as October, 1964, have been presented from time to time without moderation. We appear to be as helpless today as we were then in having action taken that would assure clean entertainment. Two films that were viewed on the C.B.C in recent weeks and which aroused the ire of people across the country were "Waiting for Caroline" and "The Ernie Game". These films were indecent, immoral and revolting. They were produced jointly by the National Film Board and the C.B.C. at a total cost of $831,-813.72 and their completion took 70 people 84 weeks and five days.

Miss LaMarsh: Mr. Chairman, the hon. member is now seeking to circumvent your ruling. He must be aware of the rules because he has been a member of the house much longer than I have, and he must know after nine days of debate that the house has a number of times decided that we would stick strictly to the subclause under discussion. "The Ernie Game" and "Waiting For Caroline" were programs of general entertainment value on the C.B.C. and have absolutely nothing to do with educational television.

The Assistant Deputy Chairman: I agree that the hon. gentleman may not be confining his remarks to the discussion of this particular subclause. I was listening to him very carefully and hoping that eventually he would come back to the subclause. I presume that is what he intends to do.

Mr. Noble: The showing of these films by the C.B.C. was an insult to the intelligence and moral standards of this nation. Hundreds of letters and telephone calls were directed to members of parliament and senators voicing their disgust and anger.

Miss LaMarsh: What are you reading from?

Mr. Noble: It seems that the powers that be in the C.B.C. who are charged with the responsibility for programming have depraved and perverted minds and their desire and motive are to reduce all Canadians to their own level.

Miss LaMarsh: What are you reading from?

Mr. Noble: There was evidence of such behaviour on the program "The Way It Is" on January 21 last, when a young man, apparently well educated—

Miss LaMarsh: I am sorry to keep returning to this subject, Mr. Chairman, but there is a great deal of public business to be done. The members of the opposition who were on the committee have had their say. We have had nine days of debate on this clause. The hon. member is making a mockery of the rules of the house. He is reading from a prepared script, and his remarks have nothing whatsoever to do with the clause now under debate.

The Assistant Deputy Chairman: To make the matter a little clearer may I read the subclause we are studying at the moment. It reads as follows:

(i) facilities should be provided within the Canadian broadcasting system for educational broadcasting;

That is the subclause under study at the present time.

Mr. Sherman: Mr. Chairman, perhaps it would help matters if I pointed out to my colleague the hon. member for Grey North that, as he is probably aware, subclause (h) was stood for consideration yesterday in deference to my request, and suggested that perhaps the hon. member's remarks would apply more aptly to the study of subclause (h) with regard to which we propose to move an amendment, as the minister knows. It might help to expedite the passage of the subclause now under discussion if the hon. member would take that into consideration.

Mr. Noble: If this is your wish, Mr. Chairman, I will gladly postpone my remarks until subclause (h) is under discussion and will speak then.

The Assistant Deputy Chairman: Actually this is not the wish of the Chair. The wish of the Chair is that the hon. member confine his remarks to the subclause under study. I doubt very much that if he waited until subclause (h) was under study what he has been saying would apply. I am sure the committee would prefer, and the rule is, that the hon. gentleman confine his remarks to the subclause under study.

• (3:50 p.m.)

Mr. Noble: Mr. Chairman, if the minister is going to continue interrupting I will wait until I am in order to make my speech. If the minister really wanted to get this bill through she would not make these interruptions and I would have completed my speech by now.

Miss LaMarsh: We have been here for the last nine days.

The Assistant Deputy Chairman: Is the committee ready for the question? Shall subclause (i) carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I wish to insist upon the fact that education in no way falls under the jurisdiction of the federal government and, before we vote on this clause, I should like to emphasize that education is a matter for provincial jurisdiction.

We talk about constitutional reform, but the first thing we do is to put the constitution completely aside.

Mr. Béchard: Mr. Chairman, I rise on a point of order.

The hon. member knows very well that the central government recognizes the jurisdiction of the provinces in the matter of education. The right hon. Prime Minister (Mr. Pearson) and the Minister of Justice (Mr. Trudeau) have made statements to this effect on several occasions. However, education is not an issue here, since subclause (i) deals with technical facilities for educational broadcasting and not with education itself.

Mr. Grégoire: Mr. Chairman, the parliamentary secretary says that technical facilities by means of radio and television broadcasting are involved. On the other hand, the broadcasting system is under control of the federal government. The federal government has authority over the broadcasting system and controls the facilities of educational broadcasting and, obviously, the federal government will control the educational broadcasts. That is what paragraph (i) provides:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

This means that educational television will be turned over to the federal government. If this is done only to simplify things, the fact that the Quebec government and other provincial governments already have facilities for educational television should also be taken into consideration.

There is in Quebec a pilot-project called "Tévec" created by an organization presenting educational programs in Jonquière and Chicoutimi. It is a pilot project being tried out in the Saguenay-Lake St. John area. Obviously, the Quebec government did not wish to extend it throughout Quebec until tests are made in a given area. Precisely, the area of Saguenay-Lake St. John was chosen as a pilot area for educational TV.

The member for Lake St. John (Mr. Simard) is here; he is aware that every morning and every night, the private television stations are broadcasting educational programs under the Tévec plan.

The Assistant Deputy Chairman: Order, please. The hon. member is now speaking of educational programs supplied by the province. The clause now under discussion states:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

This does not means, in the opinion of the Chair, that the federal government will interfere in educational programs. The educational programs mentioned by the member are provincial educational programs and are not in the least related to the clause now under consideration.

Mr. Grégoire: Exactly, Mr. Chairman, to connect it to the clause, I take the following example: If the Quebec government already has its own television facilities for educational purposes, why should the federal government interfere in the field of education? That does not make sense.

I say that education comes under provincial jurisdiction and the federal parliament wants to get into a field which is the sole responsibility of the provinces by including in one of its bills a clause which says:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting.

I am told: We do not want to interfere in the field of education, we want only to provide facilities for educational broadcasting within the national broadcasting service. Why then would the federal government get equipment for educational broadcasting if it has no intention of using it?

Mr. Béchard: Mr. Chairman, I rise again on a point of order.

I repeat that the federal government has no intention of interfering in the field of education, which is exclusively provincial. Subclause (i) reads as follows:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

If we recall recent interventions of the hon. member for Lapointe on the words "should" and "shall" I think he should take into consideration what is written, and not make a speech on education.

On the other hand, broadcasting is a field of exclusive federal jurisdiction. Then, anything which may happen in the field of educational television within the provinces should become the subject of an agreement with the federal government, since broadcasting comes exclusively under federal jurisdiction.

Then, Mr. Chairman, I believe, that this house is wasting its time when it discusses education with regard to facilities for educational broadcasting.

Mr. Grégoire: Mr. Chairman, the house is not wasting its time unless the matter is badly explained. The parliamentary secretary stated that broadcasting comes under federal jurisdiction. He also added that education is under provincial jurisdiction.

Now, when the British North America Act was drafted, there was no radio nor television. But nevertheless, there were educational systems. However, they decided that the field of education was exclusively within provincial jurisdiction. The word "exclusively" is clearly mentioned.

Now the parliamentary secretary stands up and tells us that, in order to have educational programs, an agreement between the federal and provincial governments is necessary. If an agreement is necessary, then we cannot speak of the matter being exclusively within provincial jurisdiction.

The parliamentary secretary says that an agreement is necessary because broadcasting comes under federal jurisdiction. Let us admit that broadcasting comes under federal jurisdiction; there is nothing to prevent educational television programs now broadcast in the area of Saguenay-Lake St. Jean, to be

broadcast following an agreement with the federal government.

What happens is this: the Quebec government has rented some equipment so as to prepare school films, which are shown on television through private stations, for an hour in the morning and at night, at a given time. Such initiative did not require any agreement between the federal and the provincial government because the latter does not have to conclude an agreement with the Ottawa government with regard to education.

The provincial government had the right to reserve periods of time with the private stations in Quebec, and it did so, and no agreement with federal government is required.

In the light of the proposed paragraph—the parliamentary secretary points out that it says "should" and not "shall", and that therefore there is no obligation—however, it must be recognized that the word "should" and not "shall" is found all through the clause. In fact, paragraph (b) reads as follows:

—that the Canadian broadcasting system should be effectively owned and controlled by Canadians—

• (4:00 p.m.)

It does not say "shall". All through that clause which includes about ten paragraphs, we can read "it should be this way", and not necessarily "it shall be this way". The word "should" is always used. It is clumsy from start to finish. It is with "should"s that, at one point, thanks to precedents, the whole thing becomes "shall". You say: It is not compulsory, but the system should be equipped for educational broadcasting. Will you have me believe that the C.B.C. will not do something about that? Not at all. The C.B.C. will have its own educational broadcasts and school programs, unless the hon. Secretary of State can explain things otherwise for that is what I read in this paragraph. If there is another explanation, perhaps the hon. Secretary of State can clarify the meaning of that clause.

[*English*]

Miss LaMarsh: Perhaps my hon. friend will permit me to ask him a question. Does he understand that the word "system" in this subclause and throughout the bill does not mean the C.B.C. but rather refers to both the public and private sectors?

[*Translation*]

Mr. Grégoire: Let us grant it may be public and private. I cannot see very well how private television could afford the equipment for educational purposes, when these are non profitable and cannot be sold. The government does not sell commercials—

[*English*]

Miss LaMarsh: Did my hon. friend not just tell us that there are pilot projects in the province of Quebec in the private sector of broadcasting? How else does he think there can be such pilot projects unless there are facilities for them?

[*Translation*]

Mr. Grégoire: Yes, Mr. Chairman, some educational television programs are shown in the Saguenay-Lake St. John area; it is a pilot project. Why? For two reasons. The first is that Quebec has acquired the facilities required to make excellent educational films. The second is that the Quebec government has bought time from television stations. But private stations do not have any facilities for educational programs; it is not up to private stations to pay for the broadcasting of educational programs. Education does not come under the jurisdiction of private stations but of the Quebec department of education. Private stations will not acquire all the facilities required for educational programs, because they are costly and do not pay.

Who, then, will have the facilities for educational broadcasting? The hon. Secretary of State says that these facilities will be provided within the Canadian broadcasting system. But we know very well that, in the final analysis, this means the C.B.C. The public broadcasting system is the one which will have these facilities, because it is financed by the federal government using taxes paid by the whole Canadian people. When the public broadcasting system has these facilities, it will be a crown corporation, a federal body and will produce its own educational programs.

This is contrary to the constitution and provides for duplication in the use of public funds, since the provinces have begun to acquire these facilities and are sponsoring pilot programs, experimenting and developing educational television.

Why such a duplication of public funds? Why should we pay taxes to the provincial government and the federal government, for something that is needed but once, that is one set only of facilities for educational broadcasting?

That is what I do not understand in the argument of the hon. minister and her parliamentary secretary. I wonder why they insist so much on including those words. The minister suggests that it does not necessarily imply the C.B.C., but rather the Canadian broadcasting system. However, it is not the broadcasting system that is going to buy what is needed for televised lectures, but rather the department of education of the province of Quebec, just as in Ontario it is the department of education which already presents such lectures—I have seen some here, on Ottawa television, in both French and in English.

But those programs are prepared by the Ontario or the Quebec department of education and that is normal. If, the Quebec government wants to rent periods of time from private stations, it is quite free to do so, because nothing compels it to enter into an agreement with the federal government under the pretext that broadcasting is a federal jurisdiction. It can deal directly with the private stations for these courses; it is as simple as that.

That is why I claim that this clause should not exist. First, because education is an exclusive provincial jurisdiction and secondly, because the departments of education in the various provinces have already taken action to acquire—

Mr. Béchard: Mr. Chairman, on a point of order, again and for the last time, because such a discussion should not be allowed to drag on, something that could easily happen with the hon. member for Lapointe.

I feel that the hon. member for Lapointe is intelligent. He understands very well what paragraph (i) is all about, but to serve his own selfish political ends, he goes on and on about the interference of the federal government in the field of education, which is not the case here. In fact, the whole thing is about technical broadcasting facilities, a matter that comes under federal jurisdiction.

The hon. member said earlier that when the Canadian constitution was written, television did not exist. Many things did not exist then. But today if the provinces want to use those very efficient information media, television or radio, for educational purposes, that paragraph must be included in the act, because broadcasting is a matter of federal jurisdiction.

Then, Mr. Chairman, I think that to settle the matter, we should put this clause to a vote and see the result.

Mr. Grégoire: On the point of order—

Mr. Laniel: Mr. Chairman, on this point of order, I should like just like to ask the parliamentary secretary—

Mr. Grégoire: Mr. Chairman, I had the floor.

Mr. Laniel: Mr. Chairman, I am speaking on the point of order—

Mr. Grégoire: Questions are not asked on a point of order.

The Assistant Deputy Chairman: The hon. member for Beauharnois-Salaberry has the floor on the point of order.

Mr. Laniel: Mr. Chairman, the parliamentary secretary has just referred to technical equipment and means used to broadcast educational programs.

I wonder if it would not be more simple to alter subclause (i) which reads as follows:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

And to substitute therefor:

—that the Canadian broadcasting system should be in a position to broadcast educational programs.

We would then provide it with the necessary technical tool to broadcast such programs.

This is what I am inquiring about.

Mr. Grégoire: Of course, in that case it would not be the same any more. When clause 2 (i) refers to:

—educational broadcasting facilities—

This means the facilities for the production of the courses it has in views and not necessarily the facilities to broadcast the program. Facilities for broadcasting, namely television and radio stations, already exist.

What we want to-day are facilities to produce films or courses. But this does not fall within the province of the federal government. Anybody can set up a studio and produce educational films, without any authorization being necessary from the federal government. It is the broadcasting station which is within the jurisdiction of the federal government, not the facilities for the production of courses.

To prepare a course is not to broadcast it. Now, when the course is produced, when the equipment has been used to produce a film, then it has to be broadcast, and since education comes under provincial authorities, the Quebec department of education can rent periods of time with the C.B.C., which is a federal agency. If Quebec rents periods of time with private stations, it deals with those private stations which receive their licence from the federal government. The equipment to produce the films and the courses, that is what makes the broadcasting of education possible, in short the elaboration of a program and not the broadcasting on the air, does not come under federal jurisdiction.

That is why I propose to that clause 1—

The Assistant Deputy Chairman: The hon. member for Villeneuve on a point of order.

Mr. Caouette: No, Mr. Chairman, it is not on a point of order but on the clause now under consideration, paragraph (i)—

Mr. Choquette: The word clause in French is not correct.

Mr. Caouette: On paragraph (i). We can see that the hon. member for Lotbinière has just returned from France.

Mr. Chairman, I think this is a storm in a tea cup. The question here concerns simply the definition or use of certain terms, which seems to worry the hon. member for Lapointe and the parliamentary secretary. They both said earlier that the paragraph says:

—facilities should be provided—

Instead of "shall be provided".

However, "should" always becomes "shall" and there is no great difference between the two.

—should be provided within the Canadian broadcasting system for educational broadcasting;

We must not forget, Mr. Chairman, that this new legislation, Bill No. C-163, does not only affect one province, but the whole of Canada. It is not stipulated here that the C.B.C.—if that is the case, and I think it is—will broadcast educational programs according to the standards or the rules laid down by the federal parliament.

Now, I admit that after the words:

—facilities . . . for educational broadcasting.

The words: "in order to meet the needs of the provinces" could have been added.

Even if we recognize that some provinces now have broadcasting facilities, most of them do not. I rather think that if the C.B.C. is getting facilities for educational broadcasting, it is not so much to enter into the field of education but rather to serve the provinces.

If the C.B.C. were to undertake educational broadcasting on a national scale, then each of the provinces would be free and have the right to object to the interference of the C.B.C. or a crown corporation in a field over which it has exclusive provincial jurisdiction. That is my opinion. It seems to me that we must end that storm in a teapot.

I do not believe for a moment that the C.B.C. is getting educational television facilities which could be used in Quebec to serve all the provinces. We are told about an experiment taking place in the Lake St. John district, but it has not been tried yet in Abitibi, in the eastern townships, in Sherbrooke or in the Quebec area. A pilot projet is under way in the Lake St. John-Saguenay area.

If the C.B.C. had the necessary facilities for educational broadcasting, I think that the province of Quebec could use it freely to promote education within its own territory. The same thing could happen in Ontario and in other provinces which do not have at the present time facilities for educational broadcasting.

Mr. Chairman, I believe sincerely that if we agree that broadcasting comes under the federal government, nothing prevents the latter from having full educational broadcasting facilities without being accused of getting into the field of education. On the other hand, if the federal government does not have the right to dispense education, it certainly has the right, for instance, to get such facilities and to put them at the disposal of the provinces to allow them to elaborate an educational broadcasting system that suits them. That is how I understand the meaning of that paragraph (i).

• (4:10 p.m.)

[*English*]

Mr. Cowan: Mr. Chairman, I regret that the hon. member for Bonaventure was not called to order under standing order 35 when he referred to the hon. member for Lapointe as having spoken on this clause from an egotistical standpoint only. I am opposed to this clause and if the hon. member for Bonaventure wishes to state that I am speaking from an egotistical standpoint I am going to ask the Chair for a ruling under standing order 35.

I spoke for a few minutes last evening on this clause relating to educational television and I stated that education was a provincial matter. While I regret that it is not a national matter I accept the fact that education comes within the purview of the provinces. If the hon. member for Lapointe wishes to defend this particular section of the constitution he has a perfect right to do so.

In commenting on this matter the Secretary of State said that we should bear in mind that the subclause sets out that facilities should be provided within the Canadian broadcasting system for educational broadcasting and that the Canadian broadcasting system embraces both the private and public sectors. I am glad she made that statement but I hope that the educational facilities provided within the Canadian broadcasting system will be provided only by the private sector because the publicly owned sector that is paid for by all the taxpayers of Canada should not be used for educational purposes since education comes entirely within the jurisdiction of the provinces.

If someone tells me that the federally-owned facilities should be used for education and that the provinces will pay for the use of those facilities, then I ask whether the rental charged for the equipment will be sufficient to cover the capital cost of those facilities and the cost of their installation? Many people feel that anything sponsored under the name of education must be good, and I can very well see the publicly owned sector of the Canadian broadcasting system being leased to the provinces for educational purposes at a rental of $1,000 an hour when the actual cost to the Canadian taxpayer, including the capital cost of facilities, the capital cost of films used, the cost of the technicians employed and so on, may amount to $40,000 an hour. Whereupon we will probably be told that since this equipment is used for educational purposes we are helping the provinces in the field of education. I suggest that if the public sector of the Canadian broadcasting system is to be used for educational purposes the provinces should be charged a stiff rental so that all taxpayers throughout Canada will not be contributing to the costs of education of individual provinces which have the sole jurisdiction over education.

I regret very much that subclause (i) is in the bill at all. Education has nothing to do with the federal government; it is a provincial matter. My only solace if the paragraph should carry, though I hope it will not, is that the clause commences with the words "it is hereby declared that". There then follow a number of subclauses, of which (i) reads:

(i) facilities should be provided within the Canadian broadcasting system for educational broadcasting;

I should like to call the attention of the committee to the statement made by the Secretary of State on December 21, as reported on page 5741 of *Hansard*, when she answered some comments on the broadcasting bill in these words:

—this is a declaratory clause and we have tried to use appropriate language throughout.

I emphasize the fact that it is only a declaratory clause. It even commences with the words "it is hereby declared that".

In one of her comments during the consideration of this bill the Secretary of State referred to the obligations that are imposed by clause 2. I should like to point out that I know of no obligations imposed by clause 2. Nevertheless, when the bill passes people will regard it as the broadcasting policy of Canada.

Since I did not accept her money I listened to the C.B.C. news this morning at eight o'clock. At that time it was stated that these clauses of the bill call for broadcasting in English and in French. They do not "call for"; according to the clause the wording is "it is hereby declared that." If the Secretary of State is going to "call for" obligations and the C.B.C. is going to say that clause 2 of this bill "calls for" facilities to be provided within the Canadian broadcasting system for educational broadcasting, in spite of the fact that the wording at the commencement of the clause is "it is hereby declared that", then my only solace if the clause passes is that people will realize the provisions of the clause are only declarations and are not mandatory.

As I said before, Mr. Chairman, the hon. member for Lapointe and the hon. member for Lotbinière both pointed out that these clauses are only declaratory in nature. They recognize the difference between what is mandatory and what is merely a declaration. But will the administrators of the Canadian broadcasting system, or are they going to tell us that the Secretary of State has referred to them as obligations and that therefore they are called for?

I do not want to see the publicly owned sector of the broadcasting world involved in education as long as that publicly owned sector is owned by the nation. Education is a

provincial matter. I admire the way the hon. member for Lapointe defends that right of the provinces under the national constitution and I intend to vote against subclause (i).

• (4:20 p.m.)

[*Translation*]

Mr. Asselin (Charlevoix): Mr. Chairman, I paused to look more closely at clause 2(i). The wording of this clause, as some hon. members said, gives rise to confusion. In fact, it reads as follows:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting:

If I am not mistaken, this clause opens wide the doors to infiltration by the C.B.C. in a field of exclusive provincial jurisdiction. That does not mean that the C.B.C. would use this clause to get equipment for educational broadcasting as is stipulated, because even if this clause is merely declaratory, it gives the C.B.C. the opportunity to enter into this field. It is not necessary to speak at great length. Several hon. members mentioned, and rightly so, that education is of exclusive provincial jurisdiction.

We notice now that Quebec and the other provinces are anxious to organize their own network of educational television, in the interests of their taxpayers, because they want to preserve at all costs a jurisdiction exclusively theirs. If the C.B.C. decides to get equipment for educational broadcasting, I think it is simply to rent it to provinces which could use it. That is why, I think, I agree with the statement made a moment ago by the hon. member for Villeneuve (Mr. Caouette) who said that a few words might be added to that subclause to clarify it, because it is too ambiguous. The C.B.C. should not be charged with trying to interfere in that field of exclusive provincial jurisdiction.

I am of the opinion that the following words could be added at the end of this paragraph:

—to serve the provinces.

If it were provided that this should exclusively serve the provinces, it might to my mind, clarify the clause and thus certainly prevent some members from accusing the C.B.C. of trying to interfere in an area of exclusive provincial jurisdiction.

So, if the Secretry of State (Miss LaMarsh) would clarify the paragraph, she need only add at the end the words I just suggested: "to serve the provinces."

[Mr. Cowan.]

Mr. Pelletier: Mr. Chairman, I have the feeling that we are now discussing something that should be considered later before the committee on broadcasting, films and assistance to the arts. What we are doing is discussing the contents of a clause that defines no contents, which intentionally does not define the contents, so as to avoid constitutional problems at this stage of the discussion.

I was listening a while ago to the member for Lapointe and I think it might be wise to avoid discussion of this type because he was giving us a constitutional interpretation under which, for instance, since the Canadian National Railways are under the federal government, if educators from the province of Quebec were to travel on these train, it would amount to usurpation of the jurisdiction of the province of Quebec in matters of education. If this argument is pushed to its limit, to its logical conclusion, that is where we would arrive.

At the present time, what precisely is the question? The only thing involved are technical facilities for educational broadcasting. What type of equipment, what role it will play, who will use it and how? This is exactly the discussion which must take place in the committee on broadcasting films and assistance to the arts. We will surely have the opportunity to discuss all this, and all members of the house who are concerned with this—as I am—will have the opportunity to state this concern exactly and put some contents in this clause.

So I think that this discussion is premature. Furthermore, it is also erroneous because it leads us into the wrong path from which we will not be able to free ourselves, since there is no question at the present time of defining this clause. It is simply a matter of stating that, in our Canadian broadcasting system, which as the Secretary of State mentioned, refers to the whole Canadian broadcasting apparatus, there should be provided facilities for educational broadcasting. This does not prejudge in the least the users of such facilities or all the constitutional arrangements to be taken by the governments, as the parliamentary secretary has just pointed out.

If conclusions are to be drawn, the only one that can be is that, of course, the provinces will have to use those facilities, since education is involved. I therefore submit that we are now discussing prematurely a matter which is supposed to be debated later at a predetermined date.

I would therefore ask the members who wish to speed up the business of the house to enable us to pass this extremely important piece of legislation as soon as possible, and to postpone this discussion for the time being, not that it is unjustified, on the contrary, but because I feel it is improper at this stage of the discussion of the bill before us.

Mr. Grégoire: Mr. Chairman, I would be ready to accept the proposal of the hon. member for Hochelaga (Mr. Pelletier). He admits that the clause is not precise, that its contents is not definite and vague and he asks us to postpone the debate to a date which has already been set. I would agree with him, provided that passage of this clause shall also be postponed to that date.

If the hon. member for Hochelaga accepts the proposal for postponement of passage of this clause following the discussion in committee, I fully agree with him.

Evidently at that time, the debate will be better prepared. During consideration in committee, this clause will be clarified. But he admits that the clause is not precise, that it is vague and indefinite.

On the other hand, we are asked to pass it as is, and we are told that it will be debated later on. I believe we should first debate it, define its wording, and clarify its meaning before passing it. If a debate on this matter is anticipated, why not delay the passing of this clause until the end of the debate in committee, which seems to me would be the normal process?

Would the hon. parliamentary secretary to the Secretary of State be ready to accept that, since there is going to be a debate in order to define and specify the meaning of this clause? Would not the hon. parliamentary secretary be prepared, as suggested by the hon. member for Hochelaga, to postpone the debate as well as the passing of this clause?

Mr. Béchard: Postpone the debate, very well, but we are now discussing the Broadcasting Act and since educational broadcasting will necessarily be using airwaves, since radio or television is concerned here—the clause before us merely provides the use of television for educational purposes, under the authority which will be established later on during the discussion of this bill.

• (4:30 p.m.)

Once again, it is not a question of studying education or educational television. It is merely a question of placing under the jurisdiction of the Canadian Radio-Television Council that agency which later on will be entrusted by another bill with all the questions pertaining to educational television once the matter has been studied by the committee to which it will be deferred. The member for Lapointe (Mr. Grégoire) can then participate in the discussions and he will soon have the opportunity of doing so. That is the object the legislator has in mind by introducing paragraph (i) in the Broadcasting Act.

Mr. Grégoire: That is precisely what I had in mind, Mr. Chairman. First of all, we are asked to accept a vague principle, on which we are not too clear; later on that principle is destroyed. If the definition and the standards of the principle are not acceptable, we will then be told: The principle of educational television has already been accepted in Bill No. C-163.

The hon. member for Villeneuve (Mr. Caouette) said a while ago: If Ottawa wants to interfere in fields of provincial jurisdiction, let the provinces protest.

Well, we have direct interference here.

The hon. member for Charlevoix (Mr. Asselin) expressed his fears in the face of that interference. But if we accept the principle of interference, it will then be far more difficult to force retreat. We all know that is the way it goes: First you open the door, and once it is open, it is easy to go in.

The hon. member for Villeneuve argued that if the C.B.C. had been in charge of the school television project, the whole region would probably have benefited therefrom. But when the C.B.C. or the federal government make an experiment, they do it on a regional scale because experimenting, broadcasting programs is not everything. Quebec, in its pilot project, is not only broadcasting programs: a staff of research assistants contact the students—30,000 persons are enrolled in these televised courses—in order to learn how well the lectures have been received and how to improve them according to the results on these 30,000 persons.

Such an experiment, covering the whole of Quebec, would not have met with so much success, since the results of the courses could not have been analysed in depth.

Of course, the Quebec government could have extended the courses through all the private stations in the province, but it did not do so, because it preferred to have the experiment limited to one small area, in order to learn what effect it had on the people following the courses. There are hundreds of teachers who meet with some of the individuals attending the lectures on television, so as to be able to measure the rate of progress.

That is the reason why I say it is not because the C.B.C. would have been in charge of these courses that the experiment would have been carried out throughout the province. The Quebec government could also have extended the courses throughout the province, but if it has limited them to one area only, it is precisely because the project is still at the experimental stage and results are unknown. To know, the people attending the lectures must be interviewed, and the experiment must be limited to a region in order to be profitable.

We are told that the provinces can oppose, if it cares to, the C.B.C. stepping into the private sector. But once it has started something, it is much more difficult to make the federal government back down.

If the C.B.C. gets into the field of education, people will say: The airwaves come under federal jurisdiction. That is true, but what sort of education will then be provided? Will people perhaps be taught how to use LSD? That is the sort of education which one could expect these courses to provide.

Would it not be more reasonable to leave this matter in the hands of the authority which is truly responsible for education, that is, the department of education of the province of Quebec?

I agree with the hon. member for Hochelaga (Mr. Pelletier) who says that this is indefinite, vague, equivocal. Since the hon. member for Hochelaga tells us that the matter will be studied later, I am glad, but I would answer that we should at least wait until we have studied the matter before we adopt this clause.

The hon. member for Charlevoix said, quite rightly, that this opens a door. Of course it opens a door. And when the door is open, it is much more difficult to close it, because the federal government does not abandon an area once it has entered into it; it stays there instead.

In the case of hospital insurance, it was said that health came under provincial jurisdiction. The federal government interfered in that field and it was said: Those who do not want hospital insurance are not forced to take it. However, the federal government passed it with this comment: The provinces are not doing anything about it.

In this case, the provinces have started to do something about it. They have arrived at the stage preceding that which the federal government is about to undertake, that is the stage of experimentation and pilot projects.

Now that hospital insurance has been passed, we are taxed to pay for it and even if the province does not want it, we are still taxed. If Quebec, which already has its school television project, does not want that of the federal government, it will still have to pay taxes for it. We are always treated in the same way.

The Quebec premier said that he did not want the hospital insurance, for the time being, but the Quebec people will still pay taxes for that insurance which will be implemented in other provinces. Do you think that the federal government—

Miss LaMarsh: Ontario too.

Mr. Grégoire: But Ontario has no more sense, because the reason it has given is that it would not be normal for other provinces to pay taxes—

Mr. Béchard: When citizens are sick, is it not Mr. Johnson who pays the bills?

Mr. Grégoire: Organize another monetary system. Maybe the provinces will then have money to pay for those who are sick. It is our system that is sick, and the individuals cannot be treated as they would like to be.

Mr. Caouette: Nobody introduces programs to take care of that system.

Mr. Grégoire: Nobody introduces any remedy to cure the system that is sick.

Instead of taking care of problems that come directly under provincial jurisdiction, why is the federal government not taking its responsibilities in the areas that are within its jurisdiction?

Unemployment is increasing, for instance. That problem is a federal matter. Why not

spend the money of the federal government to fight unemployment? When the provinces are already spending money for education in schools, why does the federal government also get into that field? We pay twice for the same thing. That is what bowls me over, that is what I do not understand: Always spend money twice to achieve only one result.

Even if there are two sets of educational broadcasting facilities, there will be only one series of courses. But money will have been spent twice. We always pay twice to achieve only one result.

I am saying that the federal government is interfering in a field of provincial jurisdiction. I am more afraid than the hon. member for Villeneuve who says that the provinces have only to protest and to object to that. I think that the experience of the past proves that even when the provinces protest, the federal government does not step back.

That is probably the reason why the provinces decided some time ago not to withdraw when they encroach upon fields of federal jurisdiction. When the Quebec government was directly invited to attend a conference on education in Gabon, the federal government protested saying that that was its jurisdiction. But the provincial government did not withdraw. Why? Because the federal government never moves back when it interferes in fields of exclusive provincial jurisdiction. And education is of exclusive provincial jurisdiction. I would be quite happy to see the hon. member for Villeneuve support that principle of the constitution which is one of the guarantees of Quebec rights.

If this bill is passed, it will be exactly the twentieth which will sanction the direct or indirect, and more often indirect interference of the federal government in the field of education, because the federal government comes in by the back door and never by the front door, when it interferes in the field of education.

It is exactly the twentieth bill of that kind and every year, others are added, so that before long the federal government will be controlling the educational system in Quebec.

I would rather see the hon. member for Villeneuve support me and try to defend the jurisdiction of the province of Quebec. I would not say this, if Quebec were inactive, because something must be done in that field. But Quebec has been acting and is far ahead of the federal government. Why should we not stubbornly defend one of the jurisdictions which still belong to the province of Quebec? Why not defend such jurisdiction? Education is one of the most important fields and the hon. member for Charlevoix rightly expressed his concern before that new intrusion of the federal government in a field of provincial jurisdiction.

The hon. member for Hochelaga said so: it is indefinite, vague, nebulous, but we shall discuss it later on; let us accept this bill, even if it is vague and indefinite.

Mr. Béchard: He never said that.

Mr. Grégoire: It amounted to the same thing. The hon. member for Hochelaga said: Let us accept this clause and, later on, something has been anticipated in the committee on broadcasting, films and assistance to the arts, as regards the study of educational broadcasting.

Before accepting the principle, let us see what it involves. The clause is far from precise. It may lead to all kinds of interpretations and, if passed, it can allow for an almost unlimited intrusion on the part of the federal government in the field of education. Let us see what it says.

• (4:40 p.m.)

It is simple, I mean brief. It does not say much but it opens all the doors. It says the following:

—facilities should be provided within the Canadian broadcasting system for educational broadcasting;

It is as simple as that, but it keeps many doors open. That is why I am firmly opposed to this paragraph.

Mr. Asselin (Charlevoix): Does the parliamentary secretary to the Secretary of State not deem it advisable to add, at the end of the paragraph, the words I mentioned earlier to the effect that the educational broadcasting facilities should be used by the provinces, or something of the kind, so as to clarify, as suggested earlier by the hon. member for Hochelaga (Mr. Pelletier), that clause which is not quite clear?

The parliamentary secretary himself admits that those educational broadcasting facilities

will meet the needs of the provinces. Then, why not add those five words to clause 2(i)? I feel this would clarify and simplify a paragraph that I find vague and which encourages the intrusion of the federal government in the field of education.

Mr. Béchard: Mr. Chairman, I think that the suggestion of the hon. member for Charlevoix, in spite of his good intentions, is unacceptable. As a matter of fact, not only the provinces are involved, since it could be a provincial organization rather than merely a province.

Mr. Asselin (Charlevoix): If it is an organization within a province, the federal government cannot stick its nose into it; it is up to the province to legislate on educational matters.

Mr. Béchard: There is no question of sticking our nose into education. It has been said since the start that education is not involved. The point is to provide the provinces with technical facilities for broadcasting and television. That is why it is said that this discussion is somewhat premature.

Mr. Latulippe: Mr. Chairman, I shall be very brief. I simply want to make a few remarks.

I support to a large extent the suggestions of the member for Lapointe. The paragraph under consideration does not comply with provincial jurisdiction from the constitutional viewpoint and furthermore it is far from clear. For these reasons, I think the committee should withdraw this paragraph and bring it down later after consideration by the committee on broadcasting, films and assistance to the arts. Many people have made this suggestion which I strongly support.

To my mind, this is not clear and might be misinterpreted. It is so confused that it is impossible to draw clear conclusions from it.

Then, since it lends to confusion, it is absolutely necessary that this clause be withdrawn and considered further. Therefore, with the consent of the house, I would ask the committee to withdraw it and give it further consideration.

Mr. Grégoire: Mr. Chairman, the parliamentary secretary to the Secretary of State just made a remark that leaves me sceptical. The hon. member for Charlevoix is asking the parliamentary secretary if he could not add, at the end of subclause (i), the following words: "for the needs of the provinces".

This means that the facilities would be used for the provinces' needs. The parliamentary secretary rises and says: "We cannot mention that, in case there would be an organization or another group."

Therefore, an association could use that educational broadcasting equipment, without the knowledge of the provinces, to broadcast school courses. That is what I think I understood from the answer given by the parliamentary secretary. It is what the hon. member for Charlevoix also seems to have understood.

Then, think about the tremendous power of the Canadian Broadcasting Corporation which has a whole educational broadcasting equipment. A group, let say the Canadian Association for the Education of French-speaking or English-speaking Canadians comes up to the body which owns that educational broadcasting equipment and says: Our group would like to use your equipment to give some courses. The federal government is free to decide whether or not it will make its equipment available to that group. Just before that answer, the Secretary of State had been more cautious; she was careful not to give that answer. In fact, she did not mention that possibility.

Does that mean that the equipment may be made available to any group which would like to use it? Would the hon. parliamentary secretary clarify his thinking on that? Could the equipment be made available to any association? Is that what the parliamentary secretary means?

[*English*]

Miss LaMarsh: Mr. Chairman, I think the hon. member will have to wait to see the draft bill. Then we will be in a position to hear from a number of groups. My hon. friend obviously knows absolutely nothing about what is going on in this field outside the province of Quebec. In most of the other provinces there are very active organizations which are most anxious to use any facilities which might be available. Of course, matters which are extracurricular would have to be dealt with by the provinces but there may be

things which are not extracurricular because this provision applies to teenagers and adults in many fields. There are many parts of the federal government which are responsible for education. As you know, the federal government is responsible for the education of Eskimos and, in some instances, for the education of Indians. There is also the matter of education with regard to re-employment and retraining. A great many departments of government will be interested and have already indicated their interest in using the facilities when they are available in furtherance of their responsibilities, not in furtherance of education as it exists under provincial jurisdiction.

There are hundreds and hundreds and hundreds of questions to be answered in the whole field of educational television in Canada before any facilities are built. These facilities will be enormously expensive. The committee will have to delve into this matter very deeply. If my hon. friend really is interested in educational television, one way in which he can find out more about it is to assist in the passage of this legislation. The chairman of the committee on broadcasting, films and assistance to the arts has had to postpone the hearings on educational television until the committee of the whole has dealt with this legislation because the members of the committee cannot be in two places at the same time. All I can say to my hon. friend is that if we want to have school or adult educational broadcasts we must have the facilities with which to do this. All that this part of clause 2 says is that those facilities, wherever they are and whatever is broadcast over them, will have to be a part of the broadcasting system of Canada. I am sure my hon. friend does not disagree with this.

My hon. friend has been occupying the time of the committee now for almost an hour and a half on something which really depends on the legislation as it finally comes to the house after the subject of educational television has been considered by the committee.

[*Translation*]

Mr. Grégoire: Mr. Chairman, those are exactly the answers which I find alarming. The minister just told us that there will not only be an educational television, but also Departments of Education, groups and federal departments which could use educational television, in short, groups which never have any educational jurisdiction. The minister states that there are hundreds of ways to use educational broadcasting equipment. But she does not specify them. We are told that some decision will be taken later. We are asked to approve that principle immediately even though later its terms may be completely disastrous. The minister pointed out that the discussion has been going on for 1½ hours. But 1½ hours, before such an important intrusion by the federal government in the educational field, is not long. Indeed, the objection should be much more extended and be accepted by the minister.

The hon. minister wants to expedite the work. I shall ask her whether she would agree to suspend consideration of subclause (i) until 8 p.m., to give me an opportunity to draft an amendment more in line with what the hon. member for Charlevoix and the hon. member for Beauharnois-Salaberry (Mr. Laniel) were suggesting earlier. Would the hon. minister be agreeable to suspending the consideration of subclause (i) until 8 P.M., so that I may draft a satisfactory amendment?

• (4:50 p.m.)

[*English*]

Miss LaMarsh: I think my hon. friend is displaying quite a bit of temerity in asking me to co-operate with him in any way.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Assistant Deputy Chairman: Shall subclause (i) carry?

Mr. Grégoire: No.

The Assistant Deputy Chairman: Shall subclause (i) carry on division?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I suggest that we vote on clause 2 (i).

[*English*]

Subclause (i) of clause 2 agreed to: Yeas, 49; nays, 11.

The Assistant Deputy Chairman: I declare the subclause carried. We will now proceed to subclause (j).

Canadian Policy on Broadcasting

Mr. Noble: Mr. Chairman, I think it is about time the attitude of the C.B.C. was changed. In most instances the man who pays the bills calls the shots. If any control is ever going to be exercised over the expensive top-heavy bureaucracy it must come from this chamber.

Miss LaMarsh: How?

Mr. Noble: Nothing is going to happen if we continue simply to hope the problem will disappear. The C.B.C. is a public body and should be responsible through parliament to the people of Canada.

There has been a great deal of discussion about this bill because we are living in a democratic country. In a democracy nothing is so precious as free expression. That is why members on both sides of the house are so concerned about the implications of this bill on broadcasting.

It is not my intention to review the whole scene in so far as broadcasting is concerned. I am concerned mainly about freedom of expression, that is, freedom to speak and freedom to know. We hear a great deal about freedom of speech and very little about freedom of learning, the right in a democratic society to have full information and to have both sides of an issue factually presented. We also have the right to see to it that our channels of expression are neither monopolized nor muzzled by a group representing a particular interest or point of view. If the national channels belong to the people, let the people speak. Let the people have a voice. Let us not have imposed on the people alien and destructive creeds and philosophies, the property of a small, self-perpetuating group. That is what has been happening.

In a free and democratic society a state-owned broadcasting system is something of an anomaly because it gives to the state control over a medium of expression which today is the most powerful medium in our society. If we believe in freedom of speech and freedom of expression, we must regard the state as an intruder in the field of free expression.

We must be suspicious of state control and state intervention. The socialists say that the state and the people are synonymous but history suggests differently. History shows that governments and those in governments, administrators and those in administrations, bureaucrats and those in the bureaucracies, are human. They are not immune to human instincts such as the lust for power, the urge to self-perpetuation, the urge to remove themselves from the power of public censure or public criticism. We must at all times be careful of the power we place in the hands of the state and the hands of bureaucracy. Governments must at regular intervals be brought back forcibly and sometimes brutally to the realization that they are the servants, not the masters of the people. The more power we in this house stand ready to surrender to governments, administrations and bureaucrats, the fewer will be the possibilities of bringing governments to book and taking them to task on the use of their powers.

The C.B.C. is a mighty and powerful organization in this country today. Who can control it? It is spending $150 million of the people's money this year. We had the spectacle of a minister of the crown saying that the C.B.C. suffered from "rotten management". They laughed at her. The C.B.C. are the modern untouchables; they cannot be controlled, they cannot be criticized, they cannot be questioned and they cannot be examined. We as a parliament have been lax in our duty.

Any organization spending millions of dollars of the taxpayers' money must be responsible to parliament. Yet day after day in this very chamber we hear the statement by well-meaning individuals: "We cannot interfere with the C.B.C." Of course we can interfere with the C.B.C. and we must interfere with the C.B.C. Are we going to maintain from the public purse an organization in this country which is above criticism, above control and will not respond to suggestion, an organization which throws money around on trifling and pointless extravagances and has now reached the point where it is above ministers, above the government and above parliament? I for one am not. As long as parliament votes money belonging to the people of Canada parliament has a duty to see to it that that money is properly spent. Parliament cannot endure without financial responsibility.

We as parliamentarians have submitted tamely while bureaucrats and government administrators have taken over powers belonging to the people. It is time to call the C.B.C. to account. It is time to demand to know where the money is going. It is time to insist on an accounting for every last dollar spent by the C.B.C. and I do not intend to accept the C.B.C. estimates when they come down until there is such an accounting.

What of Bill C-163? It does nothing to place the C.B.C. under some sort of governing power. It simply increases the powers and freedom from responsibility which the C.B.C.

already possesses. It stipulates that in any conflict private broadcasting takes second place. For the first time in a democratic nation we have free enterprise legislated into a second class category. One would expect that from a party with the traditions of the Liberal party. It has always been a party of centralization, socialism in disguise, a wolf in sheep's clothing. This is the true face of Liberalism. This bill perpetuates the uncontrollable and ungovernable monolith that is the C.B.C., relegates private broadcasting to an inferior position and makes it possible for the C.B.C. to extend the swollen powers which it already possesses.

I do not deny that the C.B.C. has done some good things for Canada. Private broadcasting has also done some good things for Canada. It has become obvious in recent months that there is at the core of the C.B.C. a group whose only interest is the total destruction of our institutions. Night after night, day after day, week after week, we have had purveyed to Canadians by the C.B.C. programs of a nature to destroy faith in our institutions and our society. Whence came the mandate of these people? Who elected them? Where do they derive the right to impose on Canadians their half-baked, immature and often imported opinions? It is not freedom of speech when the massive resources of the state-owned medium are taken over by a small group in the interests of a destructive and derisive philosophy. If these people want to preach anarchy and destruction, let them hire a hall. There is nothing in Magna Carta or the Bill of Rights that says they are entitled to do so at the expense of the Canadian taxpayers.

• (5:00 p.m.)

The C.B.C. has suffered dismally from a failure of management. The Secretary of State, with that remarkable propensity of her sex for perception, made a statement that was a factual description of what is going on in the C.B.C. It is time to halt the headless horsemen of the C.B.C. and to restore to that organization and its programming a sense of perspective. The pious proclamations in this bill and in countless other instruments put forward by this government, the wishful thinking of royal commissions, and the hopeful prognostications of other groups have not in fact been realized. Rather than protecting, defending and encouraging freedom and our way of life the C.B.C., or a section of it, has been a Trojan horse in our midst, attacking, destroying and spreading filth and disease in this nation. Some may think such language is too strong. I am not concerned about that. I go by the opinions of Canadians in their hundreds and thousands who now regard this organization with the same mixture of horror and dread as a runaway engine. That is what it has become.

I think this bill is too strongly favourable to the C.B.C. I think they should be given fewer, not greater, powers. I do not think they should be legislated into a superior position over private broadcasting, any more than the C.N.R. should be legislated into a superior position over the C.P.R. or government employees legislated into a preferred position over employees in private enterprise. At any rate, this is not what my constituents sent me here to do. I will oppose any attempt to foster, expand, enlarge, encourage or entrench the C.B.C. in any manner or fashion until parliament is given some reason to believe that this organization will act in a responsible manner.

We all have the greatest respect for Dr. Davidson. We have considerable sympathy for and understanding of the difficult task he has agreed to accept. Everyone will recall the relief with which the Prime Minister announced his acceptance. One can only hope that Dr. Davidson will not become a prisoner of the C.B.C. untouchables. I believe he can count on the support of parliament and its members in those actions which he feels he must take to return the C.B.C. to a sense of public responsibility and public ownership, rather than ownership by a small, irresponsible and reckless group. Canadians want to be proud of the C.B.C. They want it to do the job it was set up to do. In the past two years they have had little reason to be proud of or to give support, financial or otherwise, to a public organization which has run amuck.

According to the Auditor General's report and the public accounts for 1967, the C.B.C. spent $141 million on the production and distribution of programs. Of this amount $98 million was for production, $27 million for distribution and $13 million for administration. This is a vast amount of money. Advertising revenue from programs totalled $35 million. There is, therefore, a shortfall of approximately $100 million in meeting expenses, and this money comes from the Canadian taxpayer.

Surely, Mr. Chairman, an agency coming to parliament and asking for $112 million should not object to giving a few facts about its operations. There is a necessity for a rigid and detailed financial examination of C.B.C. programming. If we are to spend $112 million on the C.B.C., we must ask ourselves whether that organization is fulfilling its purpose. This question is dealt with in the bill under clause 2 (g)(i), which provides as follows:

(g) the national broadcasting service should

(i) be a balanced service of information, enlightenment and entertainment—

This is not what we have been getting. Surely the government and the C.B.C. must be aware by now that there is something wrong in the way the C.B.C. if fulfilling its purpose. What we have been getting is an unbalanced, unenlightened service, dealing to a considerable extent with propaganda. We have had a steady parade of drug addicts, people of doubtful gender, purveyors of obscenity and apostles of revolution. Why should the national facilities be use to provide a platform for those who are destroying our institutions? We are in a situation where the state is being asked to subsidize its own destruction and society is officiating at its own suicide. All across this country Canadians are fed up with the parade of eccentrics purveyed by the C.B.C. in the name of culture. They do not want any more.

C.B.C. expenditures have gone up 18.2 per cent over 1966. Are we supposed to endorse this? C.B.C. loans from the government now total $55 million. Subsidized dissent comes high. There is no objection to dissent but there is objection when dissent becomes the monopoly of the few and when the enormous power of state owned facilities is turned over to a small group.

I ask the committee to turn to page 23 of volume III of the public accounts of Canada for the fiscal year ended March 31, 1967. I ask the minister what action she and the government have taken to correct the situation revealed there? I refer to a letter from the Auditor General of Canada to the Secretary of State. In that letter the Auditor General points out that the C.B.C. board of directors in December, 1966, granted to a retiring vice president a bonus of $25,000. The Auditor General says they had no right and no authority to do this. We have had this kind of situation before. I do not know the name of the person in question and I do not want to know it. I want to know what action was taken to recover the money. The Auditor General said in his letter dated May 29, 1967:

> At a meeting held in December, 1966, the board of directors passed a resolution that the vice president whose term of office expired on January 25, 1967, be granted a retiring allowance equivalent to one year's salary.
>
> In my opinion, this resolution was not within the competence of the directors of the corporation and payment of the retiring allowance purported to be granted thereby was not within the powers of the corporation under the Broadcasting Act.

The Auditor General went on to say that the amount of $25,000 was not shown in the financial statement relating to remuneration of directors. The minister received this letter last May. What was done about it? Was the money returned? I cite this as an example of financial irresponsibility of a kind to cause great uneasiness to taxpayers everywhere in this country.

Perhaps what I have said has been critical to the extreme, but it has been stated that extremism in the defence of liberty is no vice; moderation in the pursuit of justice is no virtue. In politics, as in love, timing is everything. I think this is the time and the place to put my observations on the record.

I would like to conclude on a positive note. I firmly believe that Dr. Davidson, in assuming the presidency of the C.B.C, faces the greatest challenge of any leader in Canada today. I also believe that the C.B.C., in its position of great influence, can be the most prominent power in building strength into the spiritual, moral and economic fibre of this nation and at an opportune time when Canada stands poised on the threshold of her second century.

The Assistant Deputy Chairman: Shall subclause (j) carry?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: The committee will now revert to clause 2 (h). Shall subclause (h) carry?

Mr. Sherman: Mr. Chairman, it is my intention to move an amendment to this subclause. Without speaking at tedious length on the reasons therefor, I thank the minister for having stood this clause yesterday and giving me an opportunity to speak to the clause and move my amendment today. I told the committee that I intended to move an amendment

to this subclause because I am unhappy with the authoritarian and arbitrary type of permanent decision the present wording would seem to make where disputes between private broadcasters and the national service, the C.B.C., are concerned. My amendment is:

That in subclause (h) of clause 2 all the words after the word "system" be struck out, and the following substituted therefor: "the public interest must prevail".

Therefore, Mr. Chairman, the subclause, if amended along the lines I have suggested, would read as follows:

(h) where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, the public interest must prevail.

• (5:10 p.m.)

My reasons for suggesting this amendment were expressed in the debate on December 21 and I have made reference to them on the two or three occasions when I have spoken during the clause by clause examination of the legislation in the past week and a half. My reasons are that the clause as worded at the present time lays down a rigid, codified decision of a permanent nature from which there is no appeal and no escape. I envision a situation where possibly two, three or four years from now, some time in the future when all the innuendoes and philosophizing in this debate have been concluded, when the legislation is written into the statute books and becomes the code under which the broadcasting authorities, administrators and operators in this country carry out their function, a dispute might arise over a given broadcasting prize, whether it be a channel, a frequency, a type of program or an event available for transmission. In such a case the authority—the B.B.G. or the Canadian television commission as it may become known—would have one firm guide line under which to act and there would be no opportunity for the private operator to have his case fairly heard.

I say that because I think any honest and conscientious examination of the wording will lead all hon. members to the same conclusion. On looking at these words one finds that the proposed legislation stipulates that where any conflict arises between the objectives of the national broadcasting service, that is, the C.B.C., and the interests of the private element of the Canadian broadcasting system, the objectives of the national broadcasting service must prevail. These objectives can cover a wide variety of interests, plans, hopes, dreams and aspirations.

The word "objectives" is most ambiguous, far reaching and all embracing. It is open to many interpretations. It is possible, as I suggested, that the objective of the C.B.C. might be to obtain a certain channel, frequency or access to the coverage of an event. I believe that this type of objective was not envisaged by those who drafted the legislation. The framers of the legislation and those of us who were exposed to the wording in the standing committee on broadcasting had a more abstract and perhaps a more esoteric idea of the objectives. But the fact is that in the harsh light of dawn and under the harsh light of examination by members of this committee the term as it stands in the proposed legislation is fraught with difficulties and dangers so far as the freedom of the Canadian society in the future is concerned.

The amendment I propose eliminates the danger of authoritarian permanency which is contained in the original wording and provides that where such a conflict arises the public interest must prevail. I suggest that this in an entirely acceptable position to all members of the house regardless of their political persuasion, regardless of their partisanship on the question of broadcasting, and regardless of whether they favour public over private broadcasting or vice-versa. It is the public interest that is important, not the interests of the national broadcasting service or its objectives, nor the interests of private broadcasters or their objectives.

Therefore I move, seconded by the hon. member for Halifax (Mr. McCleave):

That in subclause (h) of clause 2 all the words after the word "system" be struck out, and the following substituted therefor: "the public interest must prevail;"

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Davis: Mr. Chairman, I would like to say a word or two on this amendment. I agree substantially with what the hon. member for Winnipeg South has said. There are two other words in the clause that I do not like. I do not like the word "objectives" in so far as it relates to the national broadcasting service, the C.B.C., and I do not like the word "interests" in so far as it is applied to the private sector. My reason for saying that is that the clause as it stands says in effect that the C.B.C. will always have its way and that the will of the C.B.C. will always prevail. In the clause as it now stands we are comparing objectives on the one hand and interests on the other. Surely we should be comparing

objectives with objectives, or interests with interests, and not clothing the plans of the C.B.C. in the best possible raiment by using the word "objectives" and downgrading the plans and intentions of the private sector by calling them merely "interests".

We have been told that the broadcasting system in Canada is made up of two substantial sectors, the public sector and the private sector, and that both are in many ways equally important. My understanding is that in terms of capital investment or employment they are comparable in size and are doing a comparable job for the country. Therefore in this respect both merit consideration. In other words, the terms of reference given to the over-all broadcasting authority which should arbitrate between them should a conflict arise should not be such as to load the dice heavily in favour of one sector. I suggest that under the present wording the dice are heavily loaded in favour of the national broadcasting service.

I suggest also that the clause as it stands downgrades the powers of the over-all regulatory authority. If the objectives of the national broadcasting service must always prevail against the private interests, then surely many cases can be settled out of court without any argument. Surely the C.B.C. will have little difficulty in proving its case. All it needs to say is that its plans are consistent with its objectives and then in effect it is home free. Rarely will it say that its plans are in fact in conflict with its objectives.

I can imagine cases such as the following. Let us assume that the C.T.V. network has lined up the Grey cup game, as I believe it has in fact done for the next period of years in a contractual arrangement with the Canadian football league, and the national broadcasting service comes along as it did some years back, and says that it wants a piece of the Grey cup broadcast. All it needs to do is to point to one of those wonderful objectives which are outlined in subclause (g), that of covering most or all of Canada, and it is home free.

• (5:20 p.m.)

Its objective of covering all of Canada is consistent with its plan to get the Grey cup broadcast, or vice-versa. This plan is consistent with one of these great objectives.

I would much rather see this clause provide that when there is a conflict between the national broadcasting service and the private sector the issue be resolved by the over-all authority and that the criteria be the public interest. I do not like the word "objectives" and I do not like the word "interests". I do not like the way one is attached to the national broadcasting service and the other to the private sector to the detriment of the latter. I would support the amendment as it has been put forward and I would certainly like to see the words "objectives" and "interests" struck out of this clause.

Miss LaMarsh: This subclause was the subject of considerable discussion during the meetings of the broadcasting committee. I should like to say, in the first place, that I cannot agree with the amendment or with the member who supports it or with the amendment similar to this which he said he had in mind. These are the reasons: This subclause has to be carefully read. It does not oppose objectives with objectives, nor does it oppose interests with interests. The subclause opposes, and this is the first thing you have to be careful to read, the objectives of the national broadcasting service with the interests of the private broadcasters.

Presumably it is the public interest for which this committee is legislating. Clause 2 contains the objectives of the national broadcasting service as set out by this committee. This clause and subsequently clause 15 give responsibility currently to the B.B.G. or the council, whatever name may be given to the regulatory body, for seeing that the C.B.C. carries out these objectives. So there is no question of opposing objectives and private interests. It is not the C.B.C. which sets itself up as the judge; it is the regulatory authority which must decide, first, whether the objectives as laid down by parliament are in conflict with the interests and, if so, parliament clearly says that the objectives of the public service are the ones which must prevail.

Now, why is this so? It is so because parliament has made a difference, and always has made a difference, between the private broadcasters and the public agencies which parliament has selected and for which it has provided money to carry out the operations. The parliamentary committee, in studying the white paper and in studying this bill, dealt at considerable length with this problem. It was because the parliamentary committee came back in its report on the white paper two or three times to the difference and underlined the importance of the C.B.C. that we have specifically dealt with the C.B.C. in a slightly different way from the private interests. The

concluding paragraph of the report on the white paper on broadcasting, over the signature of the hon. member of York-Scarborough, presented on March 21, 1967, reads:

> We express our conviction that the primacy of the public sector should be the paramount and continuing objective of the new legislation; that we must make more effective, and not undermine the main instrument by which "national consciousness may be fostered and sustained and national unity still further strengthened."

The committee, as I say, repeatedly underlined the fact it felt there was a position of primacy for the C.B.C. While I do not believe I have ever told a joke before in the House of Commons, this decision which members took reminds me of an old story I heard about a man who had been married twice. His first wife was named Matilda and she died and was buried. When the old man was dying he was asked about the place of his burial. His second wife's name was Bertha. The old man said, "When I die, bury me between Matilda and Bertha". He thought for a while and then he said, "Tilt me a little toward Bertha". It seems to me that really is what parliament wants us to do. If there is a primacy as between the private and public sectors, parliament feels it should be given to the instrument of the people of Canada in broadcasting, the public sector.

This clause does not say, nor is it intended to say, that when the interests of the private sector are opposed to the interests of the public sector the interests of the public sector shall hold sway. If it said that I would agree with hon. members that it would intend that the C.B.C., whenever it came into conflict with private broadcasters, must win. This is not the case. It is the objectives this parliament has laid down which must be paramount. Otherwise you would have a situation where the B.B.G., or whatever the new regulatory body is, would be put in the position that it would have to try to hold the C.B.C. paramount over the interests of the private broadcasters. I do not believe anyone really means to argue that.

I cannot, therefore, agree with the amendment which is offered nor with those who support it from this side. I should like to say that it is quite clear what would happen if you oppose interests and interests, but you must realize that is not what is being done here. It is not intended that the C.B.C. shall, wherever it finds itself in a conflict such as the one cited by my hon. friend from Vancouver, automatically win. It is only where the objectives are in conflict that the public service must be upheld.

Mr. Thompson: Mr. Chairman, I have listened with interest to what the minister has said. In spite of the reference she made to the report of the broadcasting committee it seems to me she has missed entirely the over-all objective of this bill. This bill is not intended merely to outline the objectives of the C.B.C., the public broadcasting service, but is intended to outline general responsibilities in the entire area of broadcasting. I agree that subclause (g) spells out the objectives of the C.B.C. There is nothing in this bill, and I do not believe there should be anything in it, stating that these are the only objectives. Surely the bill, as its title, the Broadcasting Act, implies, is intended to outline the general responsibilities in the field of broadcasting. The bill does specify certain objectives as the intended objectives of the public broadcasting service, but it is wrong to say that the private sector does not have objectives, that it only has interests.

The reasons the hon. lady advanced in answer to the arguments of the hon. member for Coast-Capilano seem to me, therefore, to be entirely irrelevant to the points with which we are dealing in this subclause. I found myself in complete agreement with the hon. member for Coast-Capilano, and that is why I intend to support the amendment. I regret that the amendment does not go farther than it does. I regret also that the hon. member did not move his suggested amendment to the amendment because I think it is more inclusive and expresses in a more effective way the objective of the hon. member for Winnipeg South. Whether we are placing interests against interests or objectives against objectives, in my opinion this clause is intended to mean that where any conflict arises between the public broadcasting system on the one hand and the private sector on the other the overriding consideration is to meet the public need. I think this is what the hon. member for Winnipeg South was trying to say. We are not attempting to favour the public broadcasting system.

• (5:30 p.m.)

I think it is entirely wrong to say that we have to tilt this legislation toward the one and away from the other. The legislation must be fair when conflicts arise and if there is any tilt it should be toward the public interest and not the public broadcasting service. Although the argument of the minister

may have some basis if it is considered that the purpose of this subclause is to tilt the legislation toward the public broadcasting service, nevertheless I contend that this approach is wrong. It is the general public interest that must be the deciding factor and therefore this subclause should be rephrased.

I hope that the hon. member for Winnipeg South will make his amendment a little more inclusive by amending the wording. If this is not possible, Mr. Chairman, when we have disposed of the amendment there should be a further amendment expressing the thoughts presented by the hon. member for Coast-Capilano.

Mr. Wahn: Mr. Chairman, the explanation of the minister is most helpful but it does seem to me that some steps should be taken to clarify the meaning of this subclause. Subclause (h) provides:

(h) where any conflict arises between the objectives of the national broadcasting service—

That means the C.B.C.

—and the interests of the private element—

The private stations.

—of the Canadian broadcasting system, the objectives of the national broadcasting service must prevail;

This could mean that in the event of a conflict between the state-owned C.B.C. and the private stations it must be resolved in the interests of the state-owned C.B.C. This does not make any sense at all to me. Generally speaking, we in Canada, tend to have mixed systems. For example, in the transportation field we have the state-owned Canadian National Railways and the privately owned Canadian Pacific Railway. It would be complete nonsense to me if we were to provide in the National Transportation act that in the event of a conflict between the C.N.R. and the C.P.R. the interests of the C.N.R. should automatically prevail. Yet this is what we seem to be saying in this subclause. At any rate, it might be interpreted in that way.

I would suggest to the minister if I may, Mr. Chairman, that the word "objectives" at least should be clarified. What is meant in this legislation by the reference to the objectives of the C.B.C.? Does it mean the objectives of the C.B.C. as set out in subclause (g) of clause 2? If so, why does it not say so? I suggest that such a change is the least that the minister should accept in the interest of clarifying the subclause and removing some of the fears which hon. members have about it.

[Mr. Thompson.]

During the course of this rather long debate many members have expressed concern about the type of programs that the C.B.C. has provided from time to time in the past. Personally I am inclined to think that their concern is not soundly based. I believe that the days of a free-wheeling C.B.C. are clearly over. The debate that has taken place in this house indicates that the free-wheeling C.B.C. of the past is dead and that in the future a much greater danger is that the C.B.C. will become the strong right arm of the state, with all the forebodings that that implies. Bolstered by large public revenues, immune from control by parliament, the C.B.C. could become in the future a danger to the public interest rather than a supporter of the public interest. In these circumstances the suggestion that this subclause should be amended in order to provide that where there is a conflict between the state-owned C.B.C. and the privately owned stations it should be resolved in the public interest should commend itself to members on this side of the house as well as to opposition members.

I urge the minister to reconsider the possibility of moving a very simple amendment to clarify, first, the meaning of the word "objectives" and, second, to make it entirely clear that there is to be no automatic resolution of any conflict in favour of the state-owned system but rather that the public interest will be the governing factor.

Miss LaMarsh: Mr. Chairman, I thought I had made it perfectly clear that the latter was the case and also that the objectives were those in subclause (g) and those preceding it. It is very clear that these are the objectives that parliament has set for its servants.

Mr. McCleave: Mr. Chairman, I support the amendment moved by my colleague. I went to the table and borrowed The Concise Oxford Dictionary in order to determine the difference between the word "objectives" and the word "interests". The minister is quite right when she says there is a difference in meaning, but I suggest that it is more a dictionary difference than one that has practical application here. The word "interest" in the particular context under debate means "Thing in which one is concerned", according to The Concise Oxford Dictionary. "Objective" means a "point aimed at".

In the practical context under discussion it is almost impossible to distinguish between what is an objective of the C.B.C. and what is an interest of the private element. This would

certainly be the case if both were to become engaged in a dispute about, for example, the issuance of a licence or who should carry the Grey cup broadcast or the like. I think that any lawyer who was trying to interpret this subclause would do his darndest to see that the point in dispute became an objective of the C.B.C. and an interest of the private element. In the event of a conflict—and the bill does say "where any conflict arises"—if he could label what the C.B.C. was after as an objective and what the private element was after as an interest he would have won the battle. Perforce the dispute must be decided in favour of the C.B.C.

I do not think that that is what we said in the report of the broadcasting committee. Surely that twists the intent of the language beyond all sensible meaning. I can see that in most cases, other things being equal, requests made by the public sector, the C.B.C., would receive the support of the Canadian Radio-Television Council, and I would not object to that. But I would object if in any dispute that arose between the two sides the referee would invariably raise the hand of the C.B.C. aloft and say: The C.B.C. in this conflict is battling for objectives, the private station is battling for interests, and therefore I declare the C.B.C. the winner.

• (5:40 p.m.)

To those who are not taking part in this debate I suppose this argument is about as interesting as the medieval argument about how many angels could squat on the head of a pin. But, speaking practically, we are not getting anywhere by hair splitting or quibbling. I hope the committee will support the amendment of the hon. member for Winnipeg South. Perhaps hon. members may want to think about it and take another look at it over the supper break.

To repeat something I said earlier, suppose both sides in broadcasting, the C.B.C. and a private element, go after a station in Saskatoon or Moncton. The C.B.C. might say: To meet the objective of the national broadcasting system we should be given a station here. The C.T.V. people might say: We are interested in having a station and we think we should have it. Under subclause (h) the decision must go in favour of the C.B.C., although the C.B.C. may not have the money to build the station for years and years and years. At the same time someone with private capital lying around may be prepared to erect a station. What is the public interest then?

I suggest that the public interest can best be served by providing an alternate service for the people of cities that already have a single service. It will not be served by giving the right to build a station to the C.B.C., which may not have the money to do so for years and years and years, but by giving the right to erect a station to those who can make that station available immediately. I hope the minister will reconsider the matter and accept what I think is a sensible amendment.

Miss LaMarsh: Before the hon. member for Burnaby-Richmond interjects with his pointed remarks, to meet the point which has been raised, perhaps the amendment might be changed to read something like, "where any conflict arises between the public interest as determined by the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, the public interest must prevail." In other words, that would pretty well define the public interest as being the objective here.

Mr. McCleave: Is the minister suggesting that the words, "the public interest must prevail", should be inserted in the amendment?

Miss LaMarsh: I was suggesting that the wording should be, "where any conflict arises between the public interest as determined by the objectives of the national broadcasting service", and so on, and that the last phrase on line 35 should be, "the public interest must prevail". I do not ask for comment now but I think we should think about this while listening to the hon. member for Burnaby-Richmond.

Mr. Prittie: Mr. Chairman, the words of the subclause were inspired by a member of the Progressive Conservative party, the hon. member for Royal. As a member of the steering committee I can remember that the language of the subclause was largely inspired as a result of the work performed by the hon. member for Royal. I agreed with him and applauded him for the wording which he suggested in the steering committee. I am sorry he is not here today because no doubt he would make a statement defending the words which he suggested in the first place.

I agree with the Secretary of State that there should be tilt in favour of the public system. The hon. member for Coast-Capilano said that private and public broadcasting in Canada are equally important. They are not

equally important so far as parliament is concerned, and that is evident from the bill.

In this bill clause 2(g) imposes a special responsibility on the national broadcasting service. If some of the arguments that have been put forward were adopted we would in fact be running counter to some of the arguments for national unity. That is a special charge imposed on the national broadcasting service. It must also extend broadcasting services to all parts of Canada, as clause 2 suggests, even where that may not be profitable. No one blames private broadcasters for not establishing stations where there is no market. But people in all parts of Canada should receive broadcasting services, whether or not those services are profitable, and in this bill we are talking about providing such a national broadcasting service in both langauges.

I am sure the hon. member for York-Humber will say there is no apparent market in Toronto for French broadcasting. The same holds true for Vancouver because there is no market there for a French station. Even though there is no market in the commercial sense, the public broadcasting service will extend its service to those areas. Through subclause (g) the national service is charged with a special responsibility to express the Canadian identity and to attempt to forge national unity. It seems to me clear that Mr. R. B. Bennett, in planning the public broadcasting service, intended that service to be the predominant service in the country. Parliament expects that service to be predominant. Almost every national organization, including the Canadian Federation of Agriculture, the Canadian Labour Congress and the Canadian Association of Consumers, has expressed this view when they have appeared before the broadcasting committee.

I take issue with what the hon. member for Winnipeg South suggests. There is nothing rigid about this provision. This clause is a preamble and declaration and I doubt that every word in it could be enforced in a court of law. Nevertheless it is a declaration of parliament and I think the wording should stand. I again remind members of the official opposition that it was their chief broadcasting critic, the hon. member for Royal, who moved the adoption of the wording we have now.

Mr. Nowlan: Mr. Chairman, I must say that I found the lady minister's humour more acceptable than the change she suggested with regard to the point brought to the committee's attention by the hon. member for Winnipeg South and amplified by the hon. member for Coast-Capilano.

[Mr. Prittie.]

Miss LaMarsh: You did not laugh.

Mr. Nowlan: No, but I smiled. I did not write down the suggested change, but I do not think the wording corrects the situation. At first blush it appears to make it worse because you are defining the public interest and including words such as "shall be the objective of the national broadcasting service". It surprises me, as it has surprised many others here, that a government labelled as Liberal should advocate such a clause as this which is perhaps one of the most invidious in the bill in that as drafted it says that any conflict between public and private broadcasters shall be resolved in favour of the national broadcasting service.

I am also amazed that members of the N.D.P. should think the words and actions of Mr. R. B. Bennett are sacrosanct. Undoubtedly in the 1930's, when the national broadcasting service was radio only, the setting up of such a service was a tremendous accomplishment. The service has performed well. I have always been amazed that members to the left who profess to be so progressive, so go-go, so up to date with everything, whose ranks are joined in ever-increasing numbers by columnists and commentators who want to participate in politics, should go back to the thirties in their thinking and imagine that the thinking of the thirties can provide a cure for today and the future.

The hon. member for Burnaby-Richmond in his usual way drew a red herring across our arguments. He said in effect that this clause contains only terms of reference. All I can say to that is that we have spent several days discussing these terms of reference. As the minister has said, this clause is the heart of the bill. Clause 2 is the guts of the bill, and while the subclause we are now considering, when passed, may not have the force of law, it certainly will contain terms of reference which will guide the new council.

• (5:50 p.m.)

As the hon. member for Halifax suggested, there can be a considerable difference between one's interest and one's objective. Take the case of the unfortunate gentleman —perhaps fortunate, depending on how one views the state of matrimony—who had two wives. His objective was to be buried

between the two ladies. That was his objective. But he had an interest in being tilted toward one rather than the other. There is no doubt that the gentleman wanted to be buried between the two ladies, but he had a little more interest in one of them.

Miss LaMarsh: But what was his objective?

Mr. Nowlan: His objective was to be buried. Any activity after that was pretty sterile.

Miss LaMarsh: Then surely the hon. member realizes that his interest and his objective were the same.

Mr. Nowlan: Let us say that any amorous objective had long ceased and expired.

Be that as it may, the story does illustrate the difficulty in trying to define an interest as apart from an objective. One could have an objective and at the same time have an interest which pursued that objective, but I do not know whether the reverse cannot be true. It occasionally happens that a phrase in French cannot be transcribed into English because of semantic difficulties. Here, in the English language, we find a paragraph which can only add to the difficulties of the council in any attempt it may make to distinguish between interest and objective, no matter what semblance of plausibility the minister may appear to give to the clause.

This is a key clause. The position taken by the hon. member for Burnaby-Richmond, with all his eloquence and sincerity, confirms our belief that this is a fundamental concept. It does not matter greatly who drafted the provision or what has taken place since the committee hearings. I am completely opposed to a clause which, without further ado, would resolve matters completely in favour of the C.B.C. Even if the committee accepted the plausible explanation given by the minister in defining "interest" and "objective", the provisions as set out are so general as to encourage the council to decide automatically in favour of the public network.

We have gone far beyond Mr. Bennett and the thirties. For example, we have developed a modern transportation service, as the hon. member for St. Paul mentioned. Let us go out west to the region the hon. member for Burnaby-Richmond comes from. No doubt he would tell us he would like to see one state-owned air service in Canada. Fortunately, not very long ago we had a progressive government which did something about public transportation in the air and developed competition between Air Canada and Canadian Pacific Airlines. I should like to hear the hon. members for Burnaby-Richmond, Burnaby-Coquitlam and New Westminster, who all come from the beautiful province of British Columbia where I was fortunate enough to practice law for several years, say in this house today that they do not like this development or that it has is not helped to improve Air Canada service as well as provide better service for the public.

An hon. Member: And provide the biggest payrolls in British Columbia.

Mr. Nowlan: That is so. I know that birds flock to Victoria to a far greater extent than they do to Ottawa, but in any event I doubt that there is any wish to revert to the old transportation system and allow all questions to be resolved in favour of Air Canada. If this had been done there would today be no alternative air service over the Rocky Mountains.

As I say, we have advanced beyond the thirties. I was somewhat disappointed to hear the hon. member for Burnaby-Richmond reverting to the thirties for his argument and trying to keep us in that period when we have progressed beyond it, notably with regard to the affairs of the Canadian National and the Canadian Pacific. We have established the Canadian Transport Commission to resolve conflicts. Air Canada and Canadian Pacific Airlines now supply alternative services, with the Canadian Transport Commission or the Air Transport Board ready to resolve differences.

Why, then, should there be so much hesitation about writing into the bill a provision such as we are suggesting? As things stand, with the prestige of the C.B.C. and the weight of public money flowing into that organization there would have to be a very strong case indeed before the council would fail to resolve in favour of the C.B.C. I say the effect will be to castrate the council. Why give powers to the council as is done under clause 16 unless room is given for the exercise of those powers and the reaching of a fair determination when conflicts arise?

For these reasons and many more which I could advance I hope the minister will reconsider the position she has taken. The amendments advanced by the hon. member for Winnipeg South might, in my opinion, have included a few words to make it clearly

understood that when conflict does arise between the national system and the private system the interest of the public should prevail. I see nothing archaic or antediluvian about this or any bar to its adoption by the government which prides itself on traditional forms of Liberal philosophy. I think I shall now call it six o'clock.

Miss LaMarsh: Would the hon. member answer one question? I was sad to hear him say he was distressed by reference to the late R. B. Bennett. Has he made such violent objection on every occasion when his former leader went back a hundred years or so to Sir John Macdonald?

Mr. Nowlan: The hon. lady cannot have heard me in many debates because today I was not really violent at all. My voice was just going up and down. It was simply that I was disappointed in the approach of the hon. member for Burnaby-Richmond.

The Chairman: Order. It being six o'clock the house will now proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Brandon-Souris (Mr. Dinsdale), Vocational Training —protest by students respecting living allowance; the hon. member for Halifax (Mr. McCleave), Industrial Relations and Disputes Investigation Act—Inquiry concerning statement by assistant deputy minister; the hon. member for Vancouver East (Mr. Winch), Public Works—Vancouver—Construction of federal building.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, public bills.

• (6:00 p.m.)

PRIVATE BILLS

RAINBOW PIPE LINE CORPORATION

The house resumed, from Tuesday, November 7, consideration in committee of Bill No. C-105, to incorporate Rainbow Pipe Line Corporation—Mr. Orange—Mr. Batten in the chair.

[Mr. Nowlan.]

The Chairman: When the committee rose on Tuesday, November 7, clause 1 of the bill was under consideration. Shall clause 1 carry?

On clause 1—*Incorporation.*

Mr. Howard: Mr. Chairman, as you have said, this matter was given some consideration on November 7. Some time last June the committee of the whole house also considered the bill and it had, of course, been dealt with somewhat extensively, though not as extensively as some of us would have liked, in the standing committee on transport and communications.

If one looks in a cursory way at the debate in committee of the whole it will be found that there has been a considerable amount of opposition and adverse speculation concerning the intent and purpose of this company. The speculation and opposition and the doubts about the company and the operation of the pipe line itself stem from all parties in the house. Therefore the concern in regard to this company has not been narrow or partisan but rather pretty broad and general.

I do not, of course, wish to put the hon. member for the Northwest Territories in an awkward position in respect of this bill, but quite frankly the fact that the proceedings with regard to the bill have been delayed from time to time indicates to me that even the sponsor of the bill had some doubts about its merits and what the operations of this company might be. One has only to look at the number of times the bill has been called to be proceeded with and then has been permitted to stand.

My hon. friend holds up a finger to indicate that this occurred once. It occurred last Thursday as well and on other occasions prior to the bill being given second reading. If I am mistaken I stand corrected and apologize to the hon. member for the Northwest Territories. However, this is my understanding from watching the proceedings in respect of this bill. My understanding is that it has not been proceeded with on several occasions when called by the Chair. We all know that when this happens with regard to a private bill it simply means either that the sponsor is not in possession of all the information he would like to have about the structure of the operation of the company or that he has some doubts about it which need to be resolved in his own mind.

Because a number of objections and doubts have been expressed by members in the

house and in committee concerning the bill I am quite sure the officers and agents of the company, not to mention the hon. member for the Northwest Territories, have looked at these objections and doubts and are perhaps prepared to try to allay the doubts and fears expressed by hon. members. It may be that at some subsequent stage of the bill the hon. member for the Northwest Territories may have some comments to make concerning the doubts that have been expressed in the past. He may not have that opportunity today, incidentally, and whether the opportunity will arise on some subsequent Thursday is problematical. However, as long as the doubts which have been expressed by members on both sides of the house remain I think it behoves us not to pass the bill until they are cleared up. This matter will be explored later by some of my colleagues.

One aspect of the bill that concerns me is one which has concerned me in respect of other companies that have come before us during this hour to seek authorization. I refer to the ownership, control and authority behind the particular company. This is set out on page 7 of the minutes of proceedings and evidence of the standing committee on transport and communications for June 20 last. Mr. Barroll, vice president of Mobil Oil Canada Limited, pointed out that the ownership of Rainbow Pipe Line Corporation was fairly well equally controlled by three major oil companies. He lists the ownership. He states that Imperial Oil Limited has a 33⅓ per cent equity, that Mobil Oil Canada Limited has a 33⅓ per cent equity, that Acquitaine Canada Limited has a 30 per cent equity and that Banff Oil Limited has a 3⅓ per cent interest. Later there was some mention of the possibility that Acquitaine Canada Limited owned and controlled Banff Oil and that if that were the case the ownership, either directly or indirectly, was equally shared among Imperial Oil Limited, Mobil Oil Canada Limited and Acquitaine Canada Limited.

As I understand it, not one of these parent companies is a Canadian company in the sense that it is owned and controlled in Canada, even though the bill says that not less than two-thirds of the directors of Rainbow shall, at all times, be persons resident in Canada and Canadian citizens. I submit that this would not detract from the degree of foreign ownership which, incidentally, is 100 per cent. In this case, as I believe we have proposed on other occasions with regard to insurance companies, I think there should be an element of Canadianism involved and that we should develop some wording—and I believe there is ample precedent for such wording to be used—which we could insert in the bill to indicate that parliament will give the company a reasonable period of time in the future to divest itself of its foreign ownership and complexion and become Canadian owned and controlled. In fact this is one aspect which I think should be cleared out of the way before we proceed to give final passage to the bill.

Another point about which I am concerned, and about which I expressed some thoughts on another occasion, involves the export of raw materials. The Minister of Indian Affairs and Northern Development not many months ago, although I cannot from memory either quote the words or cite the occasion, propounded fairly strongly the concept that particularly in the Northwest Territories and the Yukon Territory we should bend every effort to develop the resources in the area. In other words, we should try to process in the territories whatever resource it may be through the various steps to the final manufactured or finished product. I am sure the hon. member for Northwest Territories, the sponsor of the bill, supports that principle. We all do because we are thinking in terms of Canadianism and the parochial necessity to develop industries close to the source of the raw material. This is true because such development provides the greatest amount of economic wealth to the area.

• (6:10 p.m.)

As one of the objectives of the bill the company intends to export the raw material not only from the Northwest Territories to other parts of Canada but also out of the country. Information in this regard was given to the committee. Mr. Barroll, vice president of Mobil Oil, said the following, as recorded on page 3 of the minutes of proceedings and evidence of the committee on transport and communications for Tuesday, June 20 last:

> If you will permit me, I might make a statement here as to the location of the Rainbow Pipe Line system relative to the major crude oil distribution systems that exist in Canada today.

Apparently they had a map, although I did not see it, not being a member of the committee. Presumably this was pointed out to the members. He then said:

> As shown on this map Rainbow Pipe Line system, as it is currently constructed, some 478 miles to this point here, connects to the terminals of Trans

Mountain Pipe Line and Interprovincial Pipe Line. These are the main trunk line systems that supply crude oil to the west coast refineries and the general export area here on the northeast coast of Washington.

If this company ever gets into operation, part of its proposal is to connect producing crude wells in the Northwest Territories with export systems which eventually reach the northwestern United States. Mr. Barroll then went on to say, as recorded on the same page:

In addition, of course, the system ties into the Interprovincial system which extends down through the United States to eastern Canada and supplies the important prairie markets and the markets in the Great Lakes area and, of course, the Sarnia market which is the principal destination for this crude.

The primary purpose of this company is to get the crude out of the Northwest Territories and to the Sarnia market. Mr. Barroll then talks about the desire of the company to enter the Chicago market which, at least at that time, was a relatively short crude oil area, as he put it.

I suggest that we should explore this whole matter thoroughly because we are apparently being asked to express a lack of concern for the well-being of the economy of the Northwest Territories in which this field exists. We are being asked to allow the extraction of crude oil from the Northwest Territories. Crude oil in its original state is of small value because it has received only the smallest amount of processing. As a raw material is processed its value increases. We are being asked, by allowing the export of this raw material, to disregard the potential interests of the people of the Northwest Territories. This is contrary to what the minister responsible for Indian affairs has suggested in respect of the national resources of these areas. We should not take the raw materials out of these areas before processing because this results in the lowest revenue for the people at the source. Surely that is not good in terms of Canadianism.

I am also disturbed by the requested powers and authority for this company. It has been said that the Rainbow Pipe Line Company is looking merely for a hunting licence. The company apparently wants to be placed in a monopoly position in order that it may do whatever it likes with the resources of this area, but let me remind hon. members that such a monopoly position puts everybody else in a disadvantageous position.

[Mr. Howard.]

Let me refer again to the proceedings of the committee to indicate the philosophy inherent in the promotions of this company. Mr. Barroll said, as recorded on page 9, after quite extensive explanation about other aspects:

As a matter of prudence the solicitors for, and the management of, Rainbow Pipe Line Company deemed it advisable to get powers as broad as this committee saw fit to grant, so that they would be in a position to move into any area of transportation through pipe lines.

In other words, the company was saying, let us get everything we can. We may never need what we get but let us have the right to do sundry things. This company is seeking the right, without restriction or confinement, to do a variety of things. By way of comparison I think it is reasonable at this stage to refer to the bill which was being considered by the house earlier today. That bill would provide authority to a corporation to operate radio stations, microwave systems, television stations, interstation radio communication facilities, teletype, telephones and heaven only knows what else in the field of communications without restriction and without regard to whether or not the activity of that corporation is in the best interests of the country or the people of Canada. That corporation seeks authority in blanket form from the parliament of Canada to own, lease, operate and maintain all these facilities subject to the regulations and provisions of the Radio Act or any other statute relating to such communications facilities.

• (6:20 p.m.)

In almost every case which has come to our attention of a company seeking authority such as this the officers of that company have had the grace to say they only want such authority and power for the purpose of carrying out its business activities. The company named in the bill before us suggests that its solicitors and management feel it prudent, in Mr. Barroll's own words, to obtain the broadest powers possible. So they even, and I submit they did it deliberately, excluded the normal saving words in such a clause restricting the company particularly to its own undertaking. Of course, sundry other rights are asked for in the bill, including permission to carry out various activities such as the maintenance and operation of aircraft and aerodromes—In this instance they point out that this activity is for the purpose of the company's undertaking—together with all the facilities and

appurtenances that go along with the operation of aircraft and aerodromes.

Now I come to the hunting licence aspect of the bill. The company seeks the right to search and prospect for gas, oil and other hydrocarbons and related substances or any of them, the right to drill for, extract and produce, store, refine, process, purchase, transport and distribute natural and artificial gas, oil and so on and, in fact, to do whatever other things oil companies do with respect to their search activities.

The Chairman: Order, please. I must advise the hon. member that the time allotted to him has expired.

Mr. Peters: Mr. Chairman, we had before us the other day a bill that contained the same type of garbage about which the hon. member for Skeena has been speaking. In that case the company decided that there obviously had to be some compromise between its hope to operate a pipe line and the lawyers' hope to have everything but the kitchen sink included in the bill. The company thought it would be wise to present a bill which would enable it to operate as a pipe line rather than presenting one that had no chance of passing. Therefore they compromised to the extent of presenting a bill asking for permission to operate a pipe line.

It is my opinion that the fault does not lie only with the lawyers who advise pipe line companies. Certainly I am not presuming to tell Imperial Oil whom it should hire as lawyers. I think some of the fault lies with the Senate. I believe that the legislation it is providing as a model for pipe line companies is a disgrace to that august body, and it is legislation that we certainly do not intend to endorse. The sooner the other place is advised that a company coming before parliament should ask only for what it wants, the better chance that company will have of receiving permission to do those things. Companies that ask for many things they do not really want but which they presume there might be a faint possibility of using 50 years later had better ask for those things when they are wanted and members of parliament will consider them. A good example is this bill and several earlier pipe line bills.

For the last few days we have been discussing the Broadcasting Act. We will be creating in effect a new television and radio communications system. That bill deals with satellites, radar towers and all the other paraphernalia that go with communications systems.

To be fair to the pipe line companies, many of them have very sophisticated communications systems which are necessary for their operations and to enable them to keep in communication with stations along the line. But when they present legislation to us such as that contained in this bill I say it is a disgrace for members of parliament to vote for it. This is especially so when the company has told the committee that it has no intention of using some of the powers for which it is asking. Yet we allow such bills to pass because some lawyer in a fantasy thinks it is a service or function that might be useful at some time and it is therefore included in the bill.

I am interested in this bill for two reasons. I believe that before the bill passes the garbage should be removed from it. I think that will be done if the company sincerely wants to operate a pipe line. In that event they will ask for permission to operate a pipe line and will present a bill which will enable them to do so. They will not ask for permission to operate a communications system or systems, the right to own houses, distribute power and do the many other things included in the bill.

The other problem is much more important. It involves a discussion we had with several people concerning a bill that was passed previously. That bill was in the same field as this and provided somewhat the same coverage. I would like to refer to the minutes of proceedings and evidence of the standing committee on transport and communications of June 20 last and the evidence of Mr. Barroll. The company made a presentation to the committee and Mr. Barroll, the vice president of Mobil Oil, gave evidence before the committee. The seventh point in the conclusions he presented to the committee was as follows:

> Finally, the people of Canada have a direct financial interest in development of petroleum resources in federally administered territories. It is to the advantage of Canada, we believe, to pass enabling legislation permitting the development of these resources so as to accelerate return to the government of Canada of royalty and lease sale revenue.

I agree with this. I also think that we have to decide for ourselves whether it is advantageous. We have to decide whether what we are doing is to the advantage of Canada or to the advantage of the oil company concerned. This company makes no bones about the fact

that Imperial Oil owns one-third of its stock and Mobil Oil, which I always thought was Imperial Oil, owns one-third. I am still of the opinion that these two companies have a very close connection. The other company concerned is one of Mr. de Gaulle's French companies and it owns, through a split between Aquitaine and Banff, the other 33⅓ per cent of the stock.

These companies are obviously interested in producing oil. They are in the distribution business, the refinery business and the transportation business. This company would be set up to handle transportation business also, and this raises the problem of whether it will really be a common carrier. I think a good example of a common carrier is Interprovincial Pipe Line, owned entirely by Imperial Oil. Interprovincial was established as a stock company and a common carrier. I believe its record in this field has been fairly good. We have to ensure that a common carrier is just that and carries oil from the area. But in this case we are asked to pass a bill that will establish a pipe line—we passed a similar bill last week—and provide a hunting licence in an area in which there is no oil at the present time. I say there is no oil in the area but I am quite sure there will be. I am sure the indications are that oil is available there. But the oil now being developed is at Norman Wells, and I do not think it is anticipated that that field is large enough to warrant a line from Edmonton through an extension of the Rainbow pipe line. Therefore I presume that the company is really looking for oil which they will drill and develop in the Rainbow field north of the Alberta border and in the developments that are taking place in the tar sands of Athabasca and the Northwest Territories. There are several developments in those areas.

For this reason I believe we must look at the bill in terms of what the National Energy Board has done in this area. I am not a member of the committee but I have read its report. I was very impressed by two gentlemen who asked a number of very pertinent questions and I am very displeased with the answers given by this company because they really parroted the type of answers given previously to the same type of questions. One of those questions would be whether it is wise to provide a hunting licence or a number of them in the same area. Another would be whether the National Energy Board or some government agency acting on our behalf is in a position to decide whether this company should be given a licence in the area requested by them, and more particularly in the broad terms of their application.

• (6:30 p.m.)

I spoke to someone the other day who told me that the company now have a 24 inch line and two 20 inch lines, in other words three separate lines going into the Rainbow field, that the Rainbow field has not proven satisfactory and that the three connecting lines into that field do not bring a revenue because the capacity of the transportation facilities is considerably beyond the capacity of the field to produce oil. Yet we have now granted another licence to the Vawn Pipe Line which will allow them to go hunting in this area.

According to my information I believe that if the people who operate the line into Rainbow want it to be an economic venture, they have to go into the Northwest Territories, and this is the reason that the line was built. What concerns me is that we are passing this type of legislation without having really considered what is good for the Northwest Territories and for the companies which exist there at the present time, and whether it is in the interest of the area. I am of the impression that the hon. member sponsoring this bill, who himself comes from that area, has these matters in mind. We are all aware that in the whole of the northern area an attempt is being made to exploit its full potential projected many years ahead. I am sure that those who lived in Ottawa in days gone by will remember when northern Ontario was opened and when the original railways were used for the transportation of lumber and for colonization. In the city of Ottawa 15 or 20 charters were granted by the federal government for the construction of railways in northern Ontario. In fact, the history of the O'Brien family could be written by thousands and thousands of people who bought stock in railway companies which were never developed after having been granted charters. It is an interesting history and several books have been written about this romantic age. I am sure the hon. member for the Northwest Territories will agree that this stage is not yet over in the Northwest Territories, where everyone wants to have a pipe line or a railway so long as they can exploit its potentianl value. They do not pay too much attention to the people who will be exploited in the process, whether they are the shareholders in a company which

will never produce or people who are settling in an area which might not turn out to be as profitable as they had hoped.

When we set up the National Energy Board we stated that it should look after some of our responsibilities in this field. Frankly I do not think they are doing a good job in the south because they have allowed everything to go to the United States, to the extent that the Americans are now complaining about the export of our natural resources in the field of petroleum. We have not asked the National Energy Board whether it is necessary for 10 common carriers to go into the Northwest Territories, where as yet no oil is being produced, apart from Norman Wells and several other small developments. I exclude Norman Wells because there is a refinery there, but it is the only producer in the area. Yet we have now granted one charter and we are being asked to grant another. I believe that in the next two or three years we might be asked to grant five or six others. I ask hon. members: Why have we not called the National Energy Board before us in connection with these bills and asked some of their experts to give us a projection of the need for petroleum in the Northwest Territories? This is not a provincial matter, but one which is the responsibility of the federal government. We are acting both as a pseudo provincial government and as the federal government, and therefore we have a double responsibility in this field.

I think hon. members are either being unfair to themselves or stupid, and I suggest it is not the latter. The situation in which we find ourselves is partly due to the way in which these bills are presented and partly to the unfairness of the committee structure and the way in which we operate, which does not allow us to provide the necessary protection. We have not called on the National Energy Board to come before the committee and make its recommendations. I should like to see the sponsor of the bill ask that the bill be returned to the committee for further study and that the National Energy Board be requested to provide us with some information with regard to the necessary protection. I note the Canadian National Railways and the Canadian Pacific Railway, through the Vawn Pipe Line and the Rainbow Pipe Line, have explored the area and have found there is not enough crude for both of them, and that in fact there will not be enough crude for either of them if the potential is not there. I was advised that this was the situation so far as the Rainbow Pipe Line is concerned and that the three lines which are now going out of the Rainbow field into Edmonton have a greater capacity than is justified. This field did not turn out quite as well as was anticipated.

These matters should be considered by members of parliament. It is not good enough for us to give a rubber stamp approval to these private companies. If there is any reason for their wishing to be incorporated by parliament, then there is a justification for giving greater attention to these bills. I am certainly not suggesting that the sponsor of the bill has not considered this matter sufficiently because I am sure he has, in view of the fact that the people he represents will be the ones who will really suffer if we do not handle the granting of these licences so as to protect the people who will invest in these companies, who will work in these fields in an atmosphere of exhilaration and who may find themselves in a sad state if the companies are not successful in their operations.

Another consideration must be taken into account so far as the National Energy Board is concerned, and that is the fact that we are importing into Canada more oil than we are exporting. Surely the National Energy Board should consider that. In view of this, perhaps we should consider the construction of an east-west pipe line which would handle enough crude to supply the needs of the eastern markets, rather than import crude from Venezuela. If this is not feasible, then perhaps we should make an arrangement with the United States to bring in oil where it is easier and to return it from another area from which it can be supplied easier. We should consider some such arrangement, rather than the haphazard one which the National Energy Board seems to be planning. If this were done we may find it preferable not to grant further drilling permits in the Northwest Territories at this time, because I anticipate that vast quantities of oil will be discovered in that area. We may then find ourselves in a situation similar to that of Elliot Lake, where a large development took place and a great outlay of capital was made, following which there was no longer a market for the product.

• (6:40 p.m.)

Who suffers? The company does not suffer because it has a tax exemption over a long period of time. The shareholders do not suffer because they will be able to liquidate their holdings long before the man who has a house

in the new community which is dependent upon this resource. For these reasons, Mr. Chairman, I would entreat the hon. member for Northwest Territories to refer this bill back to the standing committee so we can have a look at it. I am not so sure we were right in passing the last bill, since I have found certain implications in it which I did not realize were there. We made representations, and those representations were met. I think we have some responsibility in the matter. Now that I have pursued the matter further and in greater depth, I feel the member has a responsibility to investigate the potential for exploitation that will obviously prevail with the granting of an interprovincial licence, which will allow this company to move from Alberta. I am sure everyone will agree there has been a great deal of exploitation in Alberta. This province does not seem to mind as long as you pay for it. We may find that the Northwest Territories cannot be compensated in a way that will produce anything for the people or for the rest of Canada.

Before I resume my seat, Mr. Chairman, I suggest that if some of these things are not clarified in the bill, and some of the junk removed, then I feel this will indicate the company does not want to proceed with the bill. I will consider it in that light.

Mr. Churchill: While other members were speaking, Mr. Chairman, I reviewed the debate on this particular bill and I noted it received considerable attention on two occasions, last June and again in November. It is now before parliament for the fourth time and does not have much prospect of being passed. From time to time we hear complaints from people about parliament being very slow in passing certain legislation. I have on occasions wondered about so many of the private bills which appear to stand on the order paper for a considerable length of time. It seems to me that sponsors of bills of this nature should pay closer attention to the operations of parliament.

As I read over the earlier debates I found, and I may have missed a few names, that the hon. members for Acadia, Kindersley, Edmonton West, Calgary South, Timiskaming, Skeena and Comox-Alberni have all had useful and appropriate remarks to make with regard to this particular bill. Despite this, the bill has not been modified. We have not heard from the sponsor as to whether it is going to be modified in accordance with the suggestions made by these members. and perhaps others who may have spoken. The bill is still in the house and is being debated today. Obviously it will not go through.

Other bills, which perhaps are less contentious, are held back. At some stage, people who have private bills before this house should give some attention to the objections that are raised, particularly when the objections are raised by able members of parliament such as the ones I have mentioned. Of those I have mentioned, some are residents of the province of Alberta and are fully aware of the area affected by the bill in question. However, we have not heard from the sponsor of the bill as to whether the objections that have been raised will be considered. I feel that this is not good practice. These people who are anxious to obtain the charter should very quickly, if they are seriously concerned with getting the charter, make some accommodation with the members of this house.

Over and above the debates to which I have drawn attention, this bill was studied in the appropriate committee of the house. Witnesses were questioned and certain objections were raised during the course of the committee proceedings. Instead of anyone raising objections about parliament holding up private bills, the objection that should be raised is that the people who are anxious to get this bill through should meet with members in order to effect some compromise. In this way we may get on with other important matters which other people have brought before parliament.

I hope that the member who has introduced this bill will make some statement today and let us have some idea as to what the plan is for the future. Is this bill simply to come forward again? Are the same arguments in opposition to it to be advanced again? There is no other course open to the members of the house if they are not satisfied with the bill which is placed before them. It is that type of co-operation that should prevail between members of this house, and people who are interested in getting bills through and not the situation which we have now. Looking back at the debates which occurred, as they are recorded in *Hansard* for June, one finds there was ample opportunity between June and November for the interested parties to modify the bill or discuss with interested members of this house how it might be adjusted so that parliament might give its consent to it. So far as I am concerned, basing my judgment on the statements made by various members

who have spoken, I am in a position where, unless they inform me otherwise, I could not support the bill.

I ask the hon. member who is sponsoring this bill what accommodation is to be made with regard to the argument there should be ample opportunity for Canadian ownership of this company. What is the answer to the suggestion that this company might have an effective monopoly in the area with which it is concerned? What is the answer to the objection that the profits might be used for further exploration rather than for a reduction of the tariff for moving products through the pipe line? Just glancing quickly at the various submissions that have been made on the bill itself, I do not discover answers to these particular questions.

Now, Mr. Chairman, the only reason I have intervened has been to express my concern at this method of dealing with bills of this nature, which we must assume are of importance to the people who have brought them to the attention of parliament. I doubt if you would be able to find in the total membership of this institution anyone who opposes the development of our country. This is one of our major objectives. We are not opposed to pipe lines or railway lines or roads to resources. This has been one of the outstanding features of parliament during the years I have been here,—to further the resource development of our country. Yet, Mr. Chairman, we have before us a bill aimed at resource development that is not passing readily through the house.

• (6:50 p.m.)

This is not the first pipe line bill that has come to the attention of parliament. I well remember many years ago a very distinguished member of the house from Vancouver Quadra, Hon. Howard Green, took a keen interest in bills of this nature and drew to the attention of the house the significance of some of the bills which came to his attention at that time. His alertness in dealing with those bills subsequently proved advantageous when even more important measures relating to pipe lines were brought before parliament. So there has been plenty of experience in the past in the matter of pipe line bills.

In what respects, Mr. Chairman, does this bill differ from others of similar nature that have been debated in this house? If this bill is similar to the others that have gone through, then I can only suggest that perhaps parliament made a mistake in passing the other bills, or that there is now more knowledge available to members in dealing with bills of this nature.

I urge the member of the committee who is sponsoring this bill to give us a statement now so as to clear the air for the next occasion on which this bill comes to our attention. In order not to consume all of the time I will now bring my remarks to a close.

Mr. Barnett: Mr. Chairman, apparently the sponsor of the bill is not prepared to take up the suggestion that has just been made by the hon. member for Winnipeg South Centre; I was rather hoping that he was. If one follows through some of the discussion that has taken place on this bill he cannot help but share the concern over the way it has been dealt with, as it was expressed by the hon. member for Winnipeg South Centre. Certainly I was glad to hear him express the concern about this bill that a number of other members of the house have been expressing.

The point is well illustrated if one refers to the proceedings of the standing committee on transport and communications for June 20 last, where one discovers that the committee itself was not very happy with the result of the rather desultory consideration given the bill in the period during which the committee met. The members of the committee were not too well satisfied with the information, or with what some of them felt was the lack of information, provided by the witnesses appearing on behalf of the applicants.

This is very well illustrated at the point in the proceedings that appears at page 15 of the committee report. Apparently the committee had passed most of the clauses, but the chairman of the committee was in effect stifling the request of the hon. member for Jacques Cartier-Lasalle to get some further information about shareholders before the bill was finally approved. At that point the hon. member for Acadia said:

> The officials have not denied the fact that Imperial Oil and Mobil Oil are American owned and that the Acquitaine group is French owned. If the government, as it proclaims, is working in the interests of the Canadian public at this time—

The hon. member was interrupted at that point by the chairman, who said:

> Let us not go into that, Mr. Horner. Order, please. This is a private member's bill, Mr. Horner, as you know. Mr. Horner, you are getting out of line now. You are free to vote against it.
>
> Mr. Horner (Acadia): I may just do that.
>
> The Chairman: That is your prerogative.

I will ask for a vote. Those in favour of the preamble carrying, please signify? Those opposed? The vote is tied. The preamble carries.

Mr. Horner (Acadia): Wait a minute. Did you vote, Mr. Chairman?

The Chairman: I am just casting the deciding ballot.

Mr. Horner (Acadia): All right; so long as the committee understands that.

I have been a member of a number of committees of the house from time to time that have dealt with bills, and certainly had I been a member of this particular committee at that time I would have considered that a tied vote on whether or not the preamble of the bill should carry was bringing the hearing of the bill to an end on a very unhappy note. It is obvious that the members of the committee were not very well satisfied with their consideration of the bill.

I have drawn those excerpts from the proceedings of the standing committee to the attention of this committee of the whole in order to underline the remarks just made by the hon. member for Winnipeg South Centre about the general discontent that some of us feel, not only about this bill but about the procedure for dealing with matters of this kind.

We are here dealing with a bill which, if it does involve the building of transportation facilities for the carrying of a commodity, is in direct conflict and competition with another bill that we passed in this house a few days ago. One cannot help but ask whether this is a logical and rational course of action for this parliament to follow. Certainly it is the kind of question that requires consideration and goes far beyond the scope of any one of these bills.

Coming back to my reference to the committee—

The Chairman: Order. I must interrupt the hon. member and advise the committee that the hour for the consideration of private members business has expired. Shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: Does the house agree to resume the business interrupted at six o'clock?

Some hon. Members: Agreed.

[Mr. Barnett.]

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order. House again in committee of the whole on Bill No. C-163. It being seven o'clock I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order, please. When the committee rose at six o'clock it was considering clause 2 (h) and the amendment thereto by the hon. member for Winnipeg South.

Mr. Nowlan: Mr. Chairman, I called it six o'clock. I find it difficult to reconcile the language of this clause with the classical definition of small "l" liberal philosophy. I find it repugnant to see in legislation any clause which says that any conflict between the private and public sectors in broadcasting shall be, ipso facto, resolved in favour of the public sector. The minister ought to display again her spirit of compromise and good sense by eliminating that part of the clause altogether.

As I said before the supper adjournment, we have come a long way since the 1930's when the C.B.C. was first established. Many of the relevant considerations of those days need not necessarily be today's considerations. In a country like Canada it is necessary to have all sorts of hybrid systems. We are a large country with few people, and we have hybrid systems in the Canadian National and Canadian Pacific Railways, as well as in Canadian Pacific Airlines and Air Canada. In the legislation covering those organizations there is no clause that says that any conflict between private and public sectors in transportation shall be resolved in favour of the public sector.

Though the minister tried valiantly to explain the meaning and intent of the clause I submit that she did not, herself, believe in the explanation she gave the committee. She

suggested that the objects of the C.B.C. shall be the public interest. I can only say that at times the objectives, policies or programs of that body are not in the public interest. The hon. member's amendment says that where there is conflict between the private and public parts of the broadcasting system, the public interest shall prevail. I see nothing wrong with that.

I ask the minister whether any legislation covering the various hybrid bodies that I have talked about, where the federal government works in co-operation with companies in the private sector, contain any clause saying that a conflict between the public and private sector shall be resolved in favour of the public sector. Instead of indulging in semantics and trying to translate from French to English and vice-versa, trying to clarify meanings in both languages, the whole business could be avoided if the clause were eliminated or scrapped. If this is done, what is there to be lost?

During my brief examinations of legislation covering the Board of Transport Commissioners and the Air Transport Board I have seen no clause that says that in a conflict between the public and private sectors the interest of the public sector shall prevail. Admittedly we are dealing with broadcasting, the brainwashing avenue, or potentially so. But when you talk about freedom of speech and all the other freedoms my friends to the left talk of, you are not abrogating any of those freedoms and you are not going against the public if you say that the interest of the public shall prevail. There is a slight difference there.

If the minister cannot accept the amendment of the hon. member for Winnipeg South and the further refining definition of the hon. member for Coast-Capilano why does she not eliminate the clause? What is to be lost? Are the private and public sectors of the broadcasting service any different from the private and public sectors of our railways or air lines? Regulations and boards govern our transport systems, and boards resolve conflicts between the public and private sectors. Is broadcasting any different?

Another criticism of this bill is that we are trying to legislate too much in one bill. We talk about various viewpoints, programming, whether this program is good or bad, so on. Part of the difficulty is that we are trying to legislate too much in this field and trying to introduce too many terms of reference to an area that is fluid and cannot be restricted always by terms of reference. The minister ought to remember the divergence of opinion that arose when the government tried to legislate with respect to programming.

• (8:10 p.m.)

In connection with subclause (h) I feel the minister has fallen into the trap of trying to legislate more widely than is necessary. We should remember that whether this amendment passes or not, whether this clause remains in the bill or not, there will still be the council to resolve conflicts. I urge the minister to exercise the good sense for which she is sometimes known by leaving out the clause entirely, thus demonstrating liberal philosophy with a small "l", or at least to go as far as accepting the amendment put forward by the hon. member for Winnipeg South.

As I said earlier, this clause if left unamended would in effect castrate the council and upset its work in seeking to resolve differences fairly. Further, if the minister would read tomorrow the explanation she gave earlier to the committee in rationalization of the difference between interest and objectivity she would understand the difficulties which this clause presents. Unless the hon. lady can tell me that in other areas where there are public boards on one hand and private companies on the other similar clauses have appeared in governing legislation, I shall remain convinced that the clause needs amending.

Indeed, she would be well advised to omit the clause altogether. Such a decision would no doubt expedite the passage of the bill before us, avoiding what might otherwise provoke a great deal of discussion from this side of the house where, so far, we have been remarkably restrained in our criticism, though criticism has been expressed on all sides in connection with other aspects of the legislation. For us it is repugnant that there should be a council set up to resolve differences when, at the same time, the bill states in definite terms that should a conflict arise it is to be resolved in favour of a national broadcasting system, that is to say, the C.B.C.

This, to my mind, is a fundamental flaw in the bill and I say this without meaning any disparagement of the C.B.C.

[*Translation*]

Mr. Pelletier: Mr. Chairman, I would like to speak about that matter, because I feel that it is very important for the future of

broadcasting in Canada. To give an idea of the general tone of my remarks, I must say first of all that the only amendment I can support is the formula proposed by the Secretary of State (Miss LaMarsh) before the dinner recess.

I would like to begin with an answer to a question put by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) at the end of his remarks. He asked: If we discard that subclause, what will be lost? I would like to say that, in my opinion, we would lose something that is essential and absolutely necessary, namely a clear standard of judgment to guide the members of the Board of Broadcast Governors.

What does this paragraph do? It indicates specifically in what sense difficult decisions will be taken, difficult problems will be solved by the B.B.G., in what sense, I repeat, these decisions will be taken, in what sense these problems will be settled. This paragraph indicates that, other things being equal, from the technical standpoint or from the audience point of view, the board will have to take into consideration that the C.B.C. is a public service and the private stations are private enterprise, and that there is a difference in nature between them. If we do not give the B.B.G. this criterion, it will be a very bad service to do them.

I have often heard from professional workers in broadcasting a criticism that seems well founded to me, it is that heretofore legal texts governing broadcasting in Canada were not sufficiently explicit. Decision making cannot be left to a board of governors if the legislator does not write into the act his own interpretation of the role the board of governors is to fulfil. If the government fails to indicate in what direction the rules must be made, the men appointed to the board are left in doubt and uncertainty and they are put in a most difficult situation because we ourselves as legislators have failed to take our responsibilities.

Why must we supply this standard of judgment and indicate to the authorities who will be intrusted with making the rules in what direction parliament wants those decisions to be made? As I said, there is a difference in nature between the crown corporation and the private sector.

Since the beginning of the debate, I was surprised to realize to what extent most of the speakers recognized in fact that the C.B.C. was a public service and operated in special circumstances and also to what extent, in the area of principles, it was sought to ignore the very same fact. For instance, after the criticism formulated here in the past week one might be tempted to conclude that the crown corporation alone commits all the sins of Israel, whereas private stations are pure virgins who never had any thought of making a questionable gesture.

When, for instance, it is known that on several private stations across the whole country we are imposed the views of a group of sorry nitwits "open line" programs—I do not have the French equivalent—one wonders why no one has ever mentioned it here. What are we to think, for instance, of certain private stations forcing us to listen for hours to the advice of woeful idiots who claim to answer questions telephoned in to them on matters as different as theology, philosophy, law and medicine? I do not say that telephoned programs are wrong by nature. I know some of them are all right and I think it is a credit to the C.B.C., when such programs are broadcast to do them with someone well-informed and capable of dealing with one subject at a time.

It is called democracy; I heard someone cry it out from the right. As for me, I have never sought to equate idiocy and democracy. I think we should distinguish between the two and if the hon. member did not, I am wondering why he is here.

If I am not mistaken, I am the first one in this house to speak of the low intellectual level, of the pitiful cultural level, of the deplorable nonsense to which audiences of certain private stations are subjected in this country. Why did not the other members say something about it? The only reason I can find, is that they kept all their harshness in store for the C.B.C., because that corporation has a special status, because it has a special authority, and because parliament must consider it as its own creature.

If the C.B.C.—and I am not discussing that at this moment—deserves, since it is this parliament's creature, the criticisms it was subjected to, some of which are justified, while some others are ridiculous, in short, if the C.B.C. on account of its status, deserves those criticisms, I think it is equally justifiable that in the legislation, it receives particular attention from this parliament of which it is a creature.

Some hon. Members: Hear, hear.

• (8:20 p.m.)

Mr. Pelletier: That is why I shall vote against the amendment of the hon. member for Winnipeg South. That is why, if the Secretary of State retains the second wording which she asked us to consider during the supper hour, I shall be able to support it. But in my opinion, it would be ill-advised to delete the whole clause, as suggested. It is a standard of judgment that would be lost, and it would prove a great loss.

Before resuming my seat, I should like to deal also with some other interventions made late this afternoon. For instance, when it is suggested that there is no difference between the words "objectives" and "interests" and that it is merely a matter of semantics, I feel this does not mean anything. It is quite clear that the objectives of the C.B.C. and the interests of private stations are very different. Anyone can readily understand what is involved. As far as the corporation is concerned, it is a formal mandate conferred on it by parliament and written out in full in this piece of legislation.

Mr. Asselin (Charlevoix): With our own money.

Mr. Pelletier: Exactly. That is why the C.B.C. must be given a clear mandate and that is also why it must be given a special protection. When private stations are involved, I do not see why anyone should wonder that less attention is given to them by the government. When objectives are involved, it is clear. They are defined in the act. When the interests of private stations are mentioned, if some members do not know what is involved I think I am capable of explaining it to them.

Mr. Grégoire: Mr. Chairman, if I may rectify. There was no question of the interests of private stations but of public interest. It is not the same thing.

The Assistant Deputy Chairman: Order. The member for Hochelaga has the floor.

Mr. Pelletier: I wonder why the member for Lapointe raised this objection, Mr. Chairman, when it is clearly stated in the text:

—where any conflict arises between the objectives of the national broadcasting service and the interests of the private element—

So, if that is not the question in the mind of the member for Lapointe, it is because he has not read the act. He should read it at once, in view of the fact that he has already made three speeches on the subject.

I was saying that if some people question the meaning of the interest of private stations, let them table with private broadcasters. Let them ask them, for instance to make cultural broadcasts and they will be given the answer I received a hundred times and that the house committee received at least fifteen times: We have to make profits. So we cannot make this kind of programs because they are not profitable. That is the interest of the private stations, nothing else. And when one refuses to make a distinction between people who quite legitimately—as people can legitimately manufacture shoes or automobiles—commercially operate a wave length and a crown corporation, and when one refuses to make such a distinction and pretends not to understand the interests of private stations, I think it is a mockery. The interests of the private stations are very well and constantly understood by the owners of the stations. When they appeared before the committee, they stated: You cannot ask this, you cannot ask that which you are asking of the C.B.C. because the corporation is financed by public funds whereas private stations must make profits.

In my opinion, those who claim that there is only a difference of words between the objectives of a public corporation and the commercial interests of the private stations are willfully closing their eyes to the real difference.

I would like to say also that I find unjustified the objection of those who claim that in any conflict the board of governors will have to settle in favour of the C.B.C. if the legislation is passed as it stands now. That is not so. In view of the way the legislation is drafted, it is obvious that the prefernce will be given to the C.B.C. only when its mandate it involved.

That is why I see no objection to the amended version proposed by the hon. Secretary of State. We, in this house, are responsible for formulating the objectives of the C.B.C. in such a way that they will coincide with the public interest in broadcasting matters. And if we have not managed to do that in the wording of the act the error does not lie in that paragraph, but rather in the whole clause in which parliament formulates the mandate of the C.B.C.; this mandate must

express the public interest in matters pertaining to broadcasting in Canada. This means that, should conflicts be brought before the Board of Broadcast Governors, should it be asked to decide who should broadcast a hockey or football game, the governors will surely understand, unless they are credited with very little brains, that the objectives of the C.B.C. are not involved in that case.

But, on the other hand, should conflicts arise where, for instance, they have to choose between allowing the setting up of a private station in a large city, and such a case will come up very shortly, or, on the same wave length, serving two stations in a territory which is not reached by the C.B.C., the board of governors will then have that subclause to use as a guide to reach its decision and I think that it will be greatly needed.

I will end my remarks, Mr. Chairman, by saying that the whole structure of that legislation makes an extremely important distinction which was not understood at all—I am thinking of the general intent of that legislation—if it was not understood that the C.B.C. is a creature of this parliament which must keep a strict hand over it but—I am trying to find the right words—must also care for it, because it is its own creature.

Therefore, if that subclause is dropped from the legislation, it is the whole structure of that bill, the whole spirit of the bill which would be destroyed and I think that this would be extremely serious.

Therefore, Mr. Chairman, I will vote against the amendment before us.

[*English*]

Mr. Nowlan: Mr. Chairman, may I direct a question to the hon. member.

The Assistant Deputy Chairman: The hon. member for Digby-Annapolis-Kings.

Mr. Nowlan: Thank you, Mr. Chairman. I have something else I should like to say later concerning the remarks of the hon. member, but I should like to ask him this question now. In view of the fact that Air Canada and the Canadian National Railways also are creatures of this parliament, could he tell me what clause in their incorporating acts sets out such a term as is in this broadcasting bill, so far as the public interest is concerned? Has not the public interest been protected in the decision of the respective boards that govern these bodies?

[Mr. Pelletier.]

• (8:30 p.m.)

[*Translation*]

Mr. Pelletier: Mr. Chairman, I should like to answer the question put by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) by another question and ask him whether he makes a distinction between a transport company and a broadcasting company, that is, between a business enterprise and a cultural institution?

[*English*]

Mr. Fulton: Mr. Chairman, I think this is a very important and very interesting discussion we are having here on the matter of conflict between the objectives of the national broadcasting system and the interests of the private broadcasting system. I listened carefully to the remarks of the minister this afternoon, in which she endeavoured to establish that what is really involved here is not an interest against an interest, but rather an objective set by parliament on the one hand in respect of a public interest and on the other a private interest. I wish I could agree with the hon. lady because I would then have no difficulty at all in accepting her view and supporting the subclause without amendment. But I cannot accept her view as to how the word "objective" will be interpreted, and I regret I have to reject her argument. Therefore I support the amendment moved by my colleague, the hon. member for Winnipeg South.

I have some examples I should like to cite in support of my contention that the minister's interpretation is simply not applicable. If one looks at a dictionary, and I believe in fact my colleague the hon. member for Halifax has done so, one will find that the dictionary definition differs as between the interpretation of the words "objective" and "interest". That is all very well, but when busy members of a board are interpreting an objective they are not going to look up the dictionary definition. If they do they will be argued out of their position by the practical situation of the moment.

I am quite satisfied that if the Canadian Broadcasting Corporation has an interest in reserving a position for a station in any particular city, it will readily make an interpretation to the Board of Broadcast Governors, or the new radio-television council, to the effect that this is in the interests of or in accord with the objectives of the Canadian

Broadcasting Corporation. I am sure they will say that in order to achieve our great national objectives it is necessary that this reservation be maintained, and that it is necessary as an objective of the national broadcasting service that the second outlet in city "x" be reserved for the Canadian Broadcasting Corporation and not given to a private broadcasting interest.

On this basis, they will maintain, we have a conflict between the objectives of the national broadcasting service on the one hand and the interests of some private station on the other, and it must be resolved in favour of the public system. This is nonsense. I submit, with respect, that it is nonsense to suppose that the Canadian Broadcasting Corporation will be able to maintain that nice distinction between this interest on the one hand and the objectives of a national broadcasting service on the other.

I should like to give an example, which astounded me, in respect of the practical application of this situation. In my own city of Kamloops there has been for some time an interest in the establishment of a second AM-FM radio station outlet. The application was submitted to the Board of Broadcast Governors for approval. Recently I was asked to take the matter up with the board, and I have done so. I have been informed that the applicant is aware of the policy, announced some time ago, to refrain from recommending favourably on licences for additional radio stations in markets, in which we are seeking to introduce alternative television. It so happens that the only T.V. station in Kamloops is a private station, although it is a C.B.C. affiliate. As far as I can gather, the board is concerned and interested to see that there is an extension of C.B.C coverage in Kamloops. That is a very proper interest and the people there will be happy, although this is a separate matter.

In this case we have a situation in respect of which the C.B.C. will argue that because it is in their interest to have a second C.B.C. television outlet there, the board should not allow the establishment of a second radio outlet. Could anything be more ridiculous than that the citizens of the Kamloops area should be deprived of the opportunity of a second radio outlet because somebody at an obscure height has set a policy that the board will not allow a second radio outlet until a second television outlet has been established?

At this moment I do not suggest this is C.B.C. policy, or a policy imposed by the C.B.C. on the board, but I do give this as an example of the kind of ridiculous situation we will have if an act of this parliament suggests that when there is a conflict, the conflict will always be resolved in favour of the public agency.

For these reasons I cannot see any real or cogent argument against the proposition incorporated in the amendment submitted by my colleague, the hon. member for Winnipeg South. That amendment suggests that where there is a conflict in any area, the conflict will be resolved in favour of the public interest. It suggests that the public interest must prevail. I hope very much that a direction is adopted which is as simple as that, and that such direction be incorporated in the act. That is what this amendment would do. The Board of Broadcast Governors or the new radio and television council would then have a very simple directive.

What is the public interest in the city of Kamloops and area? That is the question the board, with this directive, would ask itself. The public interest in that area is in obtaining an additional radio station. It would then be very simple to make a decision in the public interest. But this decision would not be made as a result of the present wording of subclause (h).

That is all I have to submit on this matter, but I hope that by the example I have cited the minister will be persuaded to take another look at the implications of what she said this afternoon. It is also my hope that the arguments submitted by my colleague, the hon. member for Halifax, will have perhaps even more effect than the argument I have submitted. The minister seems to have paid more attention to them.

Miss LaMarsh: He is closer than you are.

• (8:40 p.m.)

Mr. Fulton: The minister is a very practical person, and it is my hope that she will pay some attention to the practicality of the situation; that is, that no board or body will pay any attention to the dictionary definition of the words "objective" and "interest". Certainly the Canadian Broadcasting Corporation is not going to pay any attention to that difference. They will interpret an "interest" as an "objective". Also, it will be very difficult for the new council to differentiate between what is submitted by the C.B.C. as an "interest" on

their part and an "objective" on their part, as they interpret their responsibility under this bill.

Miss LaMarsh: Mr. Chairman, does the hon. member not concede that since their representative has been in the gallery throughout the whole of this debate, that is highly unlikely?

Mr. Fulton: Not at all, Mr. Chairman. If the minister means to suggest that a representative of the C.B.C. has been here in the gallery—

Miss LaMarsh: A representative of the B.B.G.

Mr. Fulton: If the minister means to suggest that because a representative of the B.B.G. has been here in the gallery, he is going to influence the position taken by the C.B.C., I think she is rather more naïve than I give her credit for.

Mr. Lewis: Mr. Chairman, I hope the Secretary of State will not yield on this clause in any way, because in my submission it is the touchstone of the attitude of this parliament to the public broadcasting system which parliament set up. I say, with all kindness to my friend the hon. member for Kamloops, that if he really meant what he said when he was discussing the lack of difference between "objective" and "interest", he has a great deal less intelligence than I have always given him credit for.

The hon. member starts by saying that if you look up the dictionary there is no difficulty; the dictionary makes very clear the difference between the word "objective" and the word "interest". Then he goes on to say, in effect, as I understood him—and I am not quoting him—that the C.B.C. will delightfully ignore the difference which the dictionary gives and, furthermore, that the Canadian radio-television council that is being set up by this bill, which is the body with authority, will also ignore the difference that he admits is the normally accepted difference between the two words.

I suggest to him, also, that as a gentleman learned in the law, in the context of this particular statute what he said is utter nonsense, as is the case with what was said by other hon. members previously, because we define the objectives to which the C.B.C. has to pay attention; we define them in the immediately preceding subclause. We say, in subclause (g) that "the national broadcasting service" shall do certain things. These are the objectives of the national broadcasting service. The national broadcasting service must provide a balanced service of information, enlightenment, entertainment, etc. This service must be extended to all parts of Canada, as public funds become available. It must be in English and French, serving the special needs of geographic regions.

Mr. Fulton: Mr. Chairman, could I ask the hon. member a question? Where in those definitions, for instance, does he find the justification for the decision that certain areas will be reserved for C.B.C., and therefore people will be deprived of secondary outlets?

Mr. Lewis: The point I was making—

Mr. Fulton: Is that an "interest" or an "objective"?

Mr. Lewis: I will come to that in a moment. As I read subclause (h), there is no suggestion that this is the kind of thing with which it deals, as far as the national broadcasting service is concerned.

Mr. Fulton: That is the kind of thing that is in effect now.

Mr. Lewis: Just hold it for a moment. There are other considerations in this question. I am saying that the objectives of the national broadcasting service, about which my hon. friend was talking, are set out in subclause (g) of the bill. I was drawing attention to the fact that it must be in English and French, serving the special needs of geographic regions, and so on; and it must contribute to the development of national unity and provide for a continuing expression of Canadian identity. As I read subclause (h), all it says in effect is that if these objectives come into conflict with the profit-making interests of the private sector, these objectives are to prevail. That is all it says. It says no more than that.

Mr. Sherman: Mr. Chairman, would the hon. member permit a question? He says that as he reads subclause (h), all it says is so-and-so. Then he extends that to subclause (g). I would ask the hon. member whether he thinks that subclause (g) says specifically that paragraphs (i), (ii), (iii) and (iv)—these and no more—are the objectives of the national broadcasting service.

Mr. Lewis: Mr. Chairman, I would have no hesitation in saying to the hon. member for Winnipeg South that these, in the general

area, are the objectives of the C.B.C. That is what this parliament says. There may be some headings for which you cannot put every word down; but the objectives, the purposes, the reason for the existence of the corporation are set out in subclause (g), and all that subclause (h) says is that when the profit-making interests of the private sector come into conflict with these objectives of the C.B.C., the objectives which we in parliament have placed before the corporation, the objectives of the C.B.C., are to prevail. That is what it says, and that is what it means.

I do not think the intelligent members of the official opposition would have had any difficulty in seeing the difference between "objective" and "interest", that is, the difference that this subclause insists on, the difference in the public, social purposes which the public corporation, we say—by "we", I mean parliament—is to sanction, and the private, profit-making interests of the private channels and stations of the private radio and television companies, were it not for the fact that they have used it, as have people generally in the house during this debate, as a Roman holiday for all their opposition to public broadcasting as such.

What they would really like to see is the C.B.C. tied hand and foot, confined and gripped, as to programming, purposes and expansion in order that the private sector of the broadcasting service may have more opportunity for enlarging the already large profits it has made over the years. The basic philosophy underlying this argument is that the public corporation has all the air that is being used and all the other facilities which broadcasting requires, and these things are a public trust. As I pointed out in a speech during another stage of the proceedings under this bill, even in the United States of America, where all the private networks have flourished almost beyond belief, they have finally required—

An hon. Member: Hear, hear.

Mr. Lewis: I say "flourished" in terms of the money they make, and not in terms of the programs they produce, let me hasten to assure the hon. member who applauded. The junk which comes over their networks I can do without, but there is a great deal of profit in it. Even in that country it was found necessary for Congress within the last few months to establish a public broadcasting corporation and for public funds to be made available to supply that corporation with the necessary wherewithal with which to continue.

Mr. Nowlan: Ten million dollars for a research project.

Mr. Lewis: This is just a start, and if my hon. friend does not know it, he should read the report. This is just a beginning of the public broadcasting service that has started in a country which is said to be the leader of all private enterprise, ideas and lack of them.

I said when I started that I hope the minister will not budge on this clause, because it is the touchstone of the bill. Is parliament genuinely desirous of having a public broadcasting system and of having that system serve the purposes set out in subclause (g), or is it prepared to permit the private profit making radio and broadcasting companies to interfere with that purpose and the purposes set out in the act?

• (8:50 p.m.)

Some hon. Members: Oh, oh.

Mr. Lewis: If hon. members did not know before that my love of the profit motive is not as great as theirs, I can tell them that that is the case.

Some hon. Members: Oh, no.

Mr. Nowlan: Has the hon. member socialized his fees yet?

Mr. Lewis: Mr. Chairman, you will forgive me if I do not deal with these really cheap personal remarks.

I say that this is the touchstone of the act and that parliament should not recede from the proposition that the purposes of the public service system as defined in the statute must take precedence over private networks which serve another purpose than those we set down in the statute. We should not be led astray by the attempt to suggest that there is no difference between the objectives on the one hand and the interests on the other.

It is obvious to me that the intention of the subclause is to put the social objectives of the public broadcasting system above the company interests of the private broadcasting companies, and this should remain in the act.

Mr. Fulton: Mr. Chairman, I think nothing can be more revealing in the alliance of the hon. member for York South with the minister sponsoring this bill with respect to subclause (h) than the obvious illustration of the

fear of the hon. member for York South of the interpretation of the words "public interest".

Mr. Lewis: Oh, poof.

Mr. Fulton: Oh, yes, the hon. gentleman is very good at imputing motives to others but when his own motives are revealed he resorts to callous and stupid interjections. The hon. member is afraid of the introduction into this bill of words which say that when there is a conflict it must be settled in accordance with the public interest. That is what he is afraid of.

Mr. Lewis: May I ask the hon. member for Kamloops a question? Would the hon. member, who I am sure wants to be fair, not agree that the public interest is defined in subclause (g) as being the objective of the national broadcasting service? I need not take any lesson from him or anyone else about the public interest and my regard for it.

Mr. Fulton: If my hon. friend is satisfied with that definition of public interest, why does he object to its reintroduction in subclause (h)? His position seems to me to be most extraordinary. He says that public interest in broadcasting is defined in subclause (g), yet he objects to its reintroduction in subclause (h) as the arbiter of differences between the interests of one sector of the system and the other.

Mr. Lewis: It is already introduced.

Mr. Fulton: My hon. friend's position is completely inconsistent. It is all very well to talk about profits.

I did not intend to get into an argument with my friends on the left. My quarrel is with my friends on the other side, because they are the ones who introduced the bill. However, it is interesting indeed to see the alliance between the government and the members of the N.D.P. on this matter. It is also interesting to recall the tenor of the debate up to this point, and the extent to which neither the government nor the N.D.P. is prepared to see parliamentary control asserted over the C.B.C.

We are prepared to take our stand on the matter of parliamentary control over the C.B.C. and on the matter of the public interest being the arbiter of differences between the public broadcasting corporation and the private sector of the system. We are happy to take it against both the N.D.P. and the government in combination.

Mr. Lewis: Dual courage.

Mr. Fulton: My friend, the hon. member for York South, ridiculed me because I ventured to suggest that the Board of Broadcast Governors or the Canadian radio-television council might not be prepared to pay too much attention to the strict dictionary definition of the two words "objectives" and "interests". I do not withdraw one word of what I said, and I am reinforced in my view as to how it will be interpreted by the hon. member for York South who attempted to predict the way in which the board would interpret the word "interest", so far as the private sector is concerned, as being exclusively profit making opportunities. He said that all that would be imposed here would be public objectives on the one hand and profit making opportunities for the private stations on the other. He said that is all that the board should consider.

Mr. Lewis: That is right.

Mr. Fulton: That is a perfect example of the approach of the N.D.P. and, I am afraid, of the approach taken by the minister with respect to this act. I do not admit for a moment that there is not a proper place for the private segment of the broadcasting system, nor do I take second place to anyone in my belief that there is a large place for the public segment, namely the C.B.C. But I say that in view of the tremendous costs that are now a concomitant of broadcasting, especially colour television broadcasting, it behooves parliament to recognize that the whole field cannot be filled by the public agency, and that therefore we must provide a proper place and proper protection of, as well as regulation for the private interests or private segment of the broadcasting system. Since it is inherent in the approach of the government —although they give it place in only small, lower case letters—that there is a place for both the publicly owned corporation, namely the C.B.C., and the private segment, I do not understand why the minister and the government will not place them on a fair footing.

All that the amendment of my colleague, the hon. member for Winnipeg South, attempts to do is to place the two sectors on a fair footing. I repeat that we in the official opposition are prepared to see, as the arbiter of differences which may arise between them, not a predisposition to judge in favour of the public corporation but rather the fair and true test of the public interest, and we take our stand on that basis.

Miss LaMarsh: May I ask the hon. member a question? Will he tell me why the official opposition, whose spokesman he is now professing to be, bothers to choose and send to committees of the house representatives who purport to speak for that party, and then completely repudiates them when the bill returns to the house?

• (9:00 p.m.)

Mr. Fulton: This is not the case at all. My hon. friend cannot get away with that kind of self-serving argument. If she can show me where anything I have said is inconsistent with the stand taken by this party in the broadcasting committee, then I would think her statement may have some validity.

Miss LaMarsh: Did the hon. member not hear the hon. member for Burnaby-Richmond say earlier that this phraseology was the phraseology which had been drafted by the Conservative party spokesmen in the standing committee on broadcasting?

Mr. Fulton: I am speaking of the amendment to this clause, which is put forward officially by the official opposition.

Mr. Berger: Mr. Chairman, if I might be allowed, very briefly I should like to say through you to the minister, that I have spent nearly 16 years in private enterprise radio and television as an announcer, writer and commentator. I do not pretend that I am blessed by God, or a certified expert in this field; however, I think I should at least have some worth-while ideas on this matter which would be as sound and as justified as many others which have been expressed at length during the debate on this bill.

If you will allow me, I should like to go back to my native French in which I am much more fluent so that there will be no mistakes. Before doing so, however, I should like to say I have a great deal of respect for my colleagues in the radio field, the hon. member for Winnipeg South and the hon. member for Halifax, both of whom have spent many years in this field. In so far as the amendment is concerned, I want to point out right away that I cannot agree with it in view of the discussion in the committee, both in public and in camera.

[*Translation*]

Mr. Chairman, I should like to tell you how I regret that the diligent and very hard work of the representatives of the different parties of the public and closed meetings of the committee on broadcasting, films and assistance to the arts and to prepare the legislation, reconsider it, to accept, as the minister mentioned a moment ago, the good ideas, the intelligent ideas which, it must be admitted, come from all sides of the house, should not be considered more seriously. The suggestions were taken into consideration and, in this case, it was precisely one of the distinguished members of this house whom I admire and will always admire as much as I can, who helped us to write out the exact wording.

[*English*]

This was agreed to by the hon. member for Burnaby-Richmond and many others, all very nice people. I could refer to the hon. member for Prince and the hon. member for Royal; we all agreed that this was the best way in which to circumscribe the problem. I cannot understand why we have had to spend all this time listening to speeches from members. We are spending many futile hours discussing this problem.

[*Translation*]

Now, to revert to a problem of concern throughout the country, it is unfortunate that this work should not be considered more seriously by certain members of the house. We have spent hour upon hour in serious discussions to arrive at a solution and all this work now seems useless. I am wondering what purposes are served by committees of the house, unless they provide an opportunity by common agreement and community spirit, by the exchange of ideas that accept and exchange, to arrive at an appropriate draft legislation?

[*English*]

Mr. Asselin (Richmond-Wolfe): It is a good show.

Mr. Berger: It is a good show, but it will be a better one if you stand up.

[*Translation*]

It would surely be a good show although difficult for me to give in spite of my slight talent for comedy. The hon. member who has just interrupted me is greater than I and I pay homage to him.

Mr. Asselin (Charlevoix): You just won an Oscar.

Mr. Berger: I should like to tell you, Mr. Chairman, that I have always believed—it

may be an illusion of youth, or one who would remain young,—that we could work seriously in this house without always meeting some opposition from all corners of the house. It seems to me that a bill which has been examined in committee and worked over, as a jeweller does to make a finer piece of jewellery, should be studied most seriously instead of being subjected to petty political attacks like the ones I can see showing opposite.

Mr. Grégoire: On a point of order, Mr. Chairman, it would be advisable that you call the hon. member for Montmagny-L'Islet (Mr. Berger) to order, because we are not discussing at present the work of the committee or the community of spirit, but rather the amendment moved by the Conservatives.

Now, when we are out of order, we are called to order. I would ask, therefore, that the hon. member for Montmagny-L'Islet deal with the amendment, which he has not done up to now. Then, let us discuss the amendment. Members on that side must stop delaying the business of the house and dealing with all kinds of questions, except the bill.

[*English*]

The Chairman: Order. I am sure that if I were to suggest to the hon. member for Montmagny-L'Islet that he now return to the subject of subclause 2(h) he would be willing to do so.

Mr. Berger: It is a pleasure.

[*Translation*]

Thank you, Mr. Chairman.

And now, for the information of the hon. member for Lapointe, if we complied with the standing orders he should be sent back to the province of Quebec, but not to his riding which he has repudiated by his failure to meet the wishes of his constituents.

Mr. Chairman, in order to please the hon. member for Lapointe—it might be one of the last favours granted to him in the house—I must say that I had made a careful study of this amendment and explain. After a serious and intense work to which the hon. member refrained from participating, for reasons which may be valid—

Mr. Grégoire: Mr. Chairman, I rise on a question of privilege.

The hon. member for Montmagny-L'Islet accuses me of not having contributed to the work of the committee. I must say that I do not sit on any committee because I was discriminated against and excluded from the committees.

[*English*]

The Chairman: Order, please. The hon. member has no point of privilege.

[*Translation*]

Mr. Berger: Mr. Chairman, I thank the hon. member for Lapointe. Quite often his objections are well taken but I should like to know why he did not attend the committee sittings, and did not raise questions as did others? It is probably because Expo was not over yet, at the time of the discussion or he might have had some other causes for concern? At any rate, he would rather ask his questions in the house, the "show" is better.

I apologize, Mr. Chairman. Someone has just explained to me that the hon. member was in France at the time, busy with fostering better relations—

[*English*]

The Chairman: Order, please. I would think the hon. member may have completed his introductory remarks.

• (9:10 p.m.)

[*Translation*]

Mr. Berger: Mr. Chairman, I thank you for calling me to order. I know that with your usual courtesy, you may have allowed a French-speaking member to speak a little longer, but when there are interruptions from all quarters, unfortunately we require more time.

To come back to what I specifically mentioned in my opening remarks, I cannot but support the hon. Secretary of State (Miss LaMarsh) in spite of my personal friendship with my former colleagues in private radio and television, the members for Winnipeg and Halifax.

However, if I may, Mr. Chairman, I should like to pour a little well-deserved balm over some of the statements on private enterprise of my highly respected colleague, the hon. member for Hochelaga (Mr. Pelletier).

This is precisely the question I want to raise about the amendment to subclause (h) dealing with the conflicts which may arise between the objectives of the national service, and so on. I would just make this one small point. In my view, perhaps the hon. member for Hochelaga's words went further

than his thoughts when he spoke about private enterprise, in which, I will have you note, I have spent 16 of my best years. I only hope I have a few left to give to the house.

I would nevertheless point out to the hon. member for Hochelaga that it is not because of the money that I worked in private enterprise, for my salary there was half what it was elsewhere.

One must admit, Mr. Chairman, that private enterprise has rendered services of immense value to all Canadians, from the Atlantic to the Pacific, and for that reason we must not persecute it.

I merely wished to raise this minor point. The hon. member said that all that private enterprise is seeking is to make money. It is obvious that when my former employers sold profitable businesses to embark upon a venture, which at that time was promising—and is still promising—it was not merely for philanthropic purposes. Nevertheless, I sometimes waited a whole week before cashing my pay cheque. Therefore, it was not merely for the sake of money or to enable the owner to make more money, but also to develop a whole area, that of new Quebec, before the government's broadcasting services stepped in. Such was the case in Rimouski, where CJBR was one of the pioneer stations, and in Matane, station CKBL, where I had the pleasure of working for several years.

It seems to me we have done our duty and my colleague for Hochelaga has himself benefited, at a time when he was engaged in labour relations, by the services of private enterprise. Private enterprise enabled him to reach certain strikers who wished to claim their rights.

I have no doubt about the sound judgment of the member who moved the amendment and the one who seconded it. I always had great respect for the hon. member for Kamloops (Mr. Fulton). I met him in Quebec city, I had a personal interview with him and I have always been under the impression that he was a real gentleman.

[*English*]

The hon. member is a real gentleman in the true sense of the word, but it does seem to me that his image has deteriorated a little bit. I say that in appreciation of what he has done in the past and I hope to see him make his comeback as soon as he can.

[*Translation*]

Now, about subclause (h), I hope that we all agree on the meaning of the word "conflict". Many hon. members indulged in semantics, quoted the dictionary, juggled with the words. For instance, if a conflict should arise between the "objectives" of the national broadcasting service and the "interests" of the private sector.

In some remote parts of western Canada or in the lower part of the north shore which I know well, the C.B.C. might have helped those people more if it had given them news commentaries. It would be preferable to avoid conflicts of jurisdictions and give the Board of Broadcast Governors—which might go under another name but which will surely be revamped thanks to the hon. members who took part in the proceedings of the committee, in short which will be stronger and will give up-to-date, healthier and better planned management—to honest officials a chance to prove their worth and thus enable us to help some remote areas of our country which until now have not benefited from the services of that Crown corporation.

I see the hon. member for Chapleau (Mr. Laprise) and several others who claimed that their area was not served by the C.B.C. We should not delay the work of a corporation which would be in a better position to give that assistance.

I say that in all logic and with all the good will in the world. It seems to me that we cannot, accept this amendment even if we agree with these happy suggestions.

I wanted to mention that, and I hope that these few objective remarks will enable us, by common consent, to find the best and most efficient solution for the moment. It will always be possible to bring about further improvements.

Once again, I want to say before concluding that I regret that the work of the committee did not allow us to make faster progress until now. I am looking at my friend from Winnipeg South (Mr. Sherman)—

[*English*]

Mr. Sherman: Would the hon. member for Montmagny-L'Islet permit a question. He expressed the opinion in his opening remarks that the debate that has gone on up to this point may in some way militate against the committee system, because this subject was supposed to have been thoroughly examined by the standing committee on broadcasting. In fairness, Mr. Chairman, I am sure the hon.

member will admit and recall that during the examination of this particular clause by the standing committee no less a member of this house than his own colleague from Burin-Burgeo and others in the house raised objection to the wording of this paragraph and gave notice that it would be raised before the committee of the whole.

[*Translation*]

Mr. Berger: I admit that the comments of my hon. friend for Winnipeg South are quite in order. But we must soberly discuss, especially to enable the house to obtain more tangible results than previously. It seems to me that we could, as we commonly say, meet half-way. If everybody did so, we would make greater progress.

Mr. Asselin (Charlevoix): Mr. Chairman, I listened very attentively to the speech of the hon. member for Montmagny-L'Islet (Mr. Berger). It is rather a lecture on rhetoric. He spoke of his past experience in private broadcasting stations. We know that he was once a brilliant announcer. But after the premises which he has just put forward, we immediately conclude that the amendment of our Conservative colleague should be carried.

The hon. member for Montmagny-L'Islet pleaded very remarkably in favour of fair play which must exist between the private sector and the C.B.C.

Of course, at the end of his speech he surrendered, as did several of his colleagues, when he said that it was absolutely necessary to follow the party line. This is why he ended up by admitting in a nearly inaudible voice that he had to support the position of the Liberal party and vote against the amendment of the member for Winnipeg South (Mr. Sherman).

Naturally, I am extremely surprised at the attitude of the member for Montmagny-L'Islet (Mr. Berger) considering that he said earlier that he is one of those who sacrificed his life to the edification of a private system of broadcasting in Quebec, a system which, I think, should remain in operation, in spite of the objections of the member for Hochelaga (Mr. Pelletier).

I understand perfectly, Mr. Chairman, that the member for Hochelaga can present himself as a regular defender of the C.B.C. It is a known fact that he was a member of the C.B.C. for many years. But when the hon. member tells us that parliament must support the objectives set in this bill, with regard to the C.B.C., he should keep in mind also that private radio and television stations must survive in Canada.

When the hon. member for Hochelaga said earlier that from his own experience and after interviewing owners of private radio and television stations, he found they were interested in profit rather than in culture, he may have been right. However, he forgot to mention that Canadian taxpayers are paying $90 or $100 million a year to meet the expenses of the C.B.C. and that the House of Commons must draw up a fair play legislation, so as to enable private radio and television stations to compete effectively with the C.B.C.

It is easy to put forward such great and noble goals as those contained in this bill with regard to the C.B.C. But we, the members of this house, represent the people who, through their taxes, contribute $90 million or $100 million a year to allow this crown corporation to operate this service.

Mr. Chairman, I was not surprised either to hear the echo—

• (9:20 p.m.)

[*English*]

Miss LaMarsh: The C.B.C. spends approximately $5 a year of the hon. member's money.

Mr. Asselin (Charlevoix): May be, may be.

[*Translation*]

Nor was I surprised to hear the echo of the C.B.C. in the House of Commons. I mean the hon. member for York South (Mr. Lewis) who stated his views a while ago. From the start of the debate, we wanted to respect the integrity and independence of the C.B.C.—but we all know that the greatest defenders of the C.B.C. are the members of the New Democratic party who have crept into the C.B.C. and who control its ideas and philosophy.

Naturally, it is not surprising that the hon. member for York South should defend the interests of that crown corporation, but I feel that private radio stations must be given the fair play they deserve. These people operate a private business enterprise. They have invested considerable funds in order to set up their organization. Quite objectively, I think that we should support the amendment introduced by our colleague so that the public interest will become the main objective, since it is a question of the objectivity of the provisions set out in clause 2(h).

For this reason, Mr. Chairman, I am willing to support the amendment introduced by a member of our party.

[*English*]

Mr. Bigg: Mr. Chairman, when people start losing an argument they always get dirty.

Some hon. Members: Oh, oh.

Mr. Bigg: They call each other names. The hon. member for Kamloops defined our problem very clearly, and his point was important. We should know what it is we are putting into law. From all the divergent views that have been expressed here, obviously we are not clear about what we are putting into the law. I will speak of what I think we should put into it.

We talk about the public interest, and this is a very high sounding phrase. I believe the public interest should be served at all times. That does not necessarily mean to me or to the majority of my party that the public interest is necessarily the C.B.C.'s interest. When I talk of the C.B.C. I ask right away, "Who is the C.B.C.?" The term "C.B.C." does not mean the minister of the crown. Apparently in the past it has not been the upper echelons of the C.B.C. that administered that body. The stuff that has been coming out of the other end of the funnel is unmitigated red propaganda, and that is why red propaganda is being defended by some members of the house tonight.

We speak about the rat; naturally the rat bites. We must be careful about what we are putting into law. It is no good saying afterwards, "Well, we thought we put something into the act and it wasn't there." The public interest in Canada means the interest of all the people of Canada, including me, and the people of Canada really want full coverage of the airwaves as outlined in (g). The problem is how to get what you have outlined in (g) out of the other end of the funnel? We must have the mechanics for doing what we want, and if we are hoodwinked, if we give the C.B.C.—and I put that term in parenthesis because I want to know who are they, who is the C.B.C.—full power to pollute the Canadian airwaves, that is not the intention of the house or committee.

In plain words, in conservative words or anyone else's words, we want fair treatment on the airwaves. That does not mean that just because you lean to the left your opinions should not be heard. We want to hear them, but we also want to hear fair comment from other people in our population—separatists, royalists or ordinary Canadians like myself.

We want to know if the C.B.C. administration will have teeth and if Mr. Davidson, a very able man, will be allowed to use his ability to clean up this mess that is called the C.B.C. that spends each year we are told, $170 million, plus of our money.

The lady minister says that it definitely is not her job to monitor what comes over the C.B.C. and she is desperately looking around for someone to take on that responsibility. Not many months ago this same lady explained that the reason for buying 120 colour television sets and distributing them was that she and her colleagues wanted to do just that—to monitor the C.B.C at our expense. They did not have enough money at $35,000 a year to buy themselves sets, so they had to buy them at public expense.

Miss LaMarsh: I hope the hon. member doesn't mind, but I am leaving to watch mine.

Mr. Bigg: So far we do not know who bought them or where they went, but we do know who is paying. We do not know who is using them or whether they have been given back.

They talk about listening to this or that program, but when it comes to drafting definite laws, they are not so clear. I predict that by the vote on this amendment they will know in good, clear, ordinary conservative language, what is wanted. If they do not want to do what is to be done, if they do not give the power to someone to clean up the mess, then we shall see that it is done. If this government will not do what is necessary it will not take long for the Canadian public to know about it. If it is not done under this government it will be done when we get in.

Mr. Nowlan: I wish to say something more on this clause. Since eight o'clock increasing numbers of members have come to this chamber. I wonder if the members on the government side appreciate that the clause we are discussing is pregnant with difficulties.

An hon. Member: What is it bringing forth.

• (9:30 p.m.)

Mr. Nowlan: A few words have been used in the clause which may be misinterpreted. I understand the position of my friends to the left and I refer particularly to the hon. member for York South. I can appreciate many of

the remarks of the hon. member for Montmagny-L'Islet, but the question under discussion does need to be resolved by those who have experience in broadcasting. This is not a question of broadcasting philosophy but of political philosophy.

I can understand the hon. member for York South; his position is clear. I understand his strong objection to any amendment in this clause. If he had his way there would be no private network in this country. If he had his way there would be no private system anywhere. But I find it impossible to understand the thinking of many of my friends on the government side with respect to this clause. What does the amendment do? It merely says that the public interest shall prevail, and the council to be set up under this legislation shall determine in its deliberations what the public interest is.

The basic guide lines in the bill are set out in (b) and (g) and this amendment strikes me as perfectly reasonable. If it does not strike Liberal members that way, then I say it is high time for those members who say they espouse the classical Liberal philosophy to find what is their political id. Before they go to that convention in April they had better find out whether they are Liberals or whether they are sitting over here to my left. The hon. member for York South talked about a Roman holiday. He has not participated in this debate to any great extent. The hon. member for Burnaby-Richmond has, it is true, taken a positive part in it. But the hon. member for York South should remember that until we went into committee 42 members of this house spoke on this bill on the resolution stage and during second reading, 12 of whom came from Her Majesty's loyal opposition and seven from the rump to my left. Records will show that during the clause by clause study members of Her Majesty's opposition have been remarkably restrained in their comments on the bill. The objections came from hon. members to my left when private enterprise was the subject for consideration. But will they speak out now in connection with an amendment which should commend itself to those who are as liberal in thought as hon. members sitting to my left?

The hon. member for York South described this as the "touchstone" of the bill. He does not know what he is talking about. The touchstone of the bill has already been considered—when we were seeking to define the terms of reference governing both the C.B.C. and the private system in subclauses (d) and (e). The hon. member for Hochelaga gave a good example, from his point of view, of the difficulties this house gets into when trying to define what is good taste and what is poor taste. It appears he is against private enterprise because some of our private enterprise people in the back areas of the land, I take it, put on public opinion programs where you phone in—

Mr. Pelletier: I should like to make it clear to the hon. member that the programs I was mentioning are put out in Montreal.

Mr. Nowlan: I listen to the hon. member with respect when he talks about technical aspects of broadcasting because he, the hon. member for Winnipeg South and a number of other hon. members know more about technical aspects of it than I do. But this clause has nothing to do with technical matters. It concerns basic political philosophy.

I am not in favour of private enterprise unhampered by rules and regulations. But in line with the spirit of this amendment, I say that private enterprise should not concede its position to the national broadcasting system beforehand. Let us get the facts and then, if it comes within the terms of reference set out in the bill, the council will resolve the dispute. As things stand, any dispute would obviously be decided in favour of the national network. As I have pointed out, we already have an airways system competing with private enterprise and a railway system which does the same. Where, in the enabling statutes, is there such a clause as this which strikes at the very foundation of private enterprise in those fields? This is not a technical clause; it concerns one's basic political philosophy and this is why I believe any member can contribute to our discussion of a statute which says, in effect, that before all the facts are known matters in dispute are to be resolved in favour of the national service.

A great many of the comments made in this chamber during the last four or five days have been directed against the C.B.C. for a variety of reasons, some good and some bad. My comments on this clause have no relation to C.B.C. programs. While the hon. member for Hochelaga spoke eloquently he completely evaded the point I was making, which had nothing to do with the desirability or popularity of phone-in programs. If nothing else, these are programs which relieve frustration. If the hon. member had listened to Rawhide this morning he would understand that there

are many ways in which to get rid of frustration. While he himself might not like these programs, there are members on all sides of the house who do, and who do not like certain C.B.C. programs. However, programs have nothing to do with the point I am making and I was disappointed that the hon. member did not stick to the point. St. Paul was converted on the road to Damascus and the hon. member for Hochelaga has obviously been converted. But when he takes a position similar to that taken by the hon. member for York South, I would say his conversion has gone quite far enough.

I hope members of the committee will take a second look at the import of this clause which, I say, castrates the council in its dealings with disputes arising between the private and public sector.

Mr. Howard: After listening to what has been, if you will pardon me, Mr. Chairman, a low-level speech by the hon. member for Digby-Annapolis-Kings I can understand precisely what the hon. member for Athabasca meant when he began by saying that if you begin to lose an argument you get dirty.

[*Translation*]

Mr. Grégoire: Mr. Chairman, clause 2 (h) deals with the conflicts that could arise between the objectives of the national broadcasting service and those of the private broadcasting service. Therefore, we are talking about conflicts.

One thing is missing in that subclause. Should a conflict arise between the national broadcasting service and the Secretary of State (Miss LaMarsh)—who is responsible to the house for the management of the C.B.C.—who will settle the matter? If the minister charges that the C.B.C. is rotten and the management says that it is not so, who will decide where the rottenness is? There is nothing in that subclause which states what objectives and interests will prevail should such a conflict arise.

Recently, more conflicts arose between the C.B.C. and the Secretary of State than between the private sector and the corporation. We made no special provision at that time, but I should like to know whether the Secretary of State intends to include an amendment in subclause (h) providing for the creation of a body who would settle such conflicts. In the case of a conflict as the one I just mentioned, should the Secretary of State's interests prevail over those of the C.B.C., or should it be otherwise?

Hon. members will recall that the minister charged the C.B.C. with rotten management. There is no provision as to the way of solving this conflict.

Some machinery should be provided for the settlement of those conflicts, because doubts exist as to charges put forward by the minister against the C.B.C.

I wonder if it would not be advisable to include some provision in the bill. I see that the parliamentary secretary is motioning to me that it is useless to do so. Nevertheless, he knows quite well that conflicts are not restricted to private and public sectors. Why always leave the Canadian people doubtful? Canadians are now wondering where is the rot. The minister cannot say yes or no, because there is no provision, no machinery to settle the differences and the question, to wit: where and at what level is the rot.

I am therefore wondering whether we should not add to subclause (h) a provision, capable of anticipating any conflict liable to arise between the hon. Secretary of State and the C.B.C. I think it is important to prevent any recurrence of those disgraceful scenes which we have been witnessing recently, and it is imperative to try and find a way to settle them once and for all.

• (9:40 p.m.)

[*English*]

Mr. Aiken: Mr. Chairman, I shall take only a minute or two to add a few comments to what has been said. I must admit that I agree entirely with my hon. friend from Digby-Annapolis-Kings. I wish to speak on a rather technical point. Subclauses (d) and (g) set out in very broad general terms the objectives of the public broadcasting system. It seems to me that it will be impossible for the commission to make a decision in individual cases based upon these general objectives when we say, for example, in subclause (g) that the national broadcasting service should be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion. That wording is so broad that I believe it would make it impossible for a specific decision to be made in any case. In other words, how could the commission ever say that it had made its decision on the two conflicting points of view of the national broadcasting service and the interests of private broadcasting?

I say that these words are so vague that they would not enable one to come to a fair conclusion. Therefore I believe the commission would have an impossible task in endeavouring to reach its decision on the objectives. This would seem to be a situation where we have nothing against nothing, when we attempt to reach a decision under subclause (h). In that case I can hardly see how the decision could be based on the objectives of the national broadcasting system, until these are spelled out. Obviously they will have to be spelled out in detail by the national broadcasting system. Therefore the broadcasting system will go before the board and say that in conformity with their general approach to a balanced service of information, enlightenment and entertainment they feel that a certain situation must apply. If we should find that this is part of our objective and that this is the way it is applied, how could others hold a contrary view because they reached their decision under the umbrella of subclauses (d) and (g)?

Subclauses (d) and (g) were designed to express as clearly as possible what the objectives are, but they certainly were never set up to spell out particular cases or to give anyone the ability to say what is meant in a particular case. Surely subclauses (d) and (g) are very much like a statute which would say that the public broadcasting system may enact regulations, which regulations would spell out exactly what is meant. So in this case we have the ability of the national broadcasting service to spell out by regulation the case it is trying to put before the commission. I believe it would be an impossible and unfair task for the commission to attempt to make anything out of subclauses (d) and (g) in respect of a specific case, if the broadcasting system claimed that it was in the national interest.

Having reached this conclusion, it would be difficult for one to accept subclause (h) as it stands as representing the objectives of the national broadcasting service which should prevail, because there really is nothing on which to base a decision. Surely the national interests should prevail in such a case. I believe that in defining this one must take into consideration not only subclauses (d) and (g) but the whole situation. I think the subclause as it stands would permit an impossible situation. It would permit the national broadcasting service to declare its own objectives specifically, and therefore hamper any independent decision by the commission.

[Mr. Aiken.]

Mr. Sherman: Mr. Chairman, I believe the hon. member for Parry Sound-Muskoka has identified a very important ingredient in this debate. He has isolated an element which some of us have been groping for and which some members farther to the left in this chamber believe has already been identified in the wording of the legislation as it potentially stands. The element to which I refer is the definition of the objectives of the national broadcasting service.

I cannot subscribe to the argument of the hon. member for York South, so far as the objectives of the national broadcasting service are concerned. I do not believe that the legislation as presently worded defines the objectives of the national broadcasting service. If it is our intention to isolate and articulate the objectives of the national broadcasting system, why do we not say so? We do not say so here. We say that there are several things the national broadcasting service should do. One is that it should constitute a balanced service of information; another is that it should be extended to all parts of Canada; another is that it should be in English and French and should contribute to a continued expression of Canadian identity.

I subscribe with the utmost enthusiasm to all these things, but this does not cover the whole area of philosophical thought, national preoccupation or the direction in which this country is moving in the whole area of broadcasting or in the area of creative or industrial activity.

• (9:50 p.m.)

This isolates four points in respect of which there should be guide lines for services performed by the C.B.C. These should be adhered to as principles, philosophies and means. Do these cover the application of national objectivity? Of course they do not. I can think of other areas of objectivity for the guidance of the C.B.C., or any other national broadcasting system. These are not covered by the wording of subclause (g). Subclause (g) does not purport to set out these objectives. It simply identifies four things that a national broadcasting system should either be or constitute. These are entirely acceptable to everyone in this chamber. No one is more enthusiastic about the provisions of that subclause than I am, but that does not mean they cover the whole realm of possibility so far as national broadcasting service is concerned. For these reasons I suggest the argument of the hon. member for York South is specious. I

think he has conveniently and intelligently evaded and avoided the point at issue here.

What we are talking about is the letter of the law. This is something we hear a great deal about in terms of our society, our legal system and our jurisprudence. The letter of the law is that when such and such a conflict arises, for time immemorial and from this day forward, the objective of a national service shall prevail. No matter what interpretation the hon. lady places on this; no matter what philosophy hon. members contrive to purport, and no matter what objectives members of the N.D.P. want to suggest, the fact is we are talking about the letter of the law. No matter what aspect arises in respect of a dispute regarding this whole matter, the main point of the debate on subclause (g), is that the authorities should follow the guide lines imposed by this parliament.

It may well be that someone will ask why they should.

An hon. Member: And why should they?

Mr. Sherman: That is a very good question, and I should like to reply. Let me suggest to the hon. member for Kenora-Rainy River that we are talking about a hypothetical idealistic situation which cannot exist. It is unrealistic to expect that in four or five years from now, when two litigants to a broadcasting dispute come before whatever authority might be in existence, the authority will be acquainted with the various aspects and convolutions of this debate, and the debate in committee before the legislation reached this stage. They are not going to be aware of the different philosophical approaches adopted during this debate, but they should not be deprived of the varying aspects of those approaches.

Earlier, the minister, when making a representation to my colleague the hon. member for Kamloops, asked if that member did not think the B.B.G. representatives who have sat in the gallery throughout this debate would get the point that we in the opposition are trying to make in the interest of the public. I think that was the substance of her question. This question begs the greater question namely, are we talking about the letter of the law? It does not really matter whether the representatives of the B.B.G. understand what we are talking about, but it does matter that future representatives of that body have guide lines based on our approach.

Miss LaMarsh: Would the hon. member permit a question? Does he propose to impose on my generosity any further by asking to stand other clauses in order that he may be in the house to occupy our time during the consideration of this bill?

Mr. Sherman: Let me just say in answer that if in the course of the examination of any legislation introduced by the hon. lady or any other minister we find a clause, subclause or paragraph in respect of which there is a vital interest at stake to my constituents or Canadians in general, I hope that we will be able to examine it to the fullest, and that no arbitrary or cursory rule will shut off such examination.

Miss LaMarsh: I suggest that you should be here in the future when these things are considered.

Mr. Sherman: As I said earlier today, I appreciate the indulgence the minister has shown me in respect of this particular subclause. I have made it clear that this is one part of the bill which disturbs me greatly. The minister must concede that a great number of members in this chamber, including some of her own colleagues, are also disturbed. I do not think we have resolved this point.

Miss LaMarsh: If you sit down we will do so by a vote.

Mr. Sherman: I will sit down when I have completed what I have to say. I should like to make reference to what the minister proposed earlier in the day, which could be termed a sort of amendment to the amendment, or a proposal to a change. I am sure the amendment originally moved is not acceptable to many members on this side. It imposes restrictions and constrictions such as those already contained in subclause (h). It would result in a disadvantage to private enterprise in this country to a more severe extent than the subclause as it now stands. I do not find the suggestion of the minister acceptable.

Mr. Chairman, may I call it ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fulton: Mr. Speaker, I should like to ask whether we may assume that there is no change in the business of the house and that it is the intention to continue with this bill until it is concluded?

Mr. Turner: Yes.

Proceedings on Adjournment Motion

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

VOCATIONAL AND TECHNICAL TRAINING—PROTEST BY STUDENTS RESPECTING LIVING ALLOWANCE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in 1960 a vocational and technical training act was approved by parliament to make up for the tragic gap in our educational facilities that had existed far too long. It was a great success, as has been witnessed by many, including the Minister of Manpower and Immigration (Mr. Marchand) who in a recent speech made the statement that during the last three months of 1966 and early in 1967, the monthly enrolment in these schools doubled compared to last year. Then he went on to say that such success, impressive as it might be, is not enough.

Unfortunately, the present government was not satisfied with this success and they brought in a new act on April 1, 1967. Since that time our technical training program has been in serious difficulty right across the country. It is not necessary for me, nor is there time, to recite all the difficulties, but they include the problem of drop-outs, which is one of our major educational problems; and the schools, notwithstanding the rising rate of unemployment, are only half full. In addition, the program costs more, which is mainly due to increasing administrative costs. The able bodied, who formerly were able to undergo technical retraining, are now back on the relief rolls. Students who took an upgrading course last year find they are not eligible this year for continued subsistence under the O.T.A. allowances program.

The real reason for the difficulty has been the failure of the federal government to consult with the provinces. In an attempt to get to the bottom of these problems I have found that even though the act was passed by this house last April, no agreement was put before the provinces until May, after the act was actually passed. I found, too, that the manpower department had bought more space than they were able to use, with the result that the program is not fulfilling the need, as I have indicated.

The specific problem to which I should like to refer tonight arises from a protest that arose during the Christmas period in the Manitoba technical school—

[Mr. Turner.]

Mr. J. C. Munro (Parliaimentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I do not want to take up the time of the hon. member, but I should like to ask him a question. With regard to the specific question which I understand he is now going to raise, has he not received a reply from the minister? If so, was he satisfied with the contents of that reply? I believe the minister replied to the hon. member's question, and also to the students involved at the technical school at Brandon. I understand that replies were sent out, which I believe corrected the situation. I just wanted the hon. member's comments on this.

Mr. Dinsdale: In reply to the interjection of the parliamentary secretary, Mr. Speaker, I would say that I did receive a reply. I have not yet stated the problem. Perhaps I had better state it before answering the parliamentary secretary's question. The specific difficulty arose immediately before Christmas because it was announced that the allowances would not be paid during the Christmas recess. Several hon. members raised this question. Then hard on the heels of this withdrawal of assistance was a holdback, during the first week after Christmas, of one week's allowance to build up a sort of emergency fund to take care of any eventualities that might arise.

I did contact the minister suggesting that this holdback might be delayed until such time as the students could recoup their fortunes. The wire I received from the minister was in the following words:

> I appreciate your point concerning arrangements for payment of training allowances following the Christmas recess. This action is being implemented gradually during January to minimize trainees difficulties.

When I returned to Ottawa a headline appeared in the Brandon *Sun* as follows, "Students Denounce Allowance Holdback Scheme." It was dated January 18 after my wire, dated January 12, was received. My question to the minister the other day was whether he had received this protest from the 200 students at the Manitoba vocational and technical school in Brandon, and if so what reply had been given or what action he had taken to resolve this difficulty. I could read the specific points which were raised by the students in their protest but I do not think it is necessary. All that I wish to have at this time is an assurance that the students' protest was dealt with. According to this newspaper

article, they also sent a wire. I should like to know what action was taken to resolve this difficulty.

Mr. Munro: Mr. Speaker, in answer to the hon. member I should like to say that undeniably we have been experiencing some difficulty in administration, but we believe that the problem has been largely ironed out and that the living allowance cheques are getting there on time now. We believe that the explanation we gave to the students involved was satisfactory, and we doubt there will be a recurrence of this problem; we certainly hope there will not be.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT—INQUIRY CONCERNING STATEMENT BY ASSISTANT DEPUTY MINISTER

Mr. Robert McCleave (Halifax): Mr. Speaker, earlier this month the *Labour Gazette* published an article which has caused considerable but perhaps quiet excitement in some corners of the country, due to the fact that on a rare occasion in its history it published in toto the speech of an official of the Department of Labour, the highly respected Bernard Wilson, the assistant deputy minister (labour relations) of the Department of Labour. This was a speech he gave to a panel of the Canadian Association of Administrators of Labour Legislation at its twenty sixth annual conference in Ottawa, held last September. Perhaps there is nothing in the introduction to that speech which would generate special excitement, but at the end of his speech the assistant deputy minister made the following suggestion which is to be found at page 13 of that issue of the *Labour Gazette*:

> The following extra provision, added to existing federal or provincial labour legislation, might be considered in seeking less labour unrest while giving recognition to rights that a large part of labour consider fundamental.
>
> Notwithstanding the provisions of sections 21 and 22 of this act (the Industrial Relations and Disputes Investigation Act), where a strike or lockout has taken place and has been in effect for 14 days from the date of its inception, the governor in council may, if the strike or lockout imperils the safety or security of Canada or the economic welfare and livelihood of great numbers of its citizens, other than those participating directly in the strike or lockout, promulgate regulations for the resumption of operations by the employer and by the employees, and for the final settlement of the dispute without further strike or lockout.
>
> To forestall the inevitable objection that the government will be brought into every important dispute in essential industry, it should be pointed out that that situation exists now. In further extenuation, it can also be argued that, where great questions of public interest, critical national or regional economic loss and the exercise of human rights are concerned, there are few matters of more importance to governments, and more deserving of their time.

Indeed, the gentleman is right; this is one of the big issues of our time, namely how far the government interferes or intervenes in questions of disputes. I checked the latest speech of my friend from the Dalhousie University law school, the Minister of Labour, delivered to the University of Western Ontario law forum on January 27 and found that his position does not come up to that of Mr. Wilson.

On that occasion he said:

• (10:10 p.m.)

> The government's role surely should be a conciliatory and a mediatory one, a role that will bring the disputants together and encourage them to find a formula for settlement less costly to their immediate and separate interest than the continuation of their rigid positions would be.
>
> In essence then, the optimum role and the responsibility of government is to continue to hold available to disputants suitable procedural machinery to enable them to find their own solutions within a reasonable period of time.

Later on in that same speech, the minister had this to say:

> Because a whole new range of puzzling problems is arising in industrial relations today, I visualize —and have been planning for—a new role for my department. No longer shall we be merely the referees: now we are taking and will continue to take anticipatory initiatives. Since the very existence of our conciliation branch presupposes a possible breakdown of collective bargaining, I would view it as the greatest achievement of a Minister of Labour to make it an unnecessary part of what is now my department.
>
> Our emphasis should—and I hope will—change to becoming a trusted and "honest broker" before real trouble breaks out. We should become fire prevention officers, not firefighters.

Well, Mr. Speaker, I think there is probably enough difference in these points of view to indicate that this is a matter of some considerable public concern, and something which will be debated in Canada no doubt over the next five or ten years. In view of this fact, I thought I would pose a question to the minister to see if his philosophy leans one way or the other or whether Mr. Bernard Wilson was merely floating a very large balloon, the largest balloon I have seen floated by a civil servant in Canada. I am endeavouring to ascertain whether Mr. Wilson was expressing something which will eventually become government policy.

Proceedings on Adjournment Motion

Hon. J. R. Nicholson (Minister of Labour): When the question was put a few days ago by my hon. friend, I thought my parliamentary secretary gave a very good answer. He said emphatically and unequivocally that no legislation such as that suggested in the question was in contemplation. Perhaps, Mr. Speaker, a word of explanation as to how the article came to be published would be of interest. There is an organization in Canada known as the Canadian Association of Administrators of Labour Legislation. The membership consists of the federal deputy minister and the ten provincial deputy ministers of labour. They, and their senior officials, meet annually to discuss matters or to think out loud about what may or may not be done to improve labour-management relations in this country.

Last year's meeting that took place in Ottawa in September last was the one in which the assistant deputy minister, to whom reference has been made by my hon. friend put forward as a suggestion the one referred to by my hon. friend, amongst a number of other suggestions. It so happens one of the western provinces, Alberta I think, has legislation similar to that which was suggested as something that might be considered by the group attending this conference. The suggestion was put forward merely as something that might be considered by those in attendance. There are a number of other suggestions in the paper.

One of those suggestions was that the right to strike might even be extended on certain occasions rather than curtailed, which is the exact antithesis of what was covered in the question raised by my hon. friend. I assure my hon. friend and others that these meetings which are held regularly, and I have been following them now for over two years, are really worth while. They are stimulating. This provocative paper which was presented by the assistant deputy minister was one of several put forward to provoke discussion. I wish we had a lot more discussions of that kind. The paper was so good the editor of the *Labour Review* published the article almost in toto. Therein lies the explanation for the article and how it came to be published.

Motion agreed to and the house adjourned at 10.16 p.m.

HOUSE OF COMMONS

Wednesday, January 31, 1968

The house met at 2.30 p.m.

[*Translation*]

GOVERNMENT DOCUMENTS

PROVISION FOR PRINTING IN BOTH ENGLISH AND FRENCH

Mr. Patrick T. Asselin (Richmond-Wolfe) moved for leave to introduce Bill No. C-199 intituled "An Act respecting bilingual documents".

Some hon. Members: Explain.

Mr. Asselin (Richmond-Wolfe): Mr. Speaker, as Canada is a bilingual country, it is advisable that all documents sent from time to time to Canadians by the various departments of the government, in order to get statistical information or for other reasons, should be written in both official languages of the country: French and English.

[*English*]

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

LESS THAN CARLOAD FREIGHT TRAFFIC

Question No. 430—**Mr. Nowlan:**

1. What volume in tons of less than carload freight traffic was (a) loaded and (b) unloaded at railway stations in (i) Canada (ii) the Atlantic Provinces (iii) Ontario and Quebec (iv) Western Canada, during the years 1960-1966, inclusive?

2. What volume in tons of less than carload express traffic was (a) loaded and (b) unloaded at railway stations in (i) Canada (ii) the Atlantic Provinces (iii) Ontario and Quebec (iv) Western Canada, during the years 1960-1966, inclusive?

3. What annual increase or reduction in revenue expressed in dollars is expected to accrue to the Canadian railways from the introduction on September 5, 1967, of new rates for the movement of non-carload traffic?

4. What percentage increase or reduction in revenue do the railways anticipate from the new non-carload rates in relation to the formerly applicable LCL freight rates in (a) Canada (b) the Atlantic Provinces (c) Ontario and Quebec (d) Western Canada?

5. What percentage increase or reduction in revenue do the new non-carload rates represent to the railways over the formerly applicable LCL express rates in (a) Canada (b) the Atlantic Provinces (c) Ontario and Quebec (d) Western Canada?

6. If the data requested in Parts 4 and 5 are not available by provinces, what are they for the territories of Maritime, Eastern and Western as described in the Board of Transport Commissioners Waybill analysis for Atlantic Provinces, Ontario and Quebec, and Western Canada, respectively?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. Information requested is contained in the Dominion Bureau of Statistics reports "Railway Freight Traffic". Data has been extracted for the years 1960-1966 inclusive and is shown hereunder:—

2, 3, 4, 5 and 6. No information is available with respect to these questions.

Tons of L.C.L. freight

Year	Loaded in Canada				Unloaded in Canada			
	Canada	Atlantic provinces	Ontario and Quebec	Western Canada	Canada	Atlantic provinces	Ontario and Quebec	Western Canada
1960.....	1,110,768	187,398	622,652	300,718	1,211,354	263,305	618,272	329,777
1961.....	991,832	213,203	514,721	263,908	1,047,347	237,295	528,573	281,479
1962.....	1,057,466	230,229	548,549	278,688	1,130,146	263,775	572,587	293,784
1963.....	971,543	203,609	493,971	273,963	1,025,823	237,972	487,991	299,860
1964.....	865,265	153,049	413,251	298,965	918,172	209,271	392,668	316,233
1965.....	1,151,296	194,147	612,679	344,470	1,198,875	234,969	605,128	358,778
1966.....	891,238	158,160	421,001	312,077	951,300	206,913	420,846	323,541

Questions

C.N.R. EMPLOYEES LAID OFF IN NEWFOUNDLAND

Question No. 625—**Mr. Knowles:**

1. How many employees of the Canadian National Railways in the Province of Newfoundland were laid off in each of the following years: 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965 and 1966?

2. With respect to the above, how many in each year were (a) scheduled employees (b) non-scheduled employees?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. and 2. By the nature of the railroad industry, across the system, lay-off and recall is a day by day local activity of which aggregate records are not maintained. Since 1965, the company has extracted aggregate data for those lay-offs exceeding 30 days or any complete calendar month. In 1965 and 1966, such lay-off actions affecting scheduled employees numbered 151 and 269 respectively. Employee recalls, for those who had been laid-off, in those years or prior years, for more than 30 days or any complete calendar month, numbered 704 and 660 respectively. The classification "laid-off" is not normally used in respect of non-scheduled employees.

C.N.R. TRACKAGE, EASTERN QUEBEC—N.B.

Question No. 796—**Mr. LeBlanc (Rimouski):**

In the Chaleur Region of the Canadian National Railways, how many miles of main railroad track (excluding sidings) are there in (a) Quebec (b) New Brunswick?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: (a) 648.24 miles; (b) 781.09 miles.

C.N.R. PASSENGER TRAFFIC, EASTERN QUEBEC—N.B.

Question No. 797—**Mr. LeBlanc (Rimouski):**

In each of the last five years, how many passengers boarded Montreal bound Canadian National Railways trains at (a) Bathurst (b) Campbellton (c) Mont-Joli (d) Rimouski?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: It has not been the practice nor is it considered in the best interests of the company to disclose information of a nature which would be of value to its competitors.

[Mr. Byrne.]

C.N.R. REVENUE AT CERTAIN STATIONS

Question No. 798—**Mr. LeBlanc (Rimouski):**

What was the revenue of the Canadian National Railways in each of the stations of (a) Halifax (b) Moncton (c) Bathurst (d) Campbellton (e) Edmundston (f) Mont-Joli (g) Rimouski, in each of the years (i) 1962-63 (ii) 1963-64 (iii) 1964-65 (iv) 1965-66 (v) 1966-67, for A) passenger tickets and (B) tickets for berths and roomettes?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: It has not been the practice nor is it considered in the best interests of the company to disclose information of a nature which would be of value to its competitors.

C.N.R. STAFF ON CHALEUR TRAIN

Question No. 799—**Mr. LeBlanc (Rimouski):**

1. How many employees of the Canadian National Railways are part of the staff serving the travelling public on the Chaleur train which serves the people of the Lower St. Lawrence and the Gaspe Peninsula?

2. Of this number, how many speak French only?

3. How many speak only English?

4. How many are bilingual?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. 139.

2. Nil.

3. 39.

4. 100.

It is the company's policy and practice, through language instruction, to encourage and assist employees in acquiring the degree of proficiency in either language required by their present or prospective positions.

MAINTENANCE OF HAINES ROAD

Question No. 802—**Mr. Nielsen:**

1. For each of the years during which the Haines road has been maintained during the winter months, what has been the cost thereof to (a) the Canadian Government (b) the Government of the United States of America?

2. For each of the said years, has the Canadian Government paid any money to the Government of the United States for the maintenance by the American Government of any portion of the said road in Canada and, if so, how much money was so paid?

3. Does any similar cost-sharing arrangement with the Government of the United States exist with respect to any other road in Canada?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Public Works as follows: Until the winter of 1963-64 the southern section of the Haines road from the Port of Haines to Mile 48 (six miles within the Canada-U.S.A. border), and the northern section from Mile 94 to the junction with the Alaska highway (Mile 159), had been kept open to provide access to United States army pumping stations which were vital links on the oil pipe line to Alaska. The state of Alaska kept open the southern section and Canada kept open the northern section on repayment by the United States army. The central section (Mile 48 to 94) was closed during the winter.

In 1962 the state of Alaska opened a marine ferry for freight, truck, car and passenger traffic between Prince Rupert and the Alaskan panhandle ports, including Haines. With the opening of this ferry, pressure developed to keep all of the Haines road open during the winter as a connecting link for traffic to the Yukon and Alaska. This was first attempted during the winter of 1963-64 on an experimental basis. As Canada did not have the necessary heavy snow clearing equipment available, agreement was reached with the state of Alaska for the state to provide equipment and crews on repayment. By the spring of 1967 it had been established that winter maintenance was feasible. The Canadian government accordingly made arrangements to take over full responsibility for the maintenance of the Canadian section of the road.

1. (a) The cost, in Canadian dollars, including the payments to the state of Alaska set forth in Part 2 below, to the Canadian government:

Year	Mile 42-94	Mile 94-159
Winter of 1963-64	153,516	Nil
" " 1964-65	159,569	Nil
" " 1965-66	155,594	Nil
" " 1966-67	162,798	Nil

(b) The Department of Public Works has been provided with certain cost figures on which to base our payment which has a maximum limit; however, we cannot affirm that these figures represent the total cost to the state of Alaska and the United States (United States army) for maintenance. In any case, we cannot publish these figures without first having been given appropriate consent.

2. Payments, in Canadian dollars, were made to the state of Alaska under the terms of the winter maintenance agreement with the Department of Public Works:

Year	Mile 42-94
Winter of 1963-64	137,248
" " 1964-65	138,098
" " 1965-66	135,943
" " 1966-67	138,098

3. So far as the Department of Public Works is concerned, there is no other similar cost sharing arrangement with respect to any other road in Canada.

CANCELLATIONS OF AIR CANADA FLIGHTS 390 AND 391

Question No. 843—**Mr. Peters:**

1. How many times during the months of October and November was the regular Air Canada Flight No. 391, originating out of Montreal and going to airports of Ottawa, Val d'Or, Rouyn, Earlton, North Bay and Toronto, cancelled and for what reason in each case?

2. During the same period, was the regular Flight No. 390, originating in Toronto and going to the airports of North Bay, Earlton, Rouyn, Val d'Or, Ottawa and Montreal, cancelled and, if so, for what reason in each case?

3. In each case, in both 1 and 2, how many people were involved in each cancellation at each airport, and what alternative did the Air Line provide in each case?

4. What reason for cancellation was given to the passengers?

5. Has any suggestion been made by the carrier to offer better service to the public served by Air Canada Flights No. 391 and No. 390?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. Flight 391, October: cancellations: nil. November: cancellations: 8, reason: weather.

2. Flight 390, October: cancellations: nil. November: cancellations: 9, reason: weather.

3. Since the flights did not operate, records have not been retained of numbers of passengers involved. The airline provided first available air or surface transportation for the passengers to their destinations, in accordance with their wishes.

4. Adverse weather conditions caused the cancellations and the passengers were so advised.

5. Improvement in operations in the Rouyn-Earlton area would require vast sums of money to be spent on runways, landing aids, etc. and Air Canada has not felt justified in recommending such expenditures on the part of the government.

Questions

EMPLOYEES ON C.N.R. FERRIES, MARITIME PROVINCES

Question No. 873—**Mr. MacDonald (Prince):**

1. On November 1, 1965, 1966 and 1967, how many persons were employed aboard the vessels, M.V. *Abegweit,* S.S. *Prince Edward Island,* M.V. *Confederation* and S.S. *Scotia,* operated by Canadian National Railways, in all capacities, e.g., deckhands, stewardesses, wipers, electricians, firemen, oilers, stewards, carpenters, boatswains, engineers all classes, etc.?

2. What is the legal requirement concerning the number of men serving aboard these ships for the purpose of operating lifeboats, other lifesaving equipment, fire prevention, etc.?

3. Is it contemplated that between now and May 1, 1968, any persons employed full-time are to be laid off and, if so, when and what positions and for what duration of time?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. The number of crew, excluding relief personnel, as at November 1st, each year was as follows:

	1965	1966	1967
M.V. *Abegweit*	95	99	99
S.S. *Prince Edward Island*	(a) 69	94	100
M.V. *Confederation*	85	(b) 58	(b) 37
S.S. *Scotia II*	52	(b) 15	(c) 2

(a) Vessel in drydock.

(b) Vessel laid up.

(c) Vessel laid up without power or steam and all machinery immobilized.

2. The Canada Shipping Act states that "every steamship registered in Canada shall be manned with a crew sufficient and efficient from the point of view of safety of life for the purpose of her intended voyage". The legal requirement established by the Canadian steamship inspection board is 16, 17 and 19 certificated lifeboatmen per shift on the *Abegweit, Prince Edward Island* and *Confederation,* respectively, when in operation. The Canadian National complies to the fullest extent with these regulations.

3. While no further lay-offs are presently contemplated, management must exercise its judgment in relating the size of the work force to the volume of traffic moving and seasonal factors.

[Mr. Byrne.]

C.N.R. PASSENGER TRAIN SERVICE, NEWFOUNDLAND

Question No. 879—**Mr. Schreyer:**

With respect to C.N.R. Passenger Train Service in Newfoundland:

1. What was the number of passengers carried for the years 1961, 1962, 1963, 1964, 1965 and 1966 by coach and first class?

2. What was the revenue from passenger traffic for the years noted in Part 1?

3. What was the cost to the Railway for operating the passenger trains for the years noted in Part 1?

4. What was the average number of coach cars, parlour cars, dining cars and other cars used in passenger service per train for the years noted in Part 1?

5. What was the number of S.D. and P.C. and other train passenger employees for the years noted in Part 1?

6. What was the number of new cars and other equipment purchased for train passenger service for the years noted in Part 1?

7. What is the number of employees that will be displaced, if the train passenger service is discontinued, and their total earnings for 1966?

8. What is the fastest time that a train proceeded from Port aux Basques to St. John's and at what stations or sidings did it stop?

9. Prior to the public announcement on April 4, 1967, that a bus service would start by the C.N.R., were discussions held with any governments?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows:

1. The total number of revenue passengers carried in each of the years 1961 to 1966 inclusive is as follows: 1961, 151,491; 1962, 126,567; 1963, 111,586; 1964, 118,307; 1965, 119,046; 1966, 87,796.

Data is not readily available to furnish a breakdown of these passengers by coach and sleeping car prior to the year 1966. During the year 1966 there were 71,481 coach and 16,315 sleeping car passengers.

2 and 3. It is considered not to be in the best interests of the company to disclose publicly this type of information. However, pursuant to section 314I, subsections 3, 4 and 5 of the Railway Act, the railway is required to submit on a confidential basis, such information to the railway transport committee of the Canadian transport commission which then determines and makes public the actual loss or profit figure. In this connection, that committee by order No. R-507 dated November 6, 1967 has established that the said passenger train service incurred an actual loss of $918,000 in the year ended December 31, 1966.

Questions

4.

Year	Coach	Sleeper	Dining	Other
1963—Summer	4	4	2	2
Winter	4	3	1	2
1964—Summer	5	4	2	2
Winter	4	4	2	1
1965—Summer	4	5	2	2
Winter	5	5	2	2
1966—Summer	4	4	2	2
Winter	4	4	2	2

5.

	S.D. and P.C. employees		Train and engine crew	
Year	Summer	Winter	Summer	Winter
1961	76	54	36	32
1962	62	46	36	22
1963	72	35	36	22
1964	73	42	36	22
1965	92	39	40	24
1966	66	30	40	24

6. No new passenger equipment was purchased for the Newfoundland service during the years in question. However, during the period 1949 to 1958, 48 units of various types were acquired.

7. It is not possible at this time to state exactly how many employees will be displaced since there are a number of labour crafts, and seniority regulations of each craft which will be involved. It is currently estimated that about 130 permanent positions and 56 seasonal positions will become redundant. The total salary rates for these positions is approximately $955,000. However, it is expected the proposed bus operation will require approximately 57 permanent employees, the total annual payroll of which would be about $340,000. Every effort will be made to fill these new positions with, or offer alternate employment to, those displaced if the passenger train services are discontinued.

8. The fastest scheduled time for passenger trains operating between St. John's and Port aux Basques was for train No. 101 which covered the route in 21 hours during the summer of 1967.

9. No.

OIL POLLUTION IN NATIONAL HARBOURS

Question No. 892—**Mr. McCleave:**

1. How many cases of oil pollution were investigated in Halifax Harbour, referred to on page 5662 of *Hansard*, in 1965, 1966 and 1967; how many were traced to source; and how many actions were launched in courts?

2. What were the equivalent experiences in Montreal and Vancouver in each of the three years for cases investigated, sources of pollution traced, and actions launched?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. 1965: Cases investigated, two; traced to source, nil; court actions, nil. 1966: Cases investigated, three; traced to source, three; court actions, one; 1967: Cases investigated, four; traced to source, one; court actions, nil.

2. Vancouver: 1965: Cases investigated, one; traced to source, nil; court actions, nil. 1966: Cases investigated, four; traced to source, three; court actions, one. 1967: Cases investigated, six; traced to source, six; court actions, two. Montreal: 1965: Cases investigated, 18; traced to source, 10; court actions, four. 1966: Cases investigated, 19; traced to source, 14; court actions, four. 1967: Cases investigated, 24, traced to source, 16; court actions, 12.

EMPLOYMENT SERVICE EMPLOYEES ABROAD

Question No. 905—**Mr. Laprise:**

How many employees does the National Employment Service have in (a) the United Kingdom (b) France (c) other countries?

[*Translation*]

Mr. John C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): The Canada Manpower Division (formerly known as the National Employment Service) has no employees outside Canada.

Questions

[*English*]

UNEMPLOYMENT INSURANCE, EMPLOYMENT SERVICE AND MANPOWER EMPLOYEES, NOVA SCOTIA

Question No. 912—**Mr. Coates:**

1. How many employees were involved in the operation of the Office of the Unemployment Insurance Commission and the National Employment Service at Amherst, Nova Scotia, as of January 1, 1963?

2. How many employees were involved in the operation of the Manpower Office at Amherst, Nova Scotia, as of January 1, 1968?

3. How many employees were involved in the operation of the Office of the Unemployment Insurance Commission and the National Employment Service at Springhill, Nova Scotia, as of January 1, 1963?

4. How many employees were involved in the operation of the Manpower Office in Springhill, Nova Scotia, as of January 1, 1968?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by Unemployment Insurance Commission and the Department of Manpower and Immigration as follows:

1. Twelve employees.

2. Eight employees.

3. Eight employees.

4. Four employees.

MANPOWER CENTRE DESK CALENDARS

Question No. 915—**Mrs. Wadds:**

1. How many desk calendars for the year 1968 were supplied to the Canada Manpower Centre, 17 Church Street East, Smiths Falls, Ontario, and under whose authority?

2. What was the total cost of these calendars?

3. Were other Canada Manpower Centres across Canada supplied with similar calendars and, if so, at what locations and in what numbers?

4. What was the total cost involved in all of the above?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 51 calendars for the year 1968 were supplied to the Canada Manpower Centre, Smiths Falls, Ontario, under the authority of the director of the Ontario region, Canada Manpower division.

2. $19.38.

3. Each Canada Manpower Centre in the Ontario region was supplied with similar calendars. The number given to each centre was in proportion to the number of employers serviced by the centre.

4. The total cost was $2,158.01.

[Mr. Munro.]

MRS. CATHERINE MORESIDE

Question No. 917—**Mr. Macquarrie:**

Since the return of the answer to Question No. 368 on October 16, 1967, has any information or documentation been received to indicate that Mrs. Catherine Moreside is not the oldest person in Canada?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the centennial commission: No.

TRANSFER OF NATIONAL REVENUE OFFICES, AMHERST, N.S.

Question No. 922—**Mr. Coates:**

Is it the intention of the government to transfer the offices or any part of the offices of the Department of National Revenue presently located at Amherst, N.S. and, if so, (a) how many employees will be involved in the transfer, where will they be relocated and how many will remain at Amherst (b) on what date is the proposed transfer to take effect?

Hon. Jean Chrétien (Minister of National Revenue): On January 15, 1968, the excise tax audit office of the Department of National Revenue was transferred from Amherst, N.S., to become a part of a new district excise tax office at Moncton, N.B., encompassing all excise tax functions. As a consequence of this transfer the four persons formerly employed at the Amherst excise tax audit office are now employed at Moncton. Eight employees of the customs and excise division of the department continue to be employed at Amherst. No other transfers are planned at the present time. The taxation division of the department has no office at Amherst.

MANPOWER CENTRE DESK CALENDARS

Question No. 925—**Mr. Hales:**

1. How many Canada Manpower Centre simulated leather desk calendars have been purchased and what is the total cost?

2. How many of these calendars have been distributed and what is the cost of mailing?

3. To whom were these calendars mailed?

4. Were these calendars made in the U.S.A.?

5. What is the name and address of the firm from whom these calendars were purchased?

6. Were tenders called for these calendars?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 5,606 calendars at a total cost of $2,158.01.

2 and 3. No exact count is available, as the calendars, showing the Canada Manpower Centre's telephone number, were for staff to

leave with employers they visit, in the area serviced by the centre. Calendars were not mailed.

4. No. For some of the calendars the Canadian supplier used some components purchased from the U.S.A.

5. Advertising Gifts Company, 370 Bloor Street East, Toronto, Ontario.

6. No.

HARBOURS AND RIVERS EXPENDITURES, CUMBERLAND COUNTY, N.S.

Question No. 927—**Mr. Coates:**

What has been the total expenditure of the Harbours and Rivers Engineering Branch of the Department of Public Works in Cumberland County for the fiscal years 1963-64, 1964-65, 1965-66, 1966-67 and the estimated expenditure for 1967-68?

Hon. G. J. McIlraith (Minister of Public Works):

Year	Expenditures
1963-64	$ 99,400
1964-65	46,900
1965-66	104,300
1966-67	23,300
1967-68	264,800 (estimated).

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, would you be kind enough to call notice of motion No. 43?

Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

INQUIRY AS TO EXTRA-JUDICIAL DUTIES OF JUDGES OF DISTRICT AND COUNTY SUPERIOR COURTS

Question No. 43—**Mr. Caouette:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a return showing what judges of "District and County Superior Courts" within the meaning of section 96 of the B.N.A. Act were appointed to extra-judicial duties such as Royal commissions, advisory committees, etc.; what extra remuneration, if any, above regular salary have these judges received in such cases; and what is the policy of the government concerning the appointment of such judges to extrajudicial duties.

Inquiries of the Ministry

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, there is no document such as the one mentioned by the hon. member in his motion for production of papers. While I am asking him to withdraw his notice of motion, I can assure him that the departments concerned will provide answers to the points raised in his notice of motion if he will place his written question on the order paper and allow some time to obtain an answer.

Mr. Speaker: Is the notice of motion withdrawn?

Mr. Réal Caouette (Villeneuve): Agreed, Mr. Speaker.

Motion withdrawn.

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGED IMPROPER CONDUCT IN ARREST OF U.K. FUGITIVE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Solicitor General if he has had brought to his attention allegations made by Mrs. Wilson of improper conduct by a Scotland Yard superintendent in Canada, and also improper interference by the R.C.M. Police with the service of a process arising out of this matter. If so, can the Solicitor General tell us what are the facts of the situation?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I am advised as follows. The R.C.M.P. arrested Charles Wilson pursuant to section 16 of the Immigration Act. This section does not require a warrant for arrest of a person who, there are reasonable grounds to believe, came into Canada by reason of false or misleading information or other fraudulent or improper means.

Certain articles and money were taken into the possession of the R.C.M.P. with the consent of Mr. Wilson. Mr. Butler was present for purposes of identification, but he did not make the arrest nor did he participate in the search of the premises. All moneys and articles taken into the possession of the R.C.M.P. were later given back to Mr. Wilson, and a receipt was obtained for them. Mr. Wilson in turn gave $1,200 in Canadian money to Mrs. Wilson, who had been granted bail in the sum of $1,000.

Inquiries of the Ministry

According to press reports counsel for Mrs. Wilson "is thinking of taking action against the R.C.M.P. for obstructing justice". Under the circumstances I believe I should not go into the merits of that allegation at this time, but I wish to stress that what I said should not be taken as meaning that I agree with the allegation that there was improper conduct on the part of the R.C.M.P.

Mr. Fulton: I have a supplementary question, Mr. Speaker. Was Mr. Wilson in fact physically deported from Canada before the expiry of 24 hours after the deportation order was made? Perhaps the Minister of Manpower and Immigration might answer the question.

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I shall have to check into that matter.

CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the right hon. Prime Minister with reference to the speech from the throne which opened this session on May 8 last, in which the government indicated its intention of bringing down legislation to set up the Canada Development Corporation. In view of the fact that this commitment has been made every session since 1963 without ever materializing, I want to ask the Prime Minister whether he can tell the house when this legislation will be brought down, in order that members of the house may have an adequate opportunity to study it.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am unable to answer that question. We hope to bring this legislation before the house before the end of this session. However, that will depend on the progress we make in respect of legislation which is now on the order paper, and I hope that progress will be sufficient to deal with the legislation to set up the Canada Development Corporation. If not, it will certainly be brought forward early in the next session.

PRIVILEGES AND ELECTIONS

REFERENCE TO COMMITTEE OF REPORT ON ELECTION EXPENSES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a related question, Mr. Speaker. In the same speech from the throne the government indicated its intention to send the report of the committee on election expenses to the standing committee on privileges and elections. Since some eight months have gone by without any action being taken, is it the government's intention to send the report on election expenses to the standing committee of the house?

Right Hon. L. B. Pearson (Prime Minister): I think that question was asked of me a few weeks ago, and I had better ascertain what reply I gave then. As I remember I said there was no reason why this should not be done, but I had better check on my own words. I can see no reason why it should not be done this session.

[*Translation*]

INDUSTRY

REPORTED PRESSURE TO LOCATE IN ONTARIO RATHER THAN QUEBEC

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a question for the hon. Minister of Industry but, in his absence, I will put it to the right hon. Prime Minister.

On the local news last night the mayor of Hull, Mr. D'Amour, complained that federal officials have exerted pressure upon a French industrialist to set up his industry in Ontario rather than in Quebec, since it would then be easier to come to transact business with the United States. Is the right hon. Prime Minister aware of these facts and does he intend to inquire into the situation and report to the house?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): I am not aware of it, but I will try to make myself aware of it immediately.

SUGAR

REQUEST FOR STATEMENT ON NATIONAL POLICY

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): My question is for the Minister of Agriculture. Considering the serious economic repercussions that the announced closing of the Canada and Dominion Sugar Company refinery at Chatham will have on the agricultural industry there, and the warnings that this closure sets a pattern for the rest of

Canada, will the minister, in conjunction with the Department of Trade and Commerce, be announcing the development of a comprehensive sugar policy for Canada which will permit the continuation of this part of the agricultural industry in Canada?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have seen the officials of the company which is closing its plant in the Chatham area, and I intend to see the producers concerning the effect on their livelihood of the closing of the plant and the possibility of diverting to other crops. I will certainly be discussing the situation with the officials of trade and commerce. If there is any change in government policy as a result of this move, of course it will be announced in the normal fashion.

Mr. Johnston: Will the minister be consulting the other areas of the country that are engaged in the sugar industry so he can ascertain the situation there before the fact, rather than after the announcement of closures at other points in Canada?

Mr. Greene: There is no indication to date of any plants in western Canada contemplating stopping their activities or going out of production. The indications are that the protection the western manufacturer has by reason of the freight advantage is sufficient to make the industry a viable and economic one in western Canada. Certainly I would be very pleased to listen to any representations, if there are any, from the west, but I have not had any as yet.

Mr. A. D. Hales (Wellington South): In view of the fact that contracts for 1968 must be signed not later than March, will the minister be holding this conference immediately?

Mr. Greene: As I say, I have already met with the company officials. I think the producers were made aware of the situation only the night before last. I am certain I will hear from them as soon as they have had their meeting, and I will be prepared to meet with them immediately.

Mr. E. F. Whelan (Essex South): May I ask a supplementary question. I should like to ask the President of the Privy Council if the closing of this sugar plant in Chatham is not another perfect example of foreign ownership.

Mr. W. H. A. Thomas (Middlesex West): I should like to ask the Minister of Agriculture whether in his opinion there is still hope that this factory may be kept in operation.

Mr. Greene: Well, in all candor, Mr. Speaker, my conversation with the company officials did not indicate any hope that they would contemplate keeping the factory open for sugar purposes. They did instruct me, however, that they were keeping the factory and had expectations they could use the plant for an agricultural purpose within the area. They are not able to define that purpose yet, or have come to no conclusion at the present time.

INDUSTRY

SYDNEY, N.S.—REQUEST FOR TABLING OF LETTERS RESPECTING STEEL PLANT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I have a question for the Prime Minister. I should like to ask the Prime Minister if he has communicated with Premier Smith of Nova Scotia respecting the tabling of an exchange of letters in connection with the Sydney steel situation. If so, is he prepared to release that information now?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, the premier of Nova Scotia has received the letter and is giving consideration to it. I hope to see him when he arrives on Sunday, to see whether we can agree to make the exchange public early next week.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. In view of the statement by the Minister of National Health and Welfare that a solution to this problem is being desperately sought, do I take it that because of the interchange of letters the government has refused the proposal put forward by the Nova Scotia government?

Mr. Pearson: Mr. Speaker, we have made proposals to the Nova Scotia government which I hope they will find helpful in the circumstances.

[*Later:*]

Mr. Pearson: I should like to add to the reply I gave to my hon. friend from Cape Breton South. I have just learned that a reply had come in from Premier Smith before lunch this morning saying he had no objection to the tabling of the correspondence, so it can be tabled tomorrow.

Inquiries of the Ministry

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister. In view of their unequalled contribution to Canadian history and world security, does the Prime Minister not think a day should be set aside in honour and memory of our armed services before unification is proclaimed?

EXTERNAL AFFAIRS

VIET NAM—INQUIRY AS TO SAFETY OF CANADIANS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister in a position to tell the house whether the Canadian members of the international control commission in Viet Nam have been in any danger or have suffered any casualties as a result of the street fighting in Saigon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have received a preliminary report from our delegation in Saigon which indicates that to the best of the delegation's knowledge there have been no casualties among Canadians serving with the delegation.

However, in the disturbed conditions now prevailing it may take a little time to obtain formal confirmation of this from those Canadians who are serving at commission posts outside Saigon, and also from Canadians living and working in South Viet Nam in capacities other than commission assignments. We are making inquiries as to the position of those Canadians outside Saigon, and as soon as we receive some information I will make it available to the house.

Mr. Nesbitt: A supplementary question, Mr. Speaker. I was wondering whether the government was considering advising those Canadians who are not in Viet Nam on official duty as members of the international control commission, but who are on other duties that are perhaps of a non-governmental nature, to leave the country under the present circumstances.

Mr. Pearson: Mr. Speaker, I think the members of the commission do have information about Canadians working outside the commission. The commission is trying to get in touch with them, and if there are developments that would require them to leave their official duties, or their duties whatever they may be, and come back to Canada I am sure they will be given that advice. However, I hope to have a report on all this shortly, and I will be able to give more information at that time.

Mr. David Lewis (York South): A supplementary question, Mr. Speaker. May I ask the right hon. gentleman whether the report of the Canadian envoy who went to Hanoi as a result of the peace feelers has yet been received and, if so, what it indicates?

Mr. Pearson: Mr. Speaker, the only report I have received is from our representative who is in Hanoi. It indicates that he has had discussions there, that he will be returning to Saigon very shortly—indeed, he may have reached Saigon within the last day or so—and that when he does return to Saigon he will be in a position to send a report on his mission. That report I have not yet seen. Whether it has come in during the day I am not sure, but I will make inquiries.

COMPANY OF YOUNG CANADIANS

REPORTED REQUEST FOR WITHDRAWAL FROM PRAIRIE PROVINCES

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister advise the house whether he has received a request from any of the premiers of the three prairie provinces requesting the withdrawal of members of the Company of Young Canadians from that part of the country? If so, what was the nature of his reply?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I have received no such request.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have a supplementary question for the Prime Minister. On January 26 I asked the Acting Prime Minister whether the reported drive for charitable funds on behalf of the Company of Young Canadians to replace the $400,000 reduction in their budget allocation had been submitted to the government for its approval. The Acting Prime Minister said he would endeavour to ascertain whether that was the case. I wonder if the Prime Minister could now report on the matter.

Mr. Pearson: I have not received a report, but I will be glad to make inquiries this afternoon and see if I can reply tomorrow.

COAL

PART PLAYED BY FEDERAL GOVERNMENT AND C.P.R. IN JAPANESE CONTRACT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct to the Minister of Transport a question of great interest to the Canadian people as a whole and to those in the Kootenay country in particular.

Mr. Byrne: Hear, hear.

Mr. Herridge: Since an agreement has been signed between the coal industry in British Columbia and the Japanese steel industry for the delivery of $650 million worth of coal, would the minister mind informing the house what part the federal government and the Canadian Pacific played in bringing this matter to a satisfactory conclusion?

Mr. Speaker: Order, please. I wonder whether the question as asked is acceptable. The hon. member has referred to events which have happened. He is asking for information which in my view had better be given at the time of motions.

[*Translation*]

TRADE

TEXTILES—SUGGESTED RESTRICTION ON IMPORTS FROM JAPAN

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to direct a question to the Minister of National Revenue.

Following the numerous lay-offs in the textile industry, particularly at the Dominion Textile plant in Sherbrooke, under the pressure of foreign imports, would the minister tell the house if the government intends to take immediate steps to invite Japan to limit its exports of textile products to Canada and to respect more faithfully the agreements now in force?

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, that problem comes under the Department of Finance, but I can assure the hon. member that the Minister of Finance (Mr. Sharp) follows the situation very closely and that all the necessary steps have already been taken.

[*English*]

POSSIBLE IMPORTS OF FROZEN BEEF FROM ARGENTINE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, on Monday the Minister of Agriculture gave the hon. member for Battle River-Camrose a categorical assurance that no official of his department was taking part in discussions with the Argentine regarding the importation of frozen beef. Would the minister now care to modify his answer in light of the return yesterday from the Argentine of Mr. R. J. McClenaghan an officer of the minister's department, reported to have been taking part in such discussions?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, to the best of my understanding there is some discussion with respect to non-canned beef coming in with respect to the ability of that beef to meet our standards of health and sanitation. Certainly as I understood the hon. member's question there is no question of purchase by the government. I may have misunderstood—

Some hon. Members: Oh, oh.

Mr. Greene: Certainly anyone can apply to our department for health and medical standards, and these inquiries are coming in all the time. I understand there is some application from the Argentine to pass non-canned beef with respect to health and medical standards.

Mr. Fulton: Then I ask the minister whether his department or government contemplates the importation of such meat into Canada.

Mr. Greene: Mr. Speaker, I do not believe that approval for this calibre of beef has yet been given, but I shall be glad to check for my hon. friend. If it has been approved I shall be pleased to let him know tomorrow.

GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT FOR 1966-67 CROP

On the orders of the day:

M. R. D. McLelland (Rosetown-Biggar): I have a question that should ordinarily be directed to the Minister of Trade and Commerce. In his absence I shall ask the Prime Minister if he can inform the house and the many interested farmers and businessmen of western Canada when the wheat board will be making the final payments to the farmers on the 1966-67 wheat crop deliveries, as some cheques for the 1965-66 crop year were dated January 17, 1967.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not able to answer that question, but I shall try to find the answer as quickly as possible.

Inquiries of the Ministry

FLOODS

BRITISH COLUMBIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of National Defence. In the light of the fact that R.C.A.F. personnel at the Comox base participated in a shuttle service to provide water to the community at Campbell River following recent flooding, and the fact that Reeve MacDonald of Campbell River was able to obtain the services of army engineers from Chilliwack to assist in measures against flooding, is there any opportunity for the forces at the minister's disposal to act directly in connection with the serious situation at Bella Coola, of which we have spoken on a couple of occasions.

Hon. Léo Cadieux (Minister of National Defence): I shall be very glad to study those precedents.

POLLUTION

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question to direct to the Minister of Energy, Mines and Resources. I should like to ask whether there is any likelihood of legislation in connection with water and air pollution being brought forward this session.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): That is my hope, Mr. Speaker, but I am a realist and recognize that it may not be possible to do so at this session, but only possible in the course of the next one.

LABOUR CONDITIONS

NORTH SYDNEY, N.S.—REQUEST FOR ASSISTANCE FOR DOCK WORKERS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is intended for the Prime Minister. In view of the fact that the right hon. gentleman stated in the house yesterday that all the government's plans and policies were designed to keep unemployment to a minimum, may I ask what plans and policies the Prime Minister has in mind to assist the more than 600 dock workers in the port of North Sydney who will be unemployed as a result of this government's plans and policies?

[Mr. Pearson.]

Right Hon. L. B. Pearson (Prime Minister): I can hardly accept the suggestion that these dock workers are losing their employment as a result of government policies, but I hope that government policies will be able to restore them to employment in this or some other occupation.

Mr. Muir (Cape Breton North and Victoria): May I ask the right hon. gentleman whether he will get in touch with his colleague the Minister of Transport in connection with this matter within the next few days because, as I understand it from the Canadian National, lay-offs are about to commence; and will he issue a statement outlining the plans the government has in mind to assist this large group of people?

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): I have a question for the Minister of National Revenue arising from an answer I received to a question on the order paper concerning overpayments made to the Canada Pension Plan by employers. Having been advised by the former minister that no technical problem existed with regard to repayments, can the hon. gentleman now assure us that these overpayments will be refunded to employers, as was done in the case of employees to the extent of about $8 million?

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, first of all, I do not know whether my predecessor made a statement along these lines but, according to my information, an amendment would have to be made in the act to enable us to refund that part to employers, and for that, we need the consent of the provinces.

[*English*]

Mr. Hales: The former minister said the government was obtaining this information from the provinces. Has it not been received as yet?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the program is now under consideration and we are making inquiries to clarify the situation.

[*English*]

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON LEGISLATION TO BE DEALT WITH

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday I asked the Prime Minister whether he would indicate to the house the items of legislation which the government wishes parliament to deal with during the remainder of the present session, and the right hon. gentleman indicated that this could be done. I wonder whether the list is ready today.

Right Hon. L. B. Pearson (Prime Minister): I have been looking into this matter, and on orders of the day tomorrow I hope to be able to make a short statement which will indicate the program of legislation we would like to submit to the house immediately after we have dealt with the bill now before the house, if we ever are able to deal with it.

Mr. Knowles: Will the list include provision for increasing the pensions of retired civil servants, so this matter can be dealt with before the present Prime Minister retires?

Mr. Pearson: I would only be in a position to submit the pieces of legislation which are very urgent and of immediate importance; and while the item to which the hon. member refers is of great importance, it is not on the immediate and urgent list.

Mr. Knowles: Why not?

EDUCATION

REQUEST FOR FEDERAL ASSISTANCE IN TEACHING IMMIGRANT CHILDREN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to address a question, if I may, to the Minister of Manpower and Immigration. In view of the continuing difficulties encountered by local education authorities in providing the children of immigrants with special English classes so they can fit into the normal school system, and in view of the fact that the federal government is responsible for immigration and has invited the parents to this country, will the minister and his colleagues not reconsider their present policy with regard to assisting to meet the extra expense involved in the area I have indicated?

Mr. Speaker: Order. I suggest to the hon. member that this question cannot be asked now. It is much too general in nature and would require by way of reply a statement of the kind normally made on motions.

NATIONAL PARKS

SASKATCHEWAN—INQUIRY AS TO SECOND PARK

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): My question is directed to the Minister of Indian Affairs and Northern Development. In view of the fact that the second session of Canada's twenty-seventh parliament is fast drawing to a close, and bearing in mind the deep interest taken in Saskatchewan in the subject of a second national park, can the minister indicate when the long awaited report on the location of such a park will be available to the house and, if possible, the date on which the development will commence?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): I was hopeful and still am hopeful that an announcement can be made some time this summer.

[*Later:*]

Mr. E. Nasserden (Rosthern): I have a question for the Minister of Indian Affairs and Northern Development supplementary to the one asked several minutes ago. Is the delay in announcing plans for a second national park in Saskatchewan due to the inability of the provincial government to make up its mind where it wants the park to be?

Mr. Speaker: Order. The hon. member's question as asked is argumentative.

Mr. Nasserden: If I may rephrase it, Mr. Speaker, I wish to ask is the delay due to the failure of the provincial government to advise the minister where it would like the park to be located?

Mr. Speaker: Order, please. I find it difficult to see a difference between the two questions. I think both are out of order.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ANNOUNCEMENT FOLLOWING PROVINCIAL REPRESENTATIONS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): My question is addressed to the Prime Minister. Has the government made a firm decision

with regard to the date of implementation of medicare?

Right Hon. L. B. Pearson (Prime Minister): I tried to deal with this question yesterday, Mr. Speaker, and at this time I cannot add anything to what I said.

INCOME TAX

REPORTED LATE DISPATCH OF T-4 FORMS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a question for the Minister of National Revenue. Bearing in mind the late dispatch of the T-4 personal income tax forms from the department to the various regions of Canada, will the minister consider waiving the penalty clause to the extent that the tax forms were late? Would the minister, in addition, tell the house why these forms were late in arriving this year?

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, I am taking note of the question and I shall give an answer to the hon. member tomorrow.

[*English*]

TRADE

REPORTED HEAVY IMPORTS OF VEGETABLE OILS

On the orders of the day:

Mr. George Muir (Lisgar): I have a question for the Minister of Agriculture. Is the minister now in a position to give me an answer to the inquiry I made yesterday with regard to the assistance the sunflower producers can expect from the government to offset the effect on that important industry of the importations of vegetable oil?

Hon. J. J. Greene (Minister of Agriculture): I am instructed that the officials of my department, and in particular the officials of the agricultural stabilization board, have already met to consider the representations of the sunflower producers and processors and have heard the representations made in this regard. If any action is to be taken an announcement will be made in the proper manner.

With regard to the question asked by the hon. member for Humboldt-Melfort-Tisdale, in view of his keen interest in rapeseed and rapeseed oil, I may say that officials of my department have informed me they are watching the situation in connection with these products very closely.

[Mr. Howe (Hamilton South).]

[*Translation*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

CONSIDERATION OF AMENDING LEGISLATION BY HOUSE COMMITTEE

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have a question for the hon. minister of Manpower and Immigration.

As Bill No. C-186 was referred to a committee on December 5, could the hon. minister tell us when it will be considered in committee of the whole house and whether this legislation will be passed during the present session?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, this is more than I can answer at the present time. All I know is that the committee has been established and that the bill has been referred thereto. Like my hon. friend, I am at the disposal of that committee.

[*English*]

RESEARCH

SUGGESTED ESTABLISHMENT OF STANDARDS OF ANIMAL CARE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the formation yesterday of a national advisory body in connection with scientific experiments on animals, is it the intention of the government to introduce legislation early to establish standards of animal care in Canada and a qualified inspectorate to enforce such standards?

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to take this question as notice, Mr. Speaker.

• (3:10 p.m.)

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Tuesday, January 30, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order. On Friday, last; January 26, when the hon. member for Digby-Annapolis-Kings had proposed an amendment to clause 2(d) of Bill C-163, an act to implement a broadcasting policy for Canada, a question of order arose concerning the reading of the French version of the amendment. At that time only the English version of the amendment was available. The Deputy Chairman offered to take the question under consideration and at that time, as recorded at page 6038 of *Hansard*, the committee agreed.

Since that time I have had the opportunity of discussing this point with Mr. Speaker, with the Deputy Chairman, and with the Clerk and his assistants, and I would be prepared to make a ruling now if the committee wishes me to do so. Is it the wish of the committee that I proceed?

Mr. Fulton: Mr. Chairman, while the point itself does not seem to be of much interest there are surrounding issues which are of very considerable importance. I was not present when the incident took place and I wonder to what extent there has been discussion of this point of order in the committee and in the house. I also wonder what guidance might be given to the Chair on this matter. I have some very definite views with respect to it. I would hesitate to hear your ruling and then ask to be allowed to make representations. I do not want to take up the time of the committee and so may I suggest that we might hear Your Honour's ruling. Then, if it runs counter to what some of us think, and we feel that the matter is of such importance, it might be possible to have it appealed to Mr. Speaker. I hope it would be understood, however, that this would be done without reflection on the Chair. It would be done simply because of the importance attached to the matter.

Mr. Knowles: May I ask Your Honour a question? Is there really a point of order before the committee? As I understood it, a point of order was raised last Friday but in the course of time the Deputy Chairman said the point of order had disappeared. He then had the amendment in both languages, he read it in both English and French, and the question was voted on. As I understand it, rulings have to be given on points of order when those points of order are actually before the house. This point of order was not held over. The issue dissolved. I just wonder whether this is an occasion when a firm ruling is called for, or whether it is simply an occasion when Your Honour may give us the benefit of your thinking on this point in case it arises again. I would be interested in hearing Your Honour's views on the matter, but it seems to me that a firm ruling should not be given since there is no point of order before the committee at the present time.

Mr. Pugh: Mr. Chairman, at the time the point arose debate was taking place. The Deputy Chairman then arose and said that the point of order had disappeared, because at that stage he had the French translation in his hand, and therefore there was no point of order. It was then pointed out, and I believe properly so, that the point of order still existed, and after a few words the Deputy Chairman agreed to reserve decision on that point of order. I take it that that is the one upon which you are about the rule now. In reply to the hon. member for Winnipeg North Centre I point out that a point of order was definitely raised. Adjudication was asked on it. No adjudication was given and the point of order was reserved.

Mr. Fulton: Mr. Chairman, I fully support the contention of the hon. member for Winnipeg North Centre, that in fact there being no active point of order we might well be better served if we do not have a firm ruling on one.

The Chairman: Maybe it is the wish of the committee that any ruling to be made on this particular point might be reserved until a similar point of order is raised again. Does the committee agree?

Mr. Lambert: Mr. Chairman, I think I will raise a point of order. It was reported to various members of the house that the officer of the house in charge of proceedings at that time gave an indication that amendments must be in the two languages. I would point out to Your Honour that in my not inconsiderable experience this has never been a stipulation. In fact I would put it to Your Honour that it would be an impossible one to carry out.

Amendments are proffered to the Chair in English or in French, and this hold true whether in committee or when Mr. Speaker is in the chair. If what has been suggested were to be made a rule, then the Chair could not rule until it had an officially certified translation of an amendment in the language other than that of the hon. members proposing it. I would put it to Your Honour that this could never be so.

We have a translation service that is as official for amendments as it is for the appearance of translations in *Hansard*, and for the edification and understanding of hon. members. There can be no distinction between amendments in both languages. Therefore I put it to the committee that the question would not arise and should never have arisen.

• (3:20 p.m.)

[*Translation*]

Mr. Grégoire: On that occasion, Mr. Chairman, I was the one who had asked you to read in both languages the amendment before the house. The hon. member for Medicine Hat (Mr. Olson) raised several points of order. He felt that the simultaneous translation was enough and that it was not necessary for the chairman to translate the amendment in both languages.

I then raised a point of order myself, under standing order 43 which provides:

> When a motion is seconded, it shall be read in English and in French by Mr. Speaker, if he be familiar with both languages; if not, Mr. Speaker shall read the motion in one language and direct the Clerk at the Table to read it in the other,

It is quite simple. This means that a motion or an amendment must be read by the chairman in both languages, so as not to leave it to the translator to provide a translation, which, besides, would not be official.

At that time, the chairman of the house took my request into consideration, since he did not allow the amendment to be discussed before it was translated officially and read in the two languages.

It seems to me a ruling was given then and there since, in fact, what the standing orders say was accepted.

The member for Edmonton West (Mr. Lambert)—unless I am mistaken, because there were technical difficulties at that point and I did not quite understand what he said—stated that the chairman could not be asked to read the amendment in the two languages—

Mr. Lambert: No, not at all. Nothing in the standing orders forbids a member to ask the Chair to read the amendments in the two languages. I said that standing orders did not require a member to introduce an amendment in the two languages.

Mr. Grégoire: That is what was said the other day and I admit that the point of the member for Edmonton West is well taken, that nothing requires a member to introduce an amendment in both languages. However, the standing order requires that on request of a member the chairman shall read the amendment in both languages.

We are told today that it is not necessary to make a ruling on this point; let us wait until the problem arises another time and postpone the ruling.

On the contrary, I think that standing order No. 43 is being questioned, and that a ruling by the chairman of the committee of the whole should be made on this question. If, a member makes such a request in the future, the present discussion will not be repeated, because we will know exactly where we stand. If someone requests it, the reading of such an amendment must be made in both languages.

That is why, Mr. Chairman, I think your ruling should be made today so that this matter will not be left in abeyance.

[*English*]

Mr. Cowan: Mr. Chairman, as one who was in the house at the time of the episode I must state that I agree one hundred per cent with the hon. member for Winnipeg North Centre. There is no point of order before the Chair and there has not been since the episode occurred. I see no reason for any ruling now by Mr. Deputy Speaker. I would much rather have a ruling by Mr. Speaker. In any event I suggest that we proceed with the discussion of the bill as there is no point of order before the house or the committee.

The Chairman: Is it the wish of the committee to proceed with Bill No. C-163?

Some hon. Members: Agreed.

On clause 2—*Broadcasting policy for Canada.*

The Chairman: When the committee rose last evening clause 2 (h), with an amendment moved by the hon. member for Winnipeg South was under consideration.

Mr. Sherman: Mr. Chairman, at the hour when the committee rose last night I was in the midst of trying to explain once again my reservations in respect of the wording of subclause (h). I had an exchange with the minister at that time and suggested I could not subscribe to the change in the amendment which she suggested earlier in the day, because I felt it still did not protect the public interest by definitely taking the position we find is necessary to be articulated on

behalf of that public interest. Therefore I felt that the kind of change the amendment proposed was an unacceptable one. I am not sure that the remarks I made during the concluding phase of last night's debate on the point were made as clearly as I intended.

My point is that I am worried about future interpretation, not the present interpretation. The minister had referred to the presence in the gallery of representatives of the Board of Broadcast Governors during the course of this debate, and I had made reference to the minister's conclusion that the members of the board would thus be familiar with the unhappiness of hon. members on this side of the house with subclause (h) and with the substance of our argument on behalf of the public interest, to the effect that this would not be known to representatives of a future Board of Broadcast Governors.

I am not concerned about today's representatives of the Board of Broadcast Governors but rather about future broadcasting authorities who at some future time will be placed in the position of arbitrating broadcasting disputes. I submit they will not be familiar with all the arguments and different interpretations that have been placed on this terminology and, as I attempted to suggest last night, will act in keeping with the letter of the law as stipulated in subclause (h), as it appears to us.

We feel the objectives of a national broadcasting service have not been enunciated in specific, all-embracing and conclusive terms. Admittedly, some of them have now been taken care of by subclause (g), but is this all embracive, inclusive and conclusive in description of those suggestions? I believe there is room for doubt on that score, and there is considerable room for the suggestion that in certain areas of disputes and activities in the future it is possible there may be other objectives of the national broadcasting service not contemplated in clause (g), and therefore not covered by this wording. These objectives will be lumped together with all the objectives of the national broadcasting service as principles and considerations that must prevail in the interest of the private broadcaster, should any dispute between the two arise.

What I have been attempting to stress is our concern about a future interpretation on the basis of the letter of the law as it is proposed in this legislation, and our concern for the public interest which does not seem to be protected by subclause (h) as it is worded at this time. I understand that a possible compromise has been worked out by the government and the opposition on this point. I am not certain what the wording of the compromise amendment to subclause (h) consists of, or the final form it will take. However, I am as concerned as the minister or anyone else in this committee that we process this legislation with all reasonable speed, provided all reasonable care is taken. It is my hope that we can reach a satisfactory solution to this impasse in respect of subclause (h) and move to other clauses of the legislation.

In that spirit I am willing to withdraw my amendment, without withdrawing the sentiments I have expressed on behalf of the public interest and without withdrawing my assertion and enunciation of concern for the public interest, and about the fact that the public interest is not protected here. I do not withdraw my concern that the wording of the letter of the law seems to be weighted in favour of the Canadian Broadcasting Corporation and against the private operators. However, as I say, in the interests of trying to expedite the passage of this subclause, in cooperation with the minister—and she has certainly co-operated with me—I am willing to withdraw my amendment. That does not necessarily mean I will be in favour of the new amendment to be proposed. I will withhold judgment in that regard until I am acquainted with the precise wording of the amendment. If it does not satisfy me so far as the public interest is concerned, I beg the indulgence of the committee and the minister to raise the subject again.

At this point, to clear the way for a possilbe compromise and the expedition of this clause of the legislation, I will ask, with your permission and the permission of the committee, to withdraw the amendment I moved yesterday.

• (3:30 p.m.)

The Chairman: The unanimous consent of the committee will be required for the hon. member to withdraw his amendment. Does the committee give that unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Grégoire: Mr. Chairman, before we proceed, the hon. member for Winnipeg South (Mr. Sherman) asks us to accept the withdrawal of his amendment in order for another one to be introduced.

If the hon. member wants to withdraw an amendment, in order to move another one, or to have another one introduced, it means that he is aware that another amendment will be moved.

But he does not tell us what the new amendment will consist of; he does not read it to us, so that we are unable to tell which of the two would be the better one, or which of the two we must favour.

That is why we may perhaps accept the withdrawal. If the amendment is withdrawn, it cannot be introduced again, for an amendment may be moved only once. If we are not satisfied with the second one, the first one, having been withdrawn, cannot be introduced again, and we are left with nothing.

I wonder, if before asking leave to withdraw his amendment, the hon. member for Winnipeg South could not read the other amendment which will be presented, in order that we may make a decision in that connection. If not, Mr. Chairman, I think that I will have to object to the withdrawal of that amendment, unless the other amendment to be proposed instead is read to us.

[*English*]

Mr. Sherman: Mr. Chairman, the hon. member for Lapointe certainly has a valid point. I will, with the committee's permission and indulgence, either read or make arrangements to have read the proposed amendment that would take the place of mine. I was not in a position to do that at the moment I was speaking. If I may have a minute or two, Mr. Chairman, I will arrange that.

The amendment which is proposed and which would take the place of my original amendment—and it will not be moved by me but by another member of this party—would be the following:

That clause 2 (h) of Bill C-163 be amended by deleting same and substituting therefor:

(h) "where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, it shall be resolved in the public interest but paramount consideration shall be given to the objectives of the national broadcasting service;"

In other words, the amendment is an extension, as far as the wording is concerned, of my amendment. My amendment ended at the word "interest"; it said that when such a conflict arises, it shall be resolved in the public interest. This amendment goes on to say:

—it shall be resolved in the public interest but paramount consideration shall be given to the objectives of the national broadcasting service;

[Mr. Grégoire.]

The Chairman: Does the committee now give unanimous consent to the hon. member for Winnipeg South to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Sherman) withdrawn.

Mr. McCleave: Mr. Chairman, what is there possibly left to say or do, except present the amendment to the committee, which I accordingly do. I have made my points in previous speeches and we had a lengthy discussion yesterday on the question, so I do not feel it needs extra words from me at this particular time.

Mr. Churchill: Mr. Chairman, the debate on this point has been interesting but I would like a little further explanation with regard to the phrase which has been added, which reads that "paramount consideration" shall be given to the public service. Everything hinges on the word "paramount". Does that mean "overriding"? I am not certain you can say that it shall be resolved in the public interest, and then immediately go on to say the public service shall take precedence over that. Does this not bring us back to the original provision in the bill? I have not had enough time to consider it, but perhaps if we could have a short debate on this issue my thinking would be clarified. I am just urging some keener minds to give us the benefit of their advice.

Mr. McCleave: Mr. Chairman, perhaps it is true that the word "paramount" is the one that gives most trouble to members of the committee. I have checked with the dictionary which I obtained from the table, which says that "paramount" can mean either "supreme" or "superior". I suggest that read in the light of the whole sentence, the amendment does not put the public system invariably in the position of winning that particular battle, but rather it is the public interest that must be considered; and those who will have to judge that question are to be the council. They will have to give paramount consideration, or superior consideration, to the objectives of the national broadcasting system. I think that the word "paramount" has, in the eyes of the law, acquired precision by interpretation and I do not think it bears the interpretation that my friend the hon. member for Winnipeg South Centre suggests.

To me it is not a matter of supremacy but one of superiority. I have looked at the definitions in the "supremacy" and "superiority" fields. "Supreme", for example, means "the

greatest possible", "uttermost", "extreme", "last and greatest" or "most important". I think all those definitions show some limitation, and suggest that "paramount" would not invariably, or 100 per cent, throw the decision in any conflict in favour of, say, the C.B.C. as opposed to private interests.

After all, the first thing the council must consider in its decision in any conflict is the public interest. They must say: We have one guide line, namely that the people of Canada, through the C.B.C., are spending a great deal of money on the public service. So that some consideration, in this case paramount consideration, must be given to that element.

Mr. Wahn: Mr. Chairman, in view of the definition which the hon. member for Halifax read to us, it appears that his intent is that a preference should be given to the objectives of the publicly owned system, but not necessarily that it should be overriding in all instances. I suggest to him that perhaps his intention could be made completely clear by changing the wording of the amendment slightly to read "but a preference shall be given to the objectives of the national broadcasting service", if that is his intention. Perhaps in view of the ambiguity of the word "objectives" it would be desirable to add that the objectives are those set out in this particular clause, to make it clear that what we are talking about when we use the word "objectives" are the objectives set out in subclause (g).

Mr. Johnston: Mr. Chairman, I am appalled at the sudden switch we have observed this afternoon in the stance of the Conservative party.

• (3:40 p.m.)

I believe that last night they fought one of the best battles in a long time on what could be called a conservative position. At that time we in this party remained silent because the members of the Conservative party were doing so well there was nothing to contribute to the brave and stirring speeches of the various members who held forth on behalf of that party, and its approach to private and public broadcasting. It was like the springtime of that party, as if they had been reborn and refurbished for the battle. However this afternoon we find that the blasts of winter have moved in again. The thaw was very short lived indeed. I have no proof but I suspect they have received telegrams from the hon. member for Royal and the hon. member for Prince some time between last night's debate and the time this afternoon when the amendment was moved, because we heard several times last evening that those two hon. members were absent. Their absence was quite noticeable in the calibre of the debate and the approach that was taken. Yet this afternoon the suggestion was made that an amendment is about to be presented which will undo all of the good work done last night, which will vitiate and eliminate all the brave words uttered last evening, and which will not alter one iota the government's intent when subclause (h) was written into the bill presented by the government. The subclause reads that the objectives of the national broadcasting service must prevail, and the amendment states that these same objectives must be paramount. The meaning of the word "paramount" is perfectly clear. It does not mean that the objectives are to be considered, discussed and taken under advisement, but rather that they shall and must prevail. If the subamendment is in fact presented, then we are no further ahead than we were before. If it is presented, I would be prepared to move an amendment to the subamendment to delete these words so as to enable us to vote on the wording that the public consideration be paramount in any dispute between the public and the private sectors of the broadcasting service.

Mr. Schreyer: Mr. Chairman, it must be obvious by now that the compromise proposal submitted by the hon. member for Halifax will not be acceptable to most of those who find the wording in the bill before us acceptable. I agree with the hon. member for Okanagan-Revelstoke that the substantial effect of the proposal now before us is the same as that of the original clause in the bill. There is no point in trying to evade this simple, stark fact, and one must make one's decision on the basis of his judgment as to what would be in the public interest, whether it would be in the public interest for the objectives of the national broadcasting service to be considered paramount as opposed to the interests of the private sector of broadcasting.

If the proposal of the hon. member for Halifax is put before us formally, I certainly intend to support it because the wording is in effect the same as that of subclause (h). But I must say also that I cannot understand the concern expressed by the hon. member for Winnipeg South. It is not that I disagree with the sentiments he expressed last night in the concluding sentence of his speech. I refer to

the following sentence as recorded at page 6159 of yesterday's *Hansard*:

> It is the public interest that is important, not the interests of the national broadcasting service or its objectives, nor the interests of private broadcasters or their objectives.

I agree with the expression of this opinion, but it seems to me that when one looks at subclause (g) and subclause (h) taken together it appears that in subclause (g) it is the intention of parliament to impose certain objectives on the national broadcasting service. Obviously we have done so because we feel it is in the public interest for the national broadcasting service to have certain stated objectives to follow and to implement. If it is in the public interest to direct these objectives to the national broadcasting service, it follows that in the implementation of this imposed obligation or responsibility we must also give the national broadcasting service paramount authority in any conflict that may arise between the public and the private sectors of our broadcasting system.

I really think this is so clear and obvious that it hardly requires saying that the Canadian Radio Commission, which we will establish through the medium of this bill will receive a delegation of power from parliament. It will hold a position of public trust for the purpose of protecting the public interest. There is nothing wrong with repeating the words "protecting the public interest" in this clause, but it is redundant because it is already contained in and woven through the previous clauses of the bill.

I accept the wording in subclause (h) as it is in the bill. I could also accept any of the amendments to this subclause that have been proposed. I see nothing wrong with the amendment proposed by the hon. member for Winnipeg South. As to the amendment proposed by the hon. member for Halifax, it is my view that it does not alter the intent of the original wording.

I apologize if I have offended the sensibilities of any hon. members, but I do not understand the point of the discussion which we have had in the past hour.

[*Translation*]

Mr. Grégoire: On a point of order, Mr. Chairman.

Are we to understand that the hon. member for Halifax (Mr. McCleave) has or has not presented an amendment? In fact, he suggested that he would present one, he handed over some copies, but the Chair did not read the amendment. Are we discussing the amendment to clause 2 (h) which has not been presented by the hon. member for Halifax but which was supposed to be?

I would like to obtain some explanations in that connection.

[*English*]

The Chairman: The amendment submitted by the hon. member for Winnipeg South has been withdrawn. The hon. member for Halifax moved the following amendment:

> —that clause 2 (h) of Bill No. C-163 be amended by deleting same and substituting therefor: "(h) where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, it shall be resolved in the public interest but paramount consideration shall be given to the objectives of the national broadcasting service."

• (3:50 p.m.)

Mr. Churchill: Mr. Chairman, I understood that the hon. member for Lapointe did not agree to the withdrawal of the amendment put forward by the hon. member for Winnipeg South, but that the hon. member for Winnipeg South put before the house an amendment he was considering proposing if the house consented to the withdrawal of the original amendment. We are still on the original amendment moved by the hon. member for Winnipeg South.

The Chairman: My understanding of the proceedings was that the hon. member for Winnipeg South asked for permission to withdraw his amendment. He then suggested the new amendment that would be moved, which appeared to be agreeable to the hon. member for Lapointe. The amendment which I just read was then moved by the hon. member for Halifax.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I rise on a point of order.

Again, I know my remarks may complicate matters, but they are necessary. Before defining the word "paramount", the hon. member for Halifax consulted the dictionary in order to give an exact definition. In my opinion, we should also know the official definition and translation of this word.

Therefore, I would ask again that the amendment be read both in English and in French.

[*English*]

The Chairman: I will ask the Clerk to read the amendment in French.

[*And a Clerk at the table having read the amendment as follows:*]

[*Translation*]

Mr. McCleave moves that subclause (h) of clause 2 be deleted and that the following be substituted therefor:

(h) "where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, it shall be resolved in the public interest but paramount consideration shall be given to the objectives of the national broadcasting service;"

[*English*]

Mr. Nugent: Mr. Chairman, I must confess that I am not happy with this paragraph as it is and I am afraid I am not very happy with the proposed amendment. It seems to me that the proposed amendment is contradictory in itself. The amendment provides that a matter shall be resolved in the public interest, but that paramount consideration should be given to the C.B.C. Obviously we are always legislating, we believe, in the public interest. Having said that, how can we qualify it by saying that paramount consideration should be given because obviously if paramount consideration should be given to the C.B.C. it is in the public interest that it should be given. These words therefore are redundant. I do not believe we can pass an amendment containing those words. If members agree that paramount consideration should be given to the C.B.C., and that it is in the public interest, then that is what the clause should say.

I am not so sure that I want to make the subclause that strong. I detect a feeling in the house that hon. members do not want the subclause as strong as it is now without amendment. The indication is now that the objectives of the national broadcasting system must prevail. Perhaps the committee should have spent more time on this clause and had some expert draftsmen present. I do not believe hon. members are very far apart on this matter. The essence of the paragraph appears to be that where all other considerations are equal and it is a choice between giving a station, for instance, to a private network or to the C.B.C., there shall be a slight bias and the matter shall be resolved in favour of the C.B.C. I do not believe any of us contemplate a situation in which we want to give the private network more than the benefit of the balance of probability. There may be some who want to make it much stronger than that. This is what I infer from the speeches that have been made and from the manner in which these amendments have been presented. I suggest, therefore, that we cannot go along with this amendment.

Miss LaMarsh: Who are "we"?

Mr. Nugent: I suggest we should introduce a new amendment which will more clearly express our ideas and the subclause might be allowed to stand. Perhaps after line 35 we should insert the words, "where all other considerations are equal there shall be some slight favour given to the C.B.C." Some wording similar to that would indicate that it is a mere touch of the scales that we want when we are considering the public interest. Perhaps the minister would indicate her own feeling or how far the government wants to go in giving pre-eminence to the C.B.C. I thought there were some very good speeches made last night, some very logical ones, pointing out the dangers in the wording at present. Perhaps some of us are looking at that wording and reading into it more than a court might. The prevailing opinion seems to be that the subclause gives overwhelming preference to the C.B.C. I wonder if the minister would indicate whether I am correct in that view, that the government does not want to give overwhelming preference to the C.B.C. but all things being equal there will be a slight bias in favour of the C.B.C.

Mr. Ryan: I rise to support the view that has been expressed by the hon. member for Edmonton-Strathcona. I have written an amendment which is in practically the same words he has suggested. I am concerned about the dictionary meaning of the word "paramount", meaning superior or supreme. I would support the suggestions made by the hon. member for Edmonton-Strathcona and the hon. member for St. Paul's so that after the words "in the public interest", I would add the words "when all considerations are deemed equal, the preference shall be given to the objectives of the national broadcasting service."

Mr. Churchill: Would you mind repeating that?

Mr. Ryan: After the words, "it shall be resolved in the public interest", read these words, "when all considerations are deemed equal, the preference shall be given to the objectives of the national broadcasting service."

Canadian Policy on Broadcasting

• (4:00 p.m.)

Miss LaMarsh: I should like to repudiate the last speaker on behalf of the government, and to state that the hon. member for Edmonton-Strathcona is quite incorrect in his suggestion. We are miles apart in our understanding. It is very clear that the wording of the committee is there, and that is the wording which the government intended; that is the way the bill was printed. We were prepared to accept an amendment which had been discussed by a number of individuals and which I believe even the hon. member for Halifax had good reason to believe would be supported by other members of his party. Obviously that is not the case, and I should like to say that it is the government's intention to support the committee on broadcasting. We are quite prepared to meet a vote on this matter.

Mr. Churchill: Mr. Chairman, the fact that some members of this party may disagree with regard to wording does not indicate to anyone who has perception that there is any wide divergence of opinion here. Of course I will not mention the divergence of opinion on the other side of the house. I will not draw attention to one very able member over there who is not always in accord with the government's propositions.

Although the minister may get some temporary pleasure out of a partisan attitude, which I never adopt, nevertheless I want to assure her we are fully entitled as members of a committee to look at the wording of bills and make suggestions, whether or not someone's idea has to be altered. This does not matter; we are all here for the same purpose. We have had a very able suggestion put forward as a subamendment from the other side of the house, with which I presume the minister agrees. If she does not, then the Liberal party is in a terrible state. It is divided and it will crash and fall to pieces. I am just waiting to hear the thud as it collapses.

With regard to this amendment, Mr. Chairman, I favour the original amendment that was moved by the hon. member for Winnipeg South. I had some doubt about the word "paramount", but the most recent suggestions that we have had from the two members who preceded me—with the exception of the minister—I think clear up that doubt pretty well, and modify the statement. If the committee could now tidy it up and come to some agreement then the minister may find that everyone in the committee is in agreement

[Mr. Ryan.]

and that there is no split in one party or the other.

Mr. Nugent: Mr. Chairman—

Miss LaMarsh: Mr. Chairman, there is an amendment before the house that was moved by the hon member for Halifax. If hon. members in all parts of the chamber want to introduce new amendments, perhaps we should vote on this one first.

Mr. Nugent: Mr. Chairman, I appreciate the advice of the minister, but it has always been my view that it is a perfectly good debating procedure, and is sometimes most helpful, to consider one amendment as opposed to another before we make up our minds on one or the other. Before we come to vote several amendments may be suggested, and I think there is nothing wrong with this.

In fact, Mr. Chairman, I was going to offer my hon. friend from Spadina a word of advice. I have only one comment to make on his proposed amendment, and it is the same comment that I would make on the amendment before us, which reads, in part, "it shall be resolved in the public interest but".

I suggest, Mr. Chairman, that the proposed amendment should read "it shall be resolved in the public interest by"—in other words, by taking this course of action. In that case the legislation would make sense. I suggest it is not making sense when we say that something "shall be resolved in the public interest but", and then go on to suggest something that modifies this statement. This puts us into a ridiculous position.

Therefore, Mr. Chairman, I cannot support the amendment of my hon. friend. I am sure that I support the idea behind it, but I do not see how anyone in the committee can support reasoning that resolves something in the public interest, but subject to paramount consideration being given to something else.

I should like to see a vote taken in this committee that decides how strongly we want to favour the C.B.C. in such consideration. I feel that the word "paramount" is too strong. I favour an amendment that reads that "it shall be resolved in the public interest by", preference being given to the C.B.C. where all other considerations are equal. Substantially, Mr. Chairman, that is the wording of the amendment of my hon. friend, I think. Although the wording is changed around somewhat I do not think the essence of it is changed one bit.

I think the committee would have to take a vote on the present wording; any other course would be an anachronism. Although I do not think the committee could accept the present wording, I think it should give some expression of opinion as to whether the consideration should be paramount, or that preference should be given to the C.B.C. where all else is equal.

Perhaps my hon. friend who proposed this amendment would reconsider it and withdraw it. I would also suggest that the proposed amendment of the hon. member for Spadina be revised. Or, Mr. Chairman, if the committee would consider standing this paragraph for a moment I will get together with the hon. member and suggest an amendment so the committee can decide whether or not to give preference to the C.B.C. where all else is equal, or whether the interest of the C.B.C. shall be paramount.

Mr. Johnston: Mr. Chairman, I really do not see any need to embarrass the official opposition any further by asking one of its members to withdraw the second amendment in a matter of 15 or 20 minutes. The question can be resolved quite quickly if hon. members would move back to the high ground that they occupied last evening when they made their brave stand at that time.

What bothers me about the amendment moved by the hon. member for Halifax, and the suggestions made pursuant thereto, is that all of this watering down of wording amounts to the same thing. In this bill we are providing that the Canadian broadcasting council will adjudicate in any dispute, yet the committee is now saying that it does not trust the council to keep the public interest paramount in its mind. We are already, in a sense, in contempt of the council that is being set up by this legislation. We do not seem to trust it, so we must bind it to tip the scales in one particular direction.

I suggest it is not correct to say that, all other things being equal, the council should tip the scales a certain way; that if all other things are equal the council should come down on the side of the public interest. We do not need to be told that the interests of the public and the interests of the government forever coincide. We do not need to be told that the interests of the public and the interests of any crown corporation forever coincide. The interests of the public and the interests of the C.B.C. do not necessarily coincide for all time.

Therefore, Mr. Chairman, I would move the following subamendment:

That the words "but paramount consideration shall be given to the objectives of the national broadcasting service" be deleted.

The paragraph can then be considered in terms of the public interest and nothing else.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Cowan: Mr. Chairman, I wish to know whether I can speak to the amendment or must I speak to the narrow bounds of this subamendment at this time?

The Assistant Deputy Chairman: The committee is now considering the subamendment moved by the hon. member for Okanagan-Revelstoke.

• (4:10 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, this question is becoming quite important because two schools of thought exist here: In case of conflict between the public and the private sectors, some want the objectives of the public network to be paramount. On the other hand, others feel that public interest should be considered and that public good should prevail.

Reading paragraph (h) with the amendment and the subamendment that have been moved, that means that public interest should prevail.

Mr. Chairman, I am in full agreement, because if the objectives of public broadcasting should always have precedence, there will surely occur circumstances where a conflict of interests will arise between the two and where the interests will be so important that it will end in a game of collusion to protect such interests and give rise to collusion, fraud, complicity with the C.B.C., so as to try to protect interests.

I will give a definite example. Before long, the question of broadcasting by satellites will arise. Now, we know that there will be only three satellites on the Canadian territory and only one over Quebec.

Broadcasting by satellite is, of course, something quite significant and the small radio and television stations will not seek to obtain a satellite, it will be rather the purpose of big private interests. However, if there is only one, C.B.C. will say: It is among our objectives to have that satellite. And big private interests will want it also. Therefore, collusion will exist or a risk of collusion, and

I explain what I mean: If we look at clause 39 (1)(m), we can see where that collusion could come into play.

Clause 39, in part, reads as follows:

—subject to any applicable regulations of the council, and for the purpose, the corporation has power to—

That is, the Canadian Broadcasting Corporation.

I read now subclause (m):

—subject to the approval of the governor in council, acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that, in the opinion of a corporation, is incidental or conducive to the attainment of the objects of the corporation;

That is, the Canadian Broadcasting Corporation. Which means that the C.B.C. will have the power to acquire shares in any private company and, with regard to satellites, collusion could exist in the sense that a private company—I mentioned one earlier—could set up a corporation for the purpose of putting in orbit a transmission satellite, and the C.B.C., under clause 39(1)(m) could agree to collusion in order to acquire shares in that corporation.

I am going to mention a few facts. Of course, I shall not present now all my evidence, because I shall do so when we come to the consideration of clause 39 (m). But in order to abide by the rules, I shall give an example: We know that the Power Corporation intends to launch such a satellite. If there is a conflict of interests, for instance, if only one satellite can be launched, the C.B.C. will want to have it. Therefore, there will be conflict among the two corporations. If the Power Corporation sets up a new corporation for the purpose of launching a satellite, keeps the majority of the shares and sells some to the C.B.C. under clause 39 (1) (m), then the interests of both corporations will be preserved.

How could this happen? I shall quote a few names which lead me to believe that such collusion may actually exist and is probably going on right now. The Power Corporation appoints its legal adviser president of one of the television stations owned by that corporation, namely channel 7 in Sherbrooke. It is Mr. Claude Frenette, new president of the Liberal Federation of Canada, Quebec section. Some connection is already obvious. But I shall go even further. Those who drafted, four years ago, the manifesto advocating a centralization policy, for a better administration, in the field of mass information media, included among others: Mr. Claude Frenette,

[Mr. Grégoire.]

legal adviser of the Power Corporation, Mr. Marc Lalonde, present adviser to the Prime Minister (Mr. Pearson), and Mr. Pierre Elliott Trudeau, who was not a member of parliament then, but is now Minister of Justice.

Mr. Johnston: How about tomorrow?

Mr. Grégoire: Mr. Fernand Cadieux was amongst those who worked on that manifesto, although he did not sign it. He is now a producer with the National Film Board.

Mr. Chairman, it is obvious that steps are being taken to allow Power Corporation to form a company, to extend its tentacles into higher spheres and to use the stipulations of clause 39 (1) (m), seeing there could be conflicts of interest according to clause 2 (h) between the private and public broadcasting sectors. I say tentacles are being prepared there with a view to founding a private company and, under clause 39 (1) (m), to allowing the C.B.C. to buy shares, and thereby solve the conflict of interests. And who would benefit therefrom? Power Corporation. That is the collusion and the kind of fraud that may follow, that will follow the passing of a measure stating that where a conflict arises between the private and the public sectors, the latter must prevail. Then, having powerful interests at play, the private sector will seek, by the well-known means of collusion and fraud, to protect its interests and the public sector, which is quite vulnerable in this kind of collusion, will be victimized. Why all this? Because, in order to watch over its interests, the private sector will have been forced to make deals with the public sector, the C.B.C. in this case.

Mr. Chairman, I believe this must be denounced. I cannot obviously go into all the details now. I shall undertake to do so when we come to clause 39 (1) (m).

I should like simply today to draw the attention of the committee to the possible consequences of such a provision, which always decides in favour of the public sector and can and will lead to some kind of collusion like that one.

The same thing happened in the case of the Canadian Pacific scandal 100 years ago, when the public sector was the victim of a collusion of that kind.

Mr. Chairman, I believe that for that reason I will wait until we come to clause 39 (1) (m) to bring in more precise details, which may have an effect on several members.

Then I shall be in order, for I am afraid I would be digressing somewhat from the subject before the committee if I referred to this now. Nevertheless, I believe those precisions should be sufficient for us to be on guard against a provision which will encourage the private sector to collude with the public sector, since it is stated that where any conflict of interest arises, the objectives of the public sector must prevail.

• (4:20 p.m.)

[*English*]

The Acting Deputy Chairman: Is the committee ready for the question?

Mr. Nugent: I am afraid, Mr. Chairman, that I cannot support the subamendment. If I interpret it correctly, it says in so many words that a conflict between the private and public sectors of broadcasting shall be resolved in the public interest. Paragraph (h) begins with the words, "where any conflict arises". The purport of the paragraph is that where any such conflict arises it shall be resolved in the public interest. If that is not its meaning, then in the name of heaven on what basis does the Board of Broadcast Governors decide any question that comes before it? Surely any decision should be in the public interest. Surely that is the basis of all that body's decisions.

The subamendment seeks to say that where there is a conflict between the public and private sectors of broadcasting, the public interest shall prevail, the inference being that where there is no conflict, the public interest shall not prevail. Obviously that is silly. If the public interest is to be a deciding factor in the decisions of the board, why do we turn around and say that it must look after the public interest only where there is a conflict. This raises doubts as to whether those concerned would always use the public interest as a criteria—whether, as public spirited men they would not always put it first in any case.

My view is that we cannot allow this subclause to pass without amendment, and to my way of thinking there is no point in simply including an amendment which says that we in this house are concerned about the public interest and believe the public interest should be paramount. We would accomplish nothing by an approach of this kind. As the subclause stands it is really a declaration by the government that the C.B.C. should always have preference in the case of a dispute, and we on this side feel it is too strongly worded. I hope the hon. member concerned will withdraw his amendment. I intend to vote against it for the reasons I have advanced, and then to support an amendment the effect of which would be to soften the preference afforded to the C.B.C., in the hope that it will be generally supported.

Mr. Johnston: May I ask whether the hon. member's comments about the subamendment I moved would apply also to the amendment which was before the committee last evening, and in connection with which many of his hon. friends spoke so well?

Mr. Nugent: I will check the amendment of last night. I believe that what the hon. member has said is substantially correct. I have spoken to several of my hon. friends and they are not much enamoured of the phrase "it will be resolved in the public interest" because it merely reiterates something which is a basis of every decision taken in these circumstances. No decision has yet been taken and, as I say, I hope we can dispose of this matter.

Mr. Pugh: Having listened to the hon. member for Edmonton-Strathcona and discussed this matter with a number of people, I cannot help feeling that, by the inclusion of subclause (h), we are searching for possible conflicts, and then deciding that should conflicts arise a decision must be awarded in favour of the national broadcasting system.

It seems to me that subclause (h) might well be struck out altogether. By its inclusion we are suggesting that there are bound to be conflicts and that a determination must be made in favour of the C.B.C. Of course there will be conflicts; everyone knows that. But I cannot see that matters will be helped by anticipating them in a subclause of the bill. Should the government still feel there is a need for something to be written into the legislation, I suggest words on the following lines: "It shall be deemed that the best interest of the public is served when the objectives of the national broadcasting policy shall prevail." Obviously as the bill now stands the interests of the national broadcasting service must always prevail. If the bill were weighted in favour of the private interests then the private interests would win out. We should remember that a regulatory body is being set up to adjudicate on these questions. Having set forth the objectives of the national service in the bill, as we have done, the regulatory body is bound to take account of those objectives and would be unable to find in favour of the private services. Would it not be possible

to get together and decide on a form of words which did not offend anybody?

Miss LaMarsh: We did.

Mr. Pugh: Perhaps the best thing to do would be to throw out the whole subclause. I am not at all sure that the minister herself would not like to see this happen.

Mr. Aiken: I have not taken part in the debate so far today, though I did speak briefly last night. Listening to the discussion of this subclause it seems to me we have got ourselves into a somewhat ridiculous impasse and that our procedure ought to provide us with a way out.

Miss LaMarsh: It does: Vote.

Mr. Aiken: It is obvious that there is a division of opinion, but it seems to me there is a point at which there could be a meeting of minds. There seems to be an effort in this direction and I would not say it is entirely in one part of the house rather than another. Several members on the minister's side feel that this subclause could be improved, and there are others over here who believe it ought to be improved.

Possibly if some sensible procedure were followed we could arrive at a wording which would be acceptable to members on both sides. I rise merely to point out that the main objection to the subclause arises from the last two words "must prevail". I do not intend to propose a further amendment—there have been half a dozen already, most of them along the same lines. Everyone agrees, I think, that there should be some imbalance toward the national broadcasting system, but this phrase to the effect that the cause of the national broadcasting system must prevail is altogether too strong. If we could agree to soften those words we would be ad idem here instead of spending the next half hour voting on the subamendment, voting on the amendment and then considering a further amendment which I understand is to be produced, followed possibly by a further subamendment. Let us suppose they are all thrown out. We would be back considering the original clause, and merely voting on that, for or against, would satisfy no one. I feel the minister should suggest some way out of this impasse. She says she is satisfied with the present wording but it must be obvious that even if she is satisfied a large number of hon. members in this committee are not. It is my belief that this could be worded in such a way that it could be brought to a satisfactory conclusion.

• (4:30 p.m.)

An hon. Member: Let us have a vote.

Mr. Aiken: My hon. friend says, let us have a vote. That is a great expression, but it very seldom settles anything when you do not know exactly what you are voting on.

Mr. Nugent: Mr. Chairman, in case it may be of some assistance to hon. members voting on this subamendment I would like to point out that I shall be suggesting an amendment later. It will be to the effect that between the words "system" and "the" in line 35 there be inserted the phrase "all other factors being equal." In other words where there is a conflict between the two systems and everything else seems equal, then the legislation would say that the objectives of the national broadcasting system must prevail. As suggested now there could be a conflict where 10 per cent of the argument is in favour of the public part and 90 per cent in favour of the private, and this subclause could be taken as a direction that since there exists conflict at all, the public broadcasting service must prevail. I believe my suggested amendment would bring the legislation to the reasonable level which we are all seeking.

Subamendment (Mr. Johnston) negatived: Yeas, 5; nays, 64.

The Assistant Deputy Chairman: Is the committee ready for the question on the amendment?

Mr. Cowan: Mr. Chairman, I wish to comment on the amendment that has been moved by the hon. member for Halifax, and in particular on the word "paramount" that appears therein. I wish to point out that I did not speak last night on subclause (h). I thought the amendment brought in by the hon. member for Winnipeg South Centre should have been passed by the committee, and I would have voted for it had it been put. Now, however, we have this amendment with the word "paramount" in it.

It seems to me that whenever anyone brings up the subject of community antenna television in relation to the radio and television world of Canada somebody immediately screams that most of the cable systems are owned by foreigners, and drags in the name of Famous Players. Famous Players (Canada) Corporation is a Canadian organization and

has been recognized by the laws of the land. After they have done a little bit of screaming about C.A.T.V. systems being owned by Famous Players (Canada) Corporation they come through with the statement that Famous Players jumps to the whip of Paramount Pictures of California, and suggest that Paramount is in supreme control of C.A.T.V. operations in Canada. If those people want to criticize C.A.T.V. on the grounds that the Paramount organization is in supreme control of a Canadian corporation with an entirely different name, how can they stand up now and argue that paramount does not mean paramount?

Most of the time reference is made to Paramount Pictures, and it is emphasized that it is in supreme control of its subsidiary organizations, and that Paramount does as it wishes. I have never agreed with that argument in the past, but if there are people going to argue that Paramount Pictures is supreme as shown by its name, how are they going to argue that "paramount" appearing in this amendment does not mean "supreme" and "paramount"?

I am opposed to the meaning of this amendment in that it gives the whip hand to the publicly owned sector of the radio and television world of Canada. It is interesting that the last two words in subclause (h) are "must prevail." On numerous occasions we have been told that clause 2 is only declaratory. The Secretary of State herself told the hon. member for Lapointe that it is only declaratory, that it is not compulsory, when he was protesting on the subclause with regard to ownership of Canadian broadcasting systems. But let me show you the velvet glove on the iron hand.

Clause 2(b) contains the words "should be effectively owned." We are told that this is only declaratory. Then in subclause (c) we have these words, "all persons licensed to carry on broadcasting undertakings have a responsibility." That might just as well read, "should exercise the responsibility inherent in the licence." In subclause (d) we have the phrase, "the programming...should be varied." I repeat "should be." Then in subclause (e) we are told "all Canadians are entitled." This is simply declaratory; the minister says it is only declaratory. Then in subclause (f) we are told "there should be provided." I repeat "should be"—just declaratory, just declaratory.

Then in subclause (g) we have "the national broadcasting service should." This is just declaratory; the minister says so. Then in subclause (i) we have "facilities should be provided"—just declaratory, just declaratory. Then in subclause (j) we come to "the regulation and supervision of the Canadian broadcasting system should be flexible"—just declaratory, just declaratory.

I have shown you the velvet glove. Now look at the iron fist in subclause (h), and in this amendment which would say that the desires of the publicly owned broadcasting system must prevail. There is no auxiliary verb "should" in there. I agree with the hon. member for Edmonton-Strathcona and the hon. member for Parry Sound-Muskoka when they state that this has got to be softened. I agree with the hon. member for Okanagan-Revelstoke when he points out that the desires and demands of the publicly owned system in the Canadian radio and television world do not always coincide with the public interest.

There is a great majority in this country that cannot understand much of the programming being put on by the C.B.C., and I for one will not stand here and vote for any declaration that the desires, wishes and demands of the publicly owned sector in radio and television shall prevail, must prevail, any time there is a conflict with the private sector. This should be decided in the public interest and on no other basis. That the C.B.C. must be paramount should not appear in any legislation brought in by this cabinet. I could not support any reference to the C.B.C. being paramount, and I cannot support a subclause which says that its desires must prevail. All those words "should be" make the velvet glove, but I think I have pointed out how the velvet glove is on an iron hand. I cannot support subclause (h) the way it stands. I could have supported the amendment brought in last night by the hon. member for Winnipeg South Centre.

• (4:40 p.m.)

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Assistant Deputy Chairman: The question is on the following motion by the hon. member for Halifax (Mr. McCleave):

That clause 2(h) of Bill C-163 be amended by deleting same and substituting therefor:

"(h) where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, it shall be resolved in the public interest but paramount consideration shall be given to the objectives of the national broadcasting service."

Amendment (Mr. McCleave) agreed to: Yeas, 54; Nays, 22.

The Assistant Deputy Chairman: I declare the amendment carried. Shall the subclause as amended carry?

Mr. Nugent: Mr. Chairman, I have not tried to figure out—

Miss LaMarsh: Mr. Chairman, I rise on a point of order. I understood that when this particular amendment was placed before the committee it was moved by the hon. member for Halifax that clause 2(h) of Bill C-163 be amended by deleting the same and substituting therefor the new subclause (h). That now having been passed, subclause (h) has been passed by the committee.

Mr. Churchill: Oh, no.

Mr. Nugent: Not only has the subclause not been passed, but obviously the clause has not been passed as amended.

Miss LaMarsh: There is no subclause as amended, other than what we just voted on.

Mr. Aiken: The chairman just called it.

Miss LaMarsh: And that is why I rose on a point of order.

Mr. Nugent: I do not think it matters what the minister says has happened, because of the words used. What in fact was voted on represents only part of the subclause. The subclause was repeated and only the last line was deleted. So, the subclause was amended and we voted only on the amendment, not on the subclause.

Miss LaMarsh: Read what it says.

Mr. Nugent: Mr. Chairman, you called the subclause as amended and I wish to speak on it.

Miss LaMarsh: I should like to ask for a ruling on this, Mr. Chairman. I do not believe there can be any further amendment. I believe subclause (h) has carried.

Mr. Prittie: Yes.

The Assistant Deputy Chairman: It is the opinion of the Chair that after this amendment has been moved and accepted it is not possible to amend it again because it appears to be a complete amendment.

Mr. Nugent: On the point of order, Mr. Chairman, I am sure that most of us in this committee feel that the Chair called the question on the amendment, not as to whether the subclause should pass as amended. It is my belief that whenever there is an amendment a vote is called, but certainly those of us who voted for or against this amendment felt there would be an opportunity to vote for or against the subclause as amended and that there is always room for another amendment.

Miss LaMarsh: That is not true.

Mr. Nugent: Until the subclause has been voted on it has not been disposed of by the committee, and certainly there has been no vote called in this committee on the subclause as amended or on the clause itself. The only vote called was on the amendment.

The Assistant Deputy Chairman: There may be a technicality involved and I am wondering whether the committee would agree that the hon. member for Edmonton-Strathcona should give his opinion.

Miss LaMarsh: Give his opinion? I am always happy to hear the hon. member's opinion, but the rules of the house and parliamentary procedure do not happen to allow that. I have before me a copy of what was sent around the committee, which was read to the committee by the chairman, and which I am sure the record will show. It is as I read it previously. The subclause was deleted by that amendment and there was a substitution. Our parliamentary rules do not permit this subclause, having been passed, being amended ad nauseam, or subamended again. I would therefore again ask for a ruling from the Chair in respect of whether this subclause has been passed.

Mr. Nugent: Would the hon. minister indicate whether she heard the Chair call for a vote on the amendment?

Miss LaMarsh: I suggest the Chair called a vote on the motion to amend.

Mr. Nugent: Then we still have to vote on the subclause.

Miss LaMarsh: The chairman read the whole thing, beginning with "where any conflict arises—"

Mr. Knowles: Mr. Chairman, my substantial interest is that we get along with this bill. However, I think that fairness has to be considered in this matter. When the vote was called on the amendment by the hon. member for Halifax, and when that vote carried, all

we did procedurally was to substitute the wording of the amendment for the wording of subclause (h) as it was originally in the bill. I submit you still have to call the question on subclause (h) as amended.

An hon. Member: That's right.

Mr. Knowles: Once you call that, it is debatable and amendable. As this happened so quickly I have not had time to find the citation, neither has the Secretary of State had time to find a citation supporting her view. It is the common and ordinary practice that an amendment of this kind merely changes the wording. Now we have to decide whether we accept that wording. For example, we might vote it down altogether or do away with it completely. We might also make further changes. I believe that we should get this matter settled, but I also think that members' rights to amend should not be cut off unfairly.

Miss LaMarsh: I do not propose to cut off anything unfairly, nor do I think there is any clause open to amendment and a vote of the committee forever. Is the hon. member now suggesting something completely different can now be moved to delete subclause (h) which, as a result of the committee's acceptance of the amendment of the hon. member for Halifax, has been passed? Does the hon. member suggest that it can be completely written out so that the committee can start again, and that this is a process which never has finality? Is that what the hon. member is suggesting?

Mr. Knowles: There is finality in the sense that eventually all the permutations will run out. Until they run out the matter is still before us. The committee has not yet decided whether subclause (h) in the form submitted by the hon. member for Halifax is accepted. All we have decided is that the wording suggested shall be voted on instead of the other wording. The proposition now before us is debatable, and if it is debatable it is amendable. Just as the hon. member for Okanagan-Revelstoke could move a subamendment to the amendment proposed by the hon. member for Halifax that was before us, I submit that someone can do the same now.

Mr. Côté (Longueuil): After it has been voted?

Mr. Knowles: The Postmaster General asks whether this can be done after this has been voted. I hate to have to say this over and over again, but all we have done as a result of our vote is record the decision of the committee that the wording of the amendment of the hon. member for Halifax shall take the place of the government's wording. That is now before us to discuss, debate, defeat or amend.

• (4:50 p.m.)

The Assistant Deputy Chairman: It is true that the hon. member for Edmonton-Strathcona stated to the committee before this amendment was moved that he intended to move a new amendment. There is apparently a technicality involved here. As far as I can see, the rule that applies is to be found in citation 402 (3) of Beauchesne's fourth edition, which reads as follows:

> It is irregular to propose to leave out all the words from "That" to the end of a clause in order to substitute other words, as such an amendment is in the nature of a new clause.

Under the circumstances, I think that probably the hon. member for Edmonton-Strathcona should be permitted or should be given an opportunity to move an amendment, because he had stated to the committee that he intended to do this before the vote was called for this amendment.

Mr. MacInnis (Cape Breton South): On a point of order, Mr. Chairman—

Mr. Sherman: Mr. Chairman, you made the point that in the circumstances the hon. member for Edmonton-Strathcona should be permitted to move an amendment. Is the Chair suggesting that this is the only further amendment and the only further discussion that may be permitted on this subclause? There may be others who wish to prolong the examination of the subclause.

Mr. Nugent: Mr. Chairman, I am asking for the floor on the ground that the subclause is still open for debate, on the ruling Your Honour has just given, to the effect that an amendment which only changes some of the words cannot, as the minister suggests, be deleting the clause and substituting a new one. If the wording were so designed, it would have been ruled out of order. Since the Chair put only the amendment and the subclause is now being put, I am asking for hon. members to speak to the motion whether the subclause should now be passed.

The Assistant Deputy Chairman: There is probably a misunderstanding here, but the amendment, as I read it, actually deletes the subclause. The authority for the decision that was made is citation 402 (3) of Beauchesne's

fourth edition. Because this was not drawn by the Chair to the attention of the committee, I am of the opinion that the hon. member for Edmonton-Strathcona should be permitted to move the amendment that he declared he intended to move before this amendment was read to the committee.

Mr. Sherman: Mr. Chairman, would the Chair render a decision on the point of order which I raised a moment ago? Is the Chair ruling that only one more address to this subclause will be permitted, or is it ruling that the debate is open and further addresses to this subclause can be made?

The Assistant Deputy Chairman: Actually, it is not possible for the Chair to anticipate further proceedings at this time.

Mr. Nowlan: On the point of order, Mr. Chairman, I think the difficulty in the preliminary ruling of the Chair is easily seen in the fact that the hon. member for Edmonton-Strathcona may be moving an amendment which Your Honour says, with qualification, he can move because he indicated before we got into this position that he would move it. I may stand up and move that the whole thing be struck out, and very likely will, because I think that subclause (h), as I said last night, should be struck out, and we will then get over this impasse. If the hon. member for Edmonton-Strathcona is going to move another amendment, this is a new ball game, even though it is the same old subclause.

Mr. Nugent: Mr. Chairman, I would ask the Chair to reconsider this matter. I thought the citation Your Honour read was most helpful, in that you said it had not been brought to your attention. But it is certainly not too late for the Chair to make a ruling on this question, because we are on the point of order. If we are to listen to the minister, after reading citation 402 of Beauchesne the Chair must say that because no one moved such a motion we must overlook that rule, rather than the Chair now giving a ruling that the interpretation of the amendment, in changing the words, is simply an amendment and is not deleting the subclause, as suggested by the hon. member for Winnipeg North Centre who said that when you change the words you do not delete the whole subclause. This is therefore consistent with the vote that Your Honour called, and I submit that your memory is the same as ours on this point, that when you called the vote you called it on the amendment. This is, again, consistent with

[The Assistant Deputy Chairman.]

citation 402. That is the only thing you could have called the vote on, otherwise Your Honour would have had to rule out that amendment because it was deleting the subclause. Since that was not done, I submit that the Chair cannot be placed in the position now of saying that the Chair misled the committee. The Chair is applying the rule in the only way consistent with the rules, consistent with the rights of members and consistent with the ruling you have made, namely that we are now discussing subclause (h) as amended.

Mr. Herridge: Mr. Chairman, I rise on a point of order and to make a helpful suggestion. I think it is the general feeling of the committee that we should allow the hon. member to proceed; but I suggest that this matter be brought to the attention of the committee on procedure so that they may take the problem with them to Great Britain and find out what is the practice in that parliament.

Mr. Churchill: Mr. Chairman, I am speaking to the point of order raised by the minister. I think the committee has lost track of the stage we have reached. Actually, there is before the committee a motion by the minister that we adopt clause 2. The wisdom of the committee was that we should break the clause down into its various subclauses and proceed with those. Therefore, in effect what is before the committee is a motion by the minister that we adopt clause 2. That motion has not yet been carried.

This clause has been subjected to amendment and will be subjected to amendment in the future to any length that hon. members wish to go. As far as clauses are concerned, you may strike out, add or insert words; but it is not normal, if you will read citation 404 of Beauchesne—and not only is not normal, but it is not right—to do what was done in the amendment that was before the committee a minute ago. Citation 404 of Beauchesne reads as follows:

> An amendment may not be proposed to insert words at the commencement of a clause with a view to proposing an alternative scheme to that contained in the clause, or to leave out from the first word to the end of the clause, in order to substitute other words, or to effect a redrafting of the clause—such amendments being in the nature of a new clause. In such a case, the regular course is to negative the question, that the clause stand part of the bill, and to bring up a new clause at the proper time.

Had the motion of the minister been voted upon and the subclause struck out, it would have been open to the committee to bring in

a new subclause; but as we stand at the present moment, the rule is clear, that this subclause, having been amended, is still subject to amendment in the future.

Some hon. Members: Five o'clock.

The Assistant Deputy Chairman: Order. Actually, this is the point the Chair was trying to draw to the attention of the members of the committee. There was a technical difficulty. This appears to be a departure from the regular practice of the house, but I think the hon. member for Edmonton-Strathcona should be heard at this time.

Mr. Churchill: That is not the point.

Some hon. Members: Five o'clock.

Mr. Nugent: Mr. Chairman, may I call it five o'clock.

Progress reported.

• (5:00 p.m.)

Mr. Deputy Speaker: It being five o'clock, the house will now proceed to private members business as listed on today's order paper, namely notices of motions, public bills.

AGRICULTURE

SUGGESTED INCREASED COMPENSATION FOR SLAUGHTERED CATTLE

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot) moved:

That, in the opinion of this house, the government should consider the advisability of immediately introducing legislation to provide the following increase of the compensation paid for the cattle slaughtered under the authority of the Animal Contagious Diseases Act: (a) purebred cattle, $200 (b) crossbred cattle, $125.

[*Translation*]

He said: Mr. Speaker, on May 9 last I was privileged to put on the order paper the notice of motion which you have just read and which I should like to quote again:

In the opinion of this house, the government should consider the advisability of immediately introducing legislation to provide the following increase of the compensation paid for the cattle slaughtered under the authority of the Animal Contagious Disease Act: (a) purebred cattle, $200.00 (b) crossbred cattle, $125.00.

Mr. Speaker, I decided to put the motion I have just read on the order paper following conversations which I had with farmers and stock-breeders in my region. They put pressure on me and made representations urging me to take this position.

I have the honour of representing here a riding where stock-breeding is a major industry. The region of Saint-Hyacinthe is renowned for its purebred livestock. The interested farmers in Saint-Hyacinthe itself to to a great deal of trouble in order to improve their livestock. As you know, for instance the former dairy school is now in the Institute of Agricultural Technology. There is also a veterinary school and, near the institute, there is the artificial insemination centre.

During the years when the artificial insemination centre was in operation, the farmers of my region made good use of the facilities provided by the government of the province. As a result, the herds of all the farmers and particularly of livestock breeders have improved considerably.

Anyone who had the opportunity to visit the Saint-Hyacinthe exhibition, for instance, where six or seven surrounding counties as well as the Rougemont county are represented, comes to the conclusion that the farmers in the Richelieu area are quite prosperous and eager to have first grade cattle.

Needless to say, Mr. Speaker, that such improvement is not possible without significant expenses on the part of the farmers concerned and, from one year to the next, the operating cost of a farm rises.

The Animal Contagious Diseases Act was implemented a few years ago and amendments to increase the compensation paid for the cattle slaughtered in case of contagious disease have been brought in. It was in August 1958 that such compensations were increased for the last time; previously, the compensation paid for a slaughtered purebred animal was $100, and it was raised to $140. On the other hand, the compensation paid for a cross-bred animal, which was $40, was raised to $70.

The aim of that motion is not to grant a subsidy to farmers whose animals are struck by a contagious disease. It is recognized that, in some cases, the present indemnity covers quite well the losses incurred but, in cases where the meat cannot be eaten, it is also recognized that the present indemnity is much lower than the loss incurred.

For those reasons the members of the Catholic Farmers Union I met as well as members of other farm organizations in my riding have asked me to make representations to the government to improve further the situation, so that a breeder whose herd is struck by an infectious disease will not lose too much.

If the Minister of Agriculture (Mr. Greene) really wants the farmers not to suffer in cases such as those I have just mentioned, he will surely have that motion passed at once, so that the farmers will not be liable to sometimes irretrievable losses.

We merely have to recall, for instance, the epidemic of foot-and-mouth disease we had in 1948, if I remember well, to realize how fast a farmer, a breeder, can be let to the brink of ruin.

There is always a possibility of such epidemics invading our land, so much so that the department takes proper steps by placing animals imported into our country in quarantine. It is only fair and reasonable for the government to take such measures for the protection of our animals' health. But it is also reasonable, I think, to put forward the views of Canadian farmers and livestock breeders and claim fair protection for them.

To prevent the Minister of Agriculture from saying: We are well disposed, but you did not give us time to take action, I immediately end my remarks and give the parliamentary secretary to the Minister of Agriculture (Mr. Beer) the opportunity to take part in the debate and make recommendations allowing this motion I just moved to become an accomplished fact. I should like to ask him to act in such a way that we will be called upon to vote before the private members' hour is over.

• (5:10 p.m.)

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): I have listened with considerable interest to the motion presented by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) and the tribute he has paid to the livestock breeders in his constituency. I am well aware of the high quality of the livestock produced in that area. I think it is constituencies such as his which have contributed to the great name Canada enjoys throughout the world for outstanding livestock. He has suggested also he is quite confident it would be the wish of the Canadian Department of Agriculture to provide reasonable protection in the event of loss.

The resolution moved by the hon. member for St. Hyacinthe-Bagot states that, in the opinion of this house, the government should consider the advisability of immediately introducing legislation to provide for an increase in the compensation paid for cattle slaughtered under the authority of the Animal Contagious Diseases Act.

This act is designed to prevent the introduction or spread of serious animal diseases in Canada and to prevent the export of diseased livestock or livestock products, thus maintaining the excellent record this country enjoys throughout the world for healthy, disease free livestock. In its animal disease control and eradication program, the department has for many years provided compensation to owners whose animals have been ordered destroyed. There are two broad headings under which this compensation is paid. One case deals with cattle ordered slaughtered under an area or herd eradication program, such as tuberculosis and brucellosis. The other is where the department is dealing with a more serious contagious disease such as an outbreak of hog cholera in swine or the outbreak of foot and mouth disease such as occurred in 1952.

Under the area of herd eradication program, officers of the department conduct testing programs for cattle diseases such as tuberculosis and brucellosis. Any infected animals are destroyed and compensation paid to the owners to provide assistance in replacing the diseased animals with disease free stock, thus improving their herds. During the last fiscal year compensation paid to owners who had animals destroyed totalled almost $1 million.

Under these programs for the eradication of tuberculosis and brucellosis, it should be pointed out that any animals required to be slaughtered under the provisions of the act which are infected with tuberculosis and brucellosis, are a potential source of loss to the owner even if those programs were not carried out. The owner therefore does benefit materially and directly by the removal of a diseased animal from his herd, since it is not only a danger to the health of the rest of the herd but also reduces his potential returns from his production. On the other hand, it is also in the national interest from the consumer's point of view that our livestock products should come from healthy animals.

Under the area of herd eradication program, the present rates of compensation are $140 purebred and $70 for grade animals. Here, we are dealing with individual animals, not the destruction of an entire herd. In another example where an entire herd is to be destroyed, compensation is paid to the owner at market value. In this case, which is somewhat different from the case involving brucellosis and tuberculosis, not only the infected but all exposed and contact animals are ordered destroyed. This action is taken as

a measure to protect the total livestock industry and to prevent the spread of the disease throughout the country. It follows, then, that the owner of such a herd is compensated at full value.

It should not be overlooked in the case of tuberculosis or brucellosis that in addition to the compensation awarded by the department, the owner also receives the meat or carcass salvage value from the packaging establishment where the animals are slaughtered. Therefore an owner's compensation returns, made up of the department's compensation plus the meat salvage value, go a long way toward assisting the owner in obtaining disease free animals.

Should the reactor animal be condemned at the time of slaughter as unfit for food, the department pays the owner the equivalent of the meat salvage carcass value so that in any case the owner's returns are the same. Notwithstanding this, we have been concerned about actual compensation values being paid owners, particularly the existing relationship between the compensation an owner now receives from the department and the actual market value of the animal. Consideration is now being given to a review of the compensation paid for animals slaughtered under the Animal Contagious Diseases Act.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise briefly to support the principle of the motion moved by the hon. member because I know from personal knowledge that the present compensation is not fair, in view of the changed economic circumstances that farmers face today. I was interested to listen to the explanation of the parliamentary secretary and to hear him say that this matter is under consideration by the department at the moment. I do think, in view of the fact that a farmer would only receive $140 for a purebred animal or $70 for a crossbred animal or grade animal—it depends upon which part of the country you come from which term you use—consideration should be given to increasing the compensation. I was glad to hear the parliamentary secretary say that if the entire herd is destroyed the farmer is compensated at market value. I was not sure of that prior to the parliamentary secretary mentioning the fact.

• (5:20 p.m.)

In my opinion, Mr. Speaker, this is a matter of concern to certain types of farmers, particularly those who are dealing with dairy and beef cattle, and in some cases with swine. I feel that the motion is of such importance to the persons directly concerned that it should be referred to the standing committee on agriculture, forestry and rural rehabilitation for consideration. If this were done, I feel we would have an opportunity to get the facts as they exist today from the farmer's point of view. The committee would then have the opportunity to hear representatives from farmers organizations in Canada, from departmental officials and from other officials directly concerned with, shall I say, establishing fair play in the matter of compensation for animals that have to be destroyed. The committee would also have the opportunity to study the representations made on all aspects of the question and to make recommendations to the house.

I urge the parliamentary secretary to give consideration to my suggestion. I would be delighted if before the hour were over he would rise in his place and say that he quite agrees with my suggesetion that this whole matter be referred to the standing committee on agriculture, forestry and rural rehabilitation.

I know the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) will have something to say on this important question and I know also that my colleague from Timmins (Mr. Martin) wishes to say a few words, so I will resume my seat and leave the field open to other members who wish to speak.

[*Translation*]

Mr. Florian Côté (Nicolet-Yamaska): Mr. Speaker, no doubt my colleagues will allow me to rise and say a few words in order to support the motion presented by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard).

Like his area, my own is very much advanced as far as the dairy industry is concerned, and the quality of the dairy cattle there is perhaps as good as that of his own area. I know the hon. member for Saint-Hyacinthe-Bagot knows my constituency very well, since he spent about a month there before September 19, 1966. Therefore, he will admit that its dairy industry is flourishing.

Moreover, I am perhaps in a sufficiently good position to support that motion, since I had made that proposal myself when I was a leader of the Catholic Farmers Union in the diocese of Nicolet. Further, last winter I discussed with the minister steps to be taken in order that the farmers may not suffer too great hardship when they are unfortunately the victims of such a calamity.

I am speaking of this from personal knowledge, because when I was with the C.F.U., I often had to prepare statements and try to balance the budget of farmers whose herd had suffered from this terrible sickness which is brucellosis. Let me say in passing that losses due to tuberculosis are covered by the Animal Contagious Diseases Act, and it is almost checked in Canada. Furthermore brucellosis is also being checked. Considerable efforts have been made by the government in this direction since nearly 4.5 per cent of the cattle in Canada was affected by brucellosis in 1957 and this percentage has been brought down to 1.5 per cent in 1967. This makes us realize that the situation has greatly improved.

On the other hand, while this percentage was decreasing, the value of the cattle increased threefold. In 1957 the farmers were receiving a sum of $70 when they had to destroy cattle worth $150 to $175. Today the same cattle has increased in value by $250, $300, even $350 but the compensation has remained at the same point.

So, I think it is normal that this compensation should be increased to $200 and to $125. Even if we were to be more generous, if the minister agreed or if his estimates allowed a compensation of $125 for cross-bred cattle, we would be more generous than the C.F.U. requests.

This year, I attended the congress of the C.F.U. and I examined with the utmost interest the demands that were made to increase compensation to $100 for cross-bred cattle and to $200 for pure-bred cattle. This was being asked by Quebec Farmers Association. But I think that in asking $125 the member for Saint-Hyacinthe-Bagot is possibly more generous and I support him, because if the farmers are asking only $100, it is because they are not used to receiving considerable compensation and that they cannot have the act amended.

The Minister of Agriculture (Mr. Greene) is fully aware of the problem and I can tell the member for Saint-Hyacinthe-Bagot that I have discussed this with the minister. I have shown him that the problem is important, because I have met the leaders of the C.F.U. of my area and those of the St. Hyacinthe area. These leaders are colleagues of mine and, furthermore, they are people with whom I have worked on the social level. So, they knew that by speaking to the member for Nicolet-Yamaska, they could possibly exert greater pressures.

[Mr. Côté (Nicolet-Yamaska).]

That is why, Mr. Speaker, I fully endorse this request and I hope that we will see some change made in the course of the year.

[*English*]

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I should like to say a few words in support of the motion of my colleague. Stockmen have long been aware that the present compensation for slaughtered animals is inadequate. In view of rising costs and values it is no longer realistic at this time.

I do not wish to question the terminology of the motion, but I should like to refer to purebred cattle as registered cattle. When applying for compensation for purebred animals one must produce their registered papers in order to prove they are purebred.

There are many t.b., Bangs, or brucellosis-free areas in Canada today. In fact, in many areas there have been very few reactors in use of late. The calfhood vaccination program against brucellosis protects animals against this disease, and because these diseases have to a great extent been eliminated there is not much danger of the cost of compensation to the government being as great as it once was.

There are dangers in compensation that is too small, and some of these have shown up in the hesitancy of some owners to report suspicious cases of disease in time to check its spread. In other words, there is the tendency on the part of some owners not to co-operate with the authorities because they know that if certain of their animals are condemned they will get little return for them. An example of this, Mr. Speaker, is the purchase of a registered animal at a very high price. The animal would have been tested before sale for both t.b. and brucellosis, but the new owner is rather nervous about having the animal retested in case there is a reaction. And you cannot blame him. Therefore I think there is great need for a more realistic compensation figure when an animal or a group of animals is condemned.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I would like to congratulate the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) for bringing forward this resolution. Although there has not been too much time for research, it is certainly overdue. I went back over the history of compensation from 1952. In that year the compensation paid under the act for purebred cattle was limited to $100 and for grade cattle to $40. The same figures applied, with some change in the

method of payment, in 1953-54. In the amendments introduced in 1958, the government of the day saw fit to increase the compensation for thoroughbred cattle to $140 and for grade cattle to $70.

• (5:30 p.m.)

I looked up the report of the livestock market in Toronto for yesterday and found that these prices are quite out of line with present day cattle prices. The hon. member for Wetaskiwin (Mr. Moore) has mentioned cows and high priced breeding animals in the dairy end of the business. I suggest to the parliamentary secretary who, I notice, is now in his seat, that it is most unfair where a farmer has bought a $10,000 herd sire, only to find later that the herd sire reacts to a tuberculosis or brucellosis test, to pay that farmer only $140 in compensation for the herd sire, plus anything he may get for the carcass for bologna purposes, provided the carcass is not condemned. That is quite wrong and is one feature of the entire compensation program that is completely out of line.

Under similar circumstances, if the farmer were unfortunate enough to have his whole herd condemned for foot and mouth disease or some of the other diseases for which whole herds can be condemned, he would get back his full $10,000 that he paid for the herd sire, plus the full value of every one of his animals in the herd.

Coming down to the grade level of cattle, sometimes known as the cross bred level, where there are no certificates of pure breeding, today a cow in full milk in a good dairy herd is worth approximately $300. If this cow should react to a tuberculosis test the owner would receive in compensation $70, plus the salvage value of the cow's carcass for meat, again provided the carcass is not condemned.

If the carcass is fit for meat it will carry a value today of approximately $175 to $200—say, $180. So the farmer gets the compensation of $70 and the salvage value of this cow, if she is otherwise healthy and in good flesh conditon. He gets $180. The man therefore would receive for his $300 cow approximately $250 and would be put to all the trouble of replacing the cow, getting her to market and having her processed. Also he has to undergo the nuisance of having the cow taken from him compulsorily.

Ordinarily, when land is expropriated an extra amount is paid over and above the value of the land, which is compulsorily taken, and that extra amount is for the nuisance of expropriation. Cattlemen who have their cattle taken from them compulsorily should be given equal consideration.

So much for the milk cow. What about the beef man? What could happen to him under present scales of values? If you went down to Toronto and bought a stocker steer for feeding and finishing, you would find that your ideal stocker steer would weigh around 700 pounds and is worth today around 28 cents per pound. You would pay around $200 for your stocker steer plus the expense of getting him from Toronto to the farmer's location —trucking expenses, and so on. Suppose that in a week or two your stocker steer should react under a tuberculosis test? The owner would get $70 in compensation, and that would be the maximum he could get. The salvage value of that steer is not the original price because, if you remember, originally that steer was worth 28 cents per pound. But as a condemned steer having to go to market and be killed, that stocker steer would go as a common steer at about 17 cents a pound, and so the farmer would get about $119 for his stocker steer, which originally had cost him over $200.

Mr. Beer: Plus $70.

Mr. Thomas (Middlesex West): I am sorry; I should have said that he will get $119 plus $70, or a total of $189. He would incur some loss on his steer in addition to the expense he originally incurred for having to get that steer from Toronto to his farm, and he would also have the expense of getting it from his farm back to market.

I think the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) has been conservative with a small "c", and even with a large "C", in his proposal that compensation for animals slaughtered under the authority of the Animal Contagious Diseases Act should be increased to $200 for pure bred cattle and to $125 for grade cattle. If I were moving the motion I should have suggested much higher figures.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think the hon. member for Saint-Hyacinthe-Bagot should be congratulated for bringing this matter forward, and the parliamentary secretary should be congratulated for his remarks, which show that the government knows that the compensation figures should change. The parliamentary secretary and the hon. member would be doing the farmers of this country, the Department of Agriculture and the Canadian public a service

if this matter were sent to the standing committee on agriculture, so that an adjudication could be made.

I think the previous speaker chose bad examples, because in one instance there was a difference of only $11 between the cost price of the animal and the compensation to be paid. Those figures do not show the extent of the problem, which becomes more apparent when you deal with pure bred cattle. In my part of the country the average Holstein cow, when sold, would fetch about $650 or $700. They run anywhere from about $400 to $1,000, and the average is about $650.

In England the authorities face difficulties because farmers are reluctant to report. The situation there is out of hand now, and there is the danger always that it may get out of hand here. Farmers should not have reason to be reluctant to report the incidence of brucellosis, or even where that disease is suspected. There are ways of knowing even without tests, whether a cow has brucellosis. Farmers are usually aware that there is difficulty, and sometimes they are reluctant to have tests performed.

• (5:40 p.m.)

In cases of this kind there may be a reluctance among farmers to report the disease because of the financial loss they may incur. Keeping an area free of brucellosis over a period of time is a difficult undertaking, particularly when breeding stock is allowed to move through community auctions. I suggest that when the agriculture committee studies this subject, if it is the wish of the minister, it should work out a formula by which farmers will be paid compensation more in keeping with the price of the animal affected, and the actual loss sustained. The fact that we have changed the compensation rate only twice in the last 20 years indicates that we have not kept up with the times. I am well aware of the danger of allowing civil servants to determine the amount of compensation to be paid and it seems to me there should be guide lines which would enable compensation to be provided in keeping with the loss suffered. This would help to remove the danger of farmers neglecting to make reports and causing a calamity as a result. Inadequate compensation may have been partly responsible for the serious outbreak of foot and mouth disease in Britain at the present time.

I do not see how the parliamentary secretary, speaking for the minister, could go wrong by accepting a notice of motion which asks for consideration of this question and reference of the subject to the committee on agriculture. The present provisions could be changed in a number of ways which would be of benefit to the Canadian livestock program, and to all who suffer loss because of contagious diseases.

[*Translation*]

Mr. Viateur Ethier (Glengarry-Prescott): Mr. Speaker, it affords me pleasure to speak to the motion introduced by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard). In the five years I have been sitting in this house, it is the first time, I believe, that I am in a position to endorse a recommendation made by a member opposite, since it is designed to help farmers.

The compensation paid at present for animals recommended for slaughter may have been justified a few years ago, let us say until 1963, when milk and beef were cheaper. Today, I think a farmer must pay up to $500 for a good crossbred milk cow. Therefore, a compensation of $70 is no longer justified. For purebred cattle, I believe there is even more difference.

Therefore, I am pleased to support the motion of the hon. member for Saint-Hyacinthe-Bagot and to know that the matter will be referred to the standing committee on agriculture, forestry and rural development.

I congratulate the hon. member for Saint-Hyacinthe-Bagot for putting that motion and I can assure him of our co-operation.

[*English*]

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, it seems that all who have spoken on this motion have expressed the opinion that the subject should be directed to the attention of the standing committee on agriculture. I can add little to what has already been said and I will simply move, seconded by my hon. friend from Saint-Hyacinthe-Bagot (Mr. Ricard), that the motion be directed to the standing committee on agriculture and that the house adjourn.

Mr. Speaker: If the hon. member wishes to move his motion he will have to submit it in writing to the Chair.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): I have been invited by the hon. member for Kootenay West (Mr. Herridge) to comment on his invitation to have this whole matter sent to the

committee on agriculture and rural development. The views which have been expressed in this chamber have been very well taken.

I must indicate, as I did earlier, that the question of compensation is periodically reviewed and that it is currently under review with the thought of increasing the compensation which may be awarded. I see no harm in having the subject referred to the committee on agriculture and I would think that if the house were generally of a mind we could simply agree without a formal motion to have this subject sent to the committee on agriculture.

Mr. Speaker: Is it agreed that the motion simply be dropped and that the matter be referred to the committee without a formal motion?

Some hon. Members: Agreed.

Mr. McNulty: Then perhaps I could move that the house do now adjourn.

Mr. Peters: Before the hon. member moves that we adjourn, might I ask whether the parliamentary secretary is prepared to bring in the motion which would direct this matter to the attention of the committee on agriculture?

Mr. Beer: I believe that has been done already by unanimous agreement. I am quite confident that it will be done.

Mr. Speaker: I have to disagree with the parliamentary secretary. There is really no motion before the house. There is only the undertaking of the parliamentary secretary that he will take the necessary steps to have the matter submitted to the committee. This would have to be done by a formal motion which could be placed on the order paper in the usual way.

It being ten minutes before six o'clock, by unanimous consent Mr. Speaker adjourned the house, without question put.

HOUSE OF COMMONS

Thursday, February 1, 1968

The house met at 2.30 p.m.

INDUSTRY

SYDNEY, N.S.—TABLING OF CORRESPONDENCE RESPECTING STEEL PLANT

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table the correspondence exchanged between the premier of Nova Scotia and myself concerning the steel situation in Cape Breton.

Mr. Speaker: Has the Prime Minister leave to table the documents in question?

Some hon. Members: Agreed.

[*Translation*]

NATIONAL DEFENCE

TABLING OF REGULATIONS RESPECTING ARMED SERVICES UNIFICATION

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, with the permission of the house, I wish to table copies, in English and in French, of the regulations regarding the basic questions concerning the unification of the Canadian Forces, established under section 13 of the National Defence Act, section 6 of the Canadian Forces Reorganization Act and section 44(f) of the Defence Services Pension Continuation Act, in order to carry out the commitment made by my predecessor to the standing committee on national defence, on March 21, 1967.

[*English*]

Mr. Speaker: Has the minister leave to table the documents in question?

Some hon. Members: Agreed.

[*Translation*]

CANADIAN CONSTITUTION

TABLING OF PROPOSED CHARTER OF HUMAN RIGHTS

Hon. P. E. Trudeau (Minister of Justice): Mr. Chairman, preparatory to the federal-provincial conference which will begin next Monday, I ask the permission of the house to table, in English and in French, copies of a document called the Canadian Charter of Human Rights.

[*English*]

Mr. Speaker: Has the minister leave to table this document?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

ALLOCATION OF TIME FOR COMMITTEE DISCUSSION OF BROADCASTING BILL

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, pursuant to section 2 of provisional standing order 15A I propose that the matter of the allocation of time for discussion in the committee of the whole of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions, which is government order No. 36 on today's order paper, be referred to the business committee.

Mr. Speaker: Pursuant to section 2 of provisional standing order 15-A the matter stands referred to the business committee.

NATIONAL CAPITAL

POSSIBLE STEPS TO ELIMINATE EXISTING COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Prime Minister. Could he tell the house whether, as has been reported to be the view of the premier of Quebec, the special committee set up to create a bilingual and bicultural National Capital Commission will be the first step toward the elimination of the existing National Capital Commission? Is it the policy of the government to eventually get rid of this commission?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I do not think you could draw that conclusion. I would be glad now to table the document. I should have done it this afternoon, since it has been made public. This is the first step in consultation among the three governments, consultation which also

will include the municipalities concerned, in the development of a national capital area.

Mr. Starr: May I ask a supplementary question. In view of the promise of the Minister of Public Works on December 6 last that a committee on the national capital region would be set up early in the new year, will the Prime Minister consider expediting the striking of this committee and the referral to it of this whole question of a bilingual and bicultural national capital?

Mr. Pearson: I shall be glad to discuss that with the minister.

HOUSING

REQUEST FOR INTRODUCTION OF PROPOSED MEASURE TO REDUCE DOWN PAYMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is for the Prime Minister. In view of the statement by the President of the Treasury Board that the government has a measure to reduce the down payment on N.H.A. houses which it is prepared to introduce if it can get agreement of the opposition parties, and since the New Democratic party is prepared to forgo any debate on the resolution stage if other parties are willing to follow suit, may I ask the Prime Minister if the government will undertake to introduce this measure immediately so we can see the bill. Then a discussion could take place with regard to any further curtailment of debating time.

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to discuss that with the minister. He mentioned the matter to me this morning, and I hope to see him about it later in the day.

Mr. G. L. Chatterton (Esquimalt-Saanich): Is it the intention of the government in any event to bring this legislation before the house during this session?

Mr. Pearson: That depends on how we get along with the rest of this session.

[*Translation*]

BROADCASTING

PROPOSED POSTPONEMENT OF CONSIDERATION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in the absence of the Secretary of State I will direct my question to the Prime Minister.

[Mr. Pearson.]

Following the objections expressed last night by the premier of Quebec, Mr. Daniel Johnson, could the Prime Minister tell us if consideration of Bill No. C-163 on broadcasting can be postponed?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I think we ought to proceed; but of course in dealing with this bill we are acting within federal jurisdiction, as were previous parliaments when they dealt with broadcasting legislation. I read in the newspaper this morning remarks to the effect that we were rushing this legislation through.

[*Translation*]

Mr. Caouette: Mr. Speaker, I would like to ask a supplementary question.

As mentioned by the Prime Minister, I understand that the matter comes under federal jurisdiction. But does not the Prime Minister believe that it would have been wise and that it would still be wise, under the circumstances, to hold consultations with the provincial premiers?

Mr. Speaker: Order.

Hon. Martial Asselin (Charlevoix): May I put a supplementary question, Mr. Speaker?

Can the Prime Minister give assurance to the house that this question will be on the agenda of the forthcoming federal-provincial conference, so that it will be discussed with the Quebec authorities?

[*English*]

Mr. Pearson: Some weeks ago, Mr. Speaker, the premiers of all the provinces were sent a draft agenda. They were asked if they wished to make additions to that agenda. The only addition which was made was suggested by the premier of Nova Scotia. I think we have quite enough on the agenda at the moment to keep us busy for three days. Any other item that any premier wishes to bring up can be brought up at the end of the meeting under "other business".

Mr. J. R. Keays (Gaspé): I should like to ask the Prime Minister whether he has received a letter from the premier of Quebec with reference to consultation on the bill in question, and what was the nature of his reply.

Mr. Pearson: No, Mr. Speaker. I read in the morning press a reference to the fact that I had received such a letter, but I have not

received any such letter. I have not been able to trace any such letter. I am still looking. At the moment I have no recollection of such a letter, and there is no record of it being received.

TRANSPORT

BRITISH COLUMBIA—PROPOSED NEW PORT FOR COAL SHIPMENTS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Transport. In view of the completion of the $650 million coal deal with Japan, can the minister confirm that he will be meeting with the attorney general of British Columbia on Saturday to discuss the early construction of a new port to facilitate shipment of this coal?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, there is no plan that I know of to meet on Saturday, but I understand the minister will be in Ottawa on Monday and Tuesday. It will be possible for us to meet at that time and make further arrangements with respect to the port facilities that are required.

FINANCE

REQUEST FOR GOVERNMENT STATEMENT ON FOREIGN INVESTMENT

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Prime Minister. As the government has had before it for some time now the report of the special committee examining into the question of what Canada's attitude should be toward foreign investment in this country, would the Prime Minister say when he expects to make a statement to the house on the government's attitude to this very important matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the report to which my hon. friend seems to be referring is the report of a task force on the structure of industry in Canada. That report has been completed and is now being translated. I hope the translation will be ready shortly, and I will then be in a position to indicate to the house what should be done on it.

Mr. Hees: A supplementary question. Has the Prime Minister not had the report of the committee that was set up under the President of the Privy Council to study foreign investment in Canada? Has the Prime Minister not had that report for some time now, and is the right hon. gentleman not going to report to the house on the government's attitude to this question?

Mr. Pearson: Mr. Speaker, I am sure my hon. friend realizes that this is the report of a task force. That task force was to make a report to a committee of the cabinet, and there will be a report from the committee of the cabinet to the full cabinet. That is the normal way of doing business, Mr. Speaker. When that report has been considered by the full cabinet we will then be able to take a decision as to what statement should be made.

Mr. Hees: A further supplementary question. Are we to take it that eventually, it is hoped before the session ends, the government is going to make a definite statement to the country on the government's attitude to this question?

Mr. Pearson: Yes, Mr. Speaker, but I hope it will be possible to make the report of the task force public before that.

NATIONAL DEFENCE

REQUEST FOR DISTRIBUTION OF DOCUMENTS TABLED RESPECTING UNIFICATION

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, my question is for the minister of defence. Have arrangements been made to distribute to the members of the house the documents that he tabled a few minutes ago? If not, will the minister make such arrangements?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, my intention is to move a notice of motion for these papers to be referred to the standing committee on defence, which I hope will be convened pretty soon.

Mr. Harkness: Mr. Speaker, my question was will the minister arrange for members of the house to be supplied with copies of the documents he tabled. I think the minister has facilities in his department for reproducing these papers which may not be readily available otherwise.

Mr. Cadieux (Terrebonne): I have no objection, Mr. Speaker.

Inquiries of the Ministry

[*Translation*]

CRIMINAL CODE

REQUEST FOR FURTHER REPRESENTATIONS ON AMENDING LEGISLATION

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): I wish to put a question to the Minister of Justice and Attorney General.

To meet the wishes of several Canadian members, is it the minister's intention to reconsider his decision on the omnibus bill so as to allow a separate vote on abortion and homosexuality and to hold a free vote on these two questions of morals and conscience?

Hon. P.-E. Trudeau (Minister of Justice): Unless I am mistaken, Mr. Speaker, I did not announce a decision, I expressed the wish, which is still valid, that when the wording of the bill is studied, there will be much less opposition thereto than there is now. Once again, it is a wish and the policy on this matter should be announced by the government in due course.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to put a supplementary question.

Can the minister inform the house whether this bill will be considered before the forthcoming convention of the Liberal party?

[*English*]

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I have a supplementary question for the minister that is really in the nature of a representation. I should like to ask whether he would now consider referring that clause of the bill to the standing committee on health and welfare so it may be studied together with the subject matter of the private bills now before the committee.

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): The hon. member for Sherbrooke referred to several clauses.

As far as the clause which the hon. member has in mind is concerned, the studies which will be made in the standing committee on health and welfare will surely serve in later discussions.

[*English*]

INDUSTRY

SYDNEY, N.S.—ADDITIONAL FEDERAL ASSISTANCE RESPECTING STEEL PLANT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister with respect to the correspondence between himself and Premier Smith which was tabled today. I ask the Prime Minister whether he is aware that his government promised aid over and above the aid which has been set forth in the correspondence and which is to be given under certain conditions to the Sydney steel operation. It is this further assistance that the government of Nova Scotia and the Sydney steel workers are now waiting for.

[Mr. Cadieux (Terrebonne).]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, but no doubt Premier Smith will wish to discuss this matter over the week end, when he will be here. I understand from radio reports that that is his intention.

Mr. MacInnis (Cape Breton South): A supplementary question to the Minister of National Health and Welfare. I ask the minister to avail himself of the opportunity to speak to his Prime Minister and to the premier of Nova Scotia over the week end to further the argument that he has been advancing for the government to be prepared to assist above and beyond that assistance which is spoken of in the correspondence.

[*Translation*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

INVITATION TO MINISTER TO PARTICIPATE IN TELEVISION DEBATE

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Has the minister received an invitation to participate in a public debate which will be telecast on the French network of the C.B.C. about Bill No. C-186, and could he tell us whether he is in favour of such a debate to inform the public on that labour matter?

Mr. Speaker: I do not think that question is in order; I do not see its urgency.

EXPO '67

REQUEST FOR RETURN OF OVERPAYMENTS FOR LODGING

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Prime Minister.

Have the United Nations, UNESCO section in Geneva, sent an official protest to the

Canadian government with a view to recovering an amount of $3,212 from Logexpo and from a temporary Montreal motel?

Mr. Speaker: I respectfully ask the hon. member to put his question on the order paper.

[*English*]

TRADE

BERMUDA—PROPOSED DIVERSION OF CANADIAN FREIGHTERS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce but in his absence I shall direct it to the Prime Minister. I have given him notice of it. The planned diversion of all Canadian freighters from Hamilton, Bermuda, to Saint George on March 1 will have the effect of increasing the price of Canadian goods in Bermuda. Since this action is discrimination against Canada, will the Prime Minister request the Canadian Trade Council in New York, which handles all Canadian trade for Bermuda, to get in touch with the Bermuda port authority in the hope that this policy, which is unfair to Canadian shippers and especially to Atlantic port shippers, will be reversed?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government is aware of this diversion which apparently was ordered to relieve congestion at the port of Hamilton, and our interest in this matter has already been communicated to the Bermuda marine and port authority. It is understood also, Mr. Speaker, that a protest has been directed to the authority from a number of sources, including the Chamber of Commerce in Bermuda, which is one reason for changing the effective date of the diversion from January 1 to March 1. The matter, as I understand, is being given further examination in Bermuda and the Department of Trade and Commerce is keeping in close touch with the situation.

EXTERNAL AFFAIRS

REQUEST FOR COMPENSATION FOR SURVIVORS OF GERMAN CONCENTRATION CAMPS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I must say that in his brief absence he has been missed by us all. Has the government received representations from any organization representing Canadian citizens who are survivors of nazi concentration camps urging that a bilateral agreement be made with the federal government of Germany for the compensation of all Canadian citizens and residents who have suffered persecution but have not been properly compensated to date?

Mr. Speaker: Order. I suggest to the hon. member that though his question is important it is not the type of question which should be asked at this time. Perhaps it might be placed on the order paper.

GREECE—REPORTED TORTURE OF POLITICAL PRISONERS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I have a question for the Secretary of State for External Affairs. In view of reports from a responsible organization, Amnesty International, that certain political prisoners in Greece are being subjected to various forms of torture, and since our government has recently recognized the Greek government, will the minister look into this matter and perhaps send a protest to the Greek government?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, we have asked for a copy of this report, and just as soon as it reaches us it will be carefully examined and we shall give consideration to what should be done.

RURAL DEVELOPMENT

NOVA SCOTIA—REPORT OF ARDA TASK FORCE ON EASTERN COUNTIES

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I have a question for the Minister of Forestry and Rural Development. Bearing in mind the importance of agriculture to the province of Nova Scotia, can the minister advise us when action will be taken in connection with the ARDA task force report on the nine eastern counties of that province?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Negotiations are proceeding normally between the two levels of government.

Mr. MacEwan: In view of the length of time this matter is taking would the minister consider making this report available to interested parties, including the federations of agriculture in the province of Nova Scotia?

Mr. Sauvé: If it is possible, with pleasure.

Inquiries of the Ministry

NATIONAL DEFENCE

PREVAILING RATES EMPLOYEES LOSING JOBS THROUGH UNIFICATION

On the orders of the day:

Mr. Robert McCleave (Halifax): I wish to address a question to the Minister of National Defence and ask him what plans are being made to find other jobs for prevailing rate employees of his department who are being thrown out of work because of unification.

HEALTH AND WELFARE

MEDICARE—POSITION OF PROVINCES NOT PARTICIPATING

On the orders of the day:

Mr. H. R. Ballard (Calgary South): My question is directed to the Prime Minister. In view of the fact that several provincial premiers have indicated that their provinces will not proceed with the federal medicare scheme, can the right hon. gentleman advise us whether arrangements are being made under the authority of the Established Programs (Interim Arrangements) Act to ensure that provinces which do not proceed with the implementation of medicare will not suffer financially as a result of such a decision?

Right Hon. L. B. Pearson (Prime Minister): I shall be making a statement on medicare as soon as possible—immediately after the constitutional conference, I hope.

FLOODS

BRITISH COLUMBIA—AGREEMENT RESPECTING CONTROL WORKS ON FRASER RIVER

On the orders of the day:

Mr. Barry Mather (New Westminster): This question is addressed to the Minister of Energy, Mines and Resources. Having in mind the serious and costly floods affecting the lower Fraser river valley in British Columbia, can the minister indicate the date by which agreement between Canada and British Columbia in connection with flooding conditions on the Fraser river can be expected?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I just received yesterday a report in that connection indicating that within a few days—if a few days can mean three or four weeks—an agreement between Canada and British Columbia will be concluded in that connection.

[Mr. Sauvé.]

[*English*]

THE CANADIAN ECONOMY

REPORTED DECREASE IN FREIGHT CAR LOADINGS

On the orders of the day:

Hon. George Hees (Northumberland): I wish to direct the following question to the Minister of Transport. In view of the sharp decrease in freight car loadings during the past two months, has the hon. gentleman drawn this matter to the attention of his colleagues handling economic portfolios in the hope that they might adopt a more aggressive attitude in connection with this country's economic affairs and thus avoid a decline in freight traffic and lay-offs of railway employees?

Hon. Paul Hellyer (Minister of Transport): I do not think there are any who are more concerned about the future economic activity of this country than are my colleagues who are charged with this area of responsibility, and I can assure the hon. gentleman that they will take every step necessary to ensure that the level of car loadings will increase in the months ahead.

RESEARCH

PROPOSED INTERNATIONAL DEVELOPMENT CENTRE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): I wish to direct a question to the Prime Minister. In view of the fact that the Prime Minister has authorized a task force to inquire into the possible establishment in Canada of an international development centre or world university, as it is sometimes called; and in view of the Prime Minister's correspondence with interested groups in Winnipeg and elsewhere, can the right hon. gentleman say whether he or some member of the cabinet will be making a public statement on this subject?

Right Hon. L. B. Pearson (Prime Minister): There was no task force looking into this matter. I asked Professor Plumptre, who has had a great deal of experience in this field, to make an examination of the feasibility of a proposed international development organization whose headquarters might be in Canada. He has now finished the first stage of his work and has made a report to me. I got it yesterday, and I shall be looking at it over the week end and getting in touch with my colleagues concerning it. I hope to be able to

make a report on this very interesting idea before very long.

Mr. Schreyer: As a supplementary question, Mr. Speaker, would it be in order to ask the right hon. Prime Minister if this is the kind of academic institution he has in mind for his retirement years?

Mr. Pearson: There is nothing academic about this, Mr. Speaker.

[*Translation*]

BROADCASTING

INVITATION TO QUEBEC AUTHORITIES TO APPEAR BEFORE COMMITTEE

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I wish to put my question to the chairman of the committee on broadcasting films and assistance to the arts.

In view of the statement made yesterday by the Quebec premier on the legislation now under consideration in this house, can the chairman of the committee tell us whether he has invited the authorities of the province of Quebec to submit their point of view to the committee he chairs?

Mr. Speaker: That question concerns the proceedings of a committee which has yet to report to the house; it is out of order.

Mr. Choquette: Mr. Speaker, I rise on a point of order.

My question is urgent because the government—

Mr. Speaker: Order. It is not a matter of urgency but simply that, under standing orders, this type of question cannot be put, even if it is urgent.

MANPOWER

REPORTED DECREASE IN RETAINING PROGRAMS

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration in connection with pre-employment courses under the adult education program.

In order to enable the thousands of eligible persons to attend those courses, does the minister expect to purchase the necessary accommodation to give those courses?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, we have reached agreements with each of the provinces on the number of available openings in the retraining program.

Now that I am on my feet, Mr. Speaker, yesterday the hon. member for Kamloops (Mr. Fulton) asked me if 24 hours had elapsed between the notice of deportation and the actual deportation of Mr. Wilson.

I can inform the house that Mr. Wilson was arrested on Friday morning and deported on Saturday evening. More than 24 hours, therefore, did elapse between the two events.

[*Later:*]

Mr. Keays: Mr. Speaker, I wish to ask a supplementary question. I would ask the Minister of Manpower and Immigration whether it is not this government which buys the openings of the province, and whether this government is not responsible for classes being available?

[*English*]

TRANSPORTATION

REQUEST THAT PARLIAMENTARY COMMITTEE VISIT FREDERICTON, N.B.

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, my question is directed to the Minister of Transport. Because of urgent representations I received today from the city of Fredericton will the minister assure the people of central New Brunswick that during the forthcoming visit of the parliamentary committee on transportation the capital city of New Brunswick will be included and not deleted, because all other capital cities in Atlantic Canada are in its itinerary?

Mr. Speaker: I am just wondering if this is not a matter for consideration by the committee.

Mr. MacRae: Ten o'clock, Mr. Speaker.

TRADE

FRUIT—REQUEST FOR REGULATION OF SUBSIDIZED IMPORTS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the announcement that another Canadian canning factory is closing its doors due to the great importation of subsidized fruit into Canada, has the government any plans to offset this detriment to such companies by means of quotas or adjustments in tariffs?

Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not aware of all the facts of this case, but if in fact it could be established that subsidized products are being imported into Canada we would be in a position to apply countervailing duties, which would be the appropriate action. I would be glad to have the particulars of this case from the hon. member.

RURAL DEVELOPMENT

MANITOBA—ARDA AGREEMENT RESPECTING INTERLAKE REGION

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, may I direct a question to the Minister of Forestry and Rural Development. Has there been any cut-back by the federal government in cost sharing programs under ARDA and FRED for the present fiscal year? Specifically, has there been any cut-back in the programs covered by the comprehensive agreement for the interlake area of Manitoba, signed by the minister and the premier of Manitoba in May, 1967?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): There are no cuts for this year nor for next year, Mr. Speaker.

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to ask a question related to that asked by the hon. member for Selkirk of the Minister of Forestry and Rural Development. I wish to ask the minister whether the task force to develop specific programs in fisheries, forestry, recreation, agriculture, industry, water, mining, economics, manpower, community and social development, and urban and rural development, as it is to apply to Newfoundland, could be expanded to fit the needs of British Columbia as well?

Mr. Speaker: Order. This question is more a speech than a question, and I do not think it is in order.

EDUCATION

REQUEST FOR FEDERAL ASSISTANCE IN TEACHING IMMIGRANT CHILDREN

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. Has he received a request from the chairman of the school board of either the city of Toronto or Metro Toronto, I forget which, asking for an interview with him to discuss the question of the education of immigrant children in the area of Toronto? If so, what was the minister's reply to that request?

Mr. Speaker: Order, please. I doubt whether a question of this nature can be asked on orders of the day. I would not think it is nationally urgent to ascertain whether the minister has received that request.

Mr. Lewis: On a point of order, Mr. Speaker, I do not suggest that anything that happens in Toronto is necessarily of national importance, but I do suggest that this question relates to a matter which is exemplified in Toronto but which is of consequence to many other parts of Canada. It relates to a desire by a board of education to discuss with the minister a system for the education of immigrant children.

Mr. Speaker: If the hon. member thinks I have erred and that the matter is urgent, he can give me appropriate notice and the matter can be set down for consideration later today.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the hon. Minister of Manpower and Immigration.

Naturally, it concerns manpower mobility.

In view of the fact that the hon. member for Lapointe (Mr. Grégoire) has been saying for a year that a Liberal member of parliament is about to join his party, could the hon. minister tell us whether that member is the hon. member for Lotbinière?

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I rise on a question of privilege.

I recognize in all sincerity that the separatists have never broken any windows in my house, but that is no reason for me to join a movement which I consider utopian.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, also on a question of privilege.

I want to state that if the member for Lotbinière (Mr. Choquette) wished to join our ranks, he would not be accepted.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the hon. Minister of Justice.

I should like to ask the minister if, in his talks with the Quebec premier, the matter of the imperialistic ambitions of the Quebec government came up?

Mr. Speaker: Order. This question is out of order.

WINTER WORKS

INQUIRY AS TO CONTINUATION OF PROGRAM

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration.

Quebec newspapers recently reported that the minister had stated that the federal government would no longer contribute to the winter works programs next year.

Is the minister in a position to confirm or deny this report?

Mr. Speaker: I think the hon. member should put his question directly. He cannot ask that newspaper reports should be confirmed or denied.

Mr. Asselin (Charlevoix): In that case, Mr. Speaker, that is what I want to ask the minister.

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, it is true that we have indicated to the provinces that it was not our intention to renew our program on its present basis.

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR REACTIVATION OF COMMITTEE TO STUDY COST OF LIVING

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on Friday last I addressed a question to the Minister of Consumer and Corporate Affairs, recorded at page 6012 of *Hansard* as follows:

> In view of increasing prices can the minister say whether he intends to reactivate the committee which last year inquired into the cost of living in Canada? If so, when will it resume its hearings?

In the absence of the minister his parliamentary secretary said he would take the question as notice. Is the minister now prepared to reply?

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have had discussions with the house leader about the feasibility of making a reference to the standing committee on consumer affairs. In the light of the state of the business of the House of Commons and the contemplated length of the session I am not at all sure that this will be probable although, as I said before Christmas, I am anxious that certain references should be submitted to such a committee.

Mr. E. Nasserden (Rosthern): Mr. Speaker, may I direct a supplementary question to the minister. Has he in progress a study into the rising interest rates that have been brought about, particularly in the housing industry, during the last few weeks?

Mr. Speaker: Orders of the day.

Mr. Nasserden: Mr. Speaker, I wonder whether I might have the attention of the Minister of Consumer and Corporate Affairs. I would like to know whether he has received the report of a study concerning the rising interest rates particularly with regard to housing within the last few weeks.

Mr. Turner: I have a difficult enough time keeping track of my own portfolio.

[*Later:*]

Mr. Nasserden: Mr. Speaker, I have a question for the Prime Minister. In view of the answer I received from the Minister of Consumer and Corporate Affairs today are we to assume that the cabinet as a whole has agreed that the question of rising interest rates is not a matter of concern to consumers?

Mr. Speaker: Order. The hon. member may wish to assume that but he may not ask it as a question.

Mr. Nasserden: Mr. Speaker, I believe that at the time the legislation was brought forward—

Mr. Speaker: Order, please. The hon. member has asked a question of the minister and has received an answer. Evidently the answer is not satisfactory so far as the hon. member is concerned. That, however, cannot be made a point of order or a question of privilege.

Mr. Nasserden: Mr. Speaker, I rise on a point of order because I believe the matter of interest rates is one of the things the Department of Consumer and Corporate Affairs was set up—

Mr. Speaker: Order, please. This cannot be a point of order. The hon. member has asked a question and received an answer. I am sure

answers are not always satisfactory to the hon. members who ask questions. This may be the case here, but it is not in order now to argue whether or not a minister has a certain responsibility.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR ANNOUNCEMENT FOLLOWING PROVINCIAL REPRESENTATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the statement made by the Prime Minister on Tuesday to the effect that he hoped the government would complete its consideration of the medicare question on Thursday, can he say whether this consideration has been completed and, if so, why the statement as to the decision the government has made is being put off for another week?

Right Hon. L. B. Pearson (Prime Minister): That is quite simple, Mr. Speaker. The consideration by the cabinet has been completed. I am putting together a report which I wish to take up with the premiers of the provinces who asked for the reconsideration and who will be here during the week end. After that is completed I will make a statement in the house.

INCOME TAX

REPORTED LATE DISPATCH OF T-4 FORMS

On the orders of the day:

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, yesterday the hon. member for Swift Current-Maple Creek asked a question. I now have the reply.

By December 26, 1967, all employers in Canada numbering 433,000, who deduct and remit taxes from employees, had been issued forms T-4 and, in the case of larger employers requiring greater quantities, a reorder form. Early in January the district taxation offices were in a position to fill any orders received. Since these forms are not required to be filed until February 29, 1968 it would seem that the distribution provided ample time to meet this deadline, and it is not considered necessary to waive the penalties provided in law under these circumstances.

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a supplementary question, Mr. Speaker. Apparently yesterday I referred to the wrong form. I referred to the T-4. It should be the T-1.

Mr. Chrétien: Mr. Speaker, I will have another answer tomorrow.

BUSINESS OF THE HOUSE

REQUEST FOR INTRODUCTION OF LEGISLATION TO BE DEALT WITH

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the right hon. Prime Minister which is supplementary to the one asked of the Minister of Consumer and Corporate Affairs. Today the minister stated that there is certain legislation nearly ready but that he does not intend to introduce it. Yesterday the Minister of Energy, Mines and Resources made a similar statement with regard to legislation he has ready. I should like to ask the Prime Minister what justification there is for ministers not bringing forward this important legislation at least for first reading so that we may see it.

Right Hon. L. B. Pearson (Prime Minister): Well, one justification, Mr. Speaker, is the progress we have made in the last two weeks. However, legislation which is not now on the order paper will be placed on the order paper so that first reading may be given to this legislation before this session is concluded. As I said yesterday this will include legislation concerning the Canada Development Corporation.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question, Mr. Speaker. I should like to ask the Prime Minister, if the government is desirous of having legislation passed, whether it would not be advisable to place it on the order paper. I should like also to ask whether he does not think it inadvisable that ministers of the crown should indicate to the press that they would bring down certain legislation were it not for the failure of the opposition to agree on some particular point.

Mr. Pearson: Mr. Speaker, I can deal in substance with my hon. friend's question. Perhaps I should indicate that the items with which we will deal immediately after the broadcasting legislation has been disposed of are on the order paper.

Mr. Douglas: Mr. Speaker, if the Prime Minister intends to make a statement concerning the whole question of priority of

legislation for the balance of this session, could such a statement be made on motions?

Mr. Pearson: Mr. Speaker, I was asked a question on the orders of the day and I am replying to that question now. However, I am quite willing to wait until tomorrow. It will not take me more than a minute to indicate the business which will be before the house. There are the amendments to the Excise Tax Act and the Income Tax Act, both of which are up for second reading. Then there are the amendments to the Unemployment Insurance Act, the Patent Act, the Trade Marks Act and the Food and Drug Act. These are the items of legislation which will be considered after the broadcasting legislation. Then of course there are the amendments to the Criminal Code. By that time there will be additional legislation on the order paper to which I think we could give first reading.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

Can the hon. Prime Minister tell us whether Bill No. C-186 concerning the Canada Labour Relations Board is also on the priority list of items to be passed during this session?

[*English*]

Mr. Pearson: Mr. Speaker, I did not mention that piece of legislation because it is now before the committee. As soon as it is reported back from the committee we will be dealing with it in the house.

DRUGS

REPORTED INCREASES IN PRICES OF PRESCRIPTION DRUGS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I should like to ask the minister whether in the past few days his attention has been drawn to the very sharp increases in the prices of prescription drugs, which increases have virtually wiped out the reduction resulting from the wiping out of the sales tax. If so, I should like to ask the minister what his department is doing about this problem.

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot quite accept the preamble to the question. However, we are following the movement of prices of prescription drugs, particularly at the manufacturers' level.

INDUSTRY

COPPER—REQUEST FOR REPORT ON PRICE INCREASES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct this question to the Minister of Finance. Some months ago the minister undertook to look into the matter of the very substantial increase in the price of copper. He said he was having his officials look into this and that later he would be prepared to make a report to the house. I should like to ask the minister whether he has received that report and, if so, what is the outcome of that investigation.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, although I am a little uncertain I thought the Minister of Trade and Commerce had dealt with this matter in the house. I will have a search made of the records to determine whether or not that is so.

[*Translation*]

HOUSING

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I wish to direct a question to the President of the Treasury Board.

In view of the present inflationary surge of the Canadian economy, can the minister tell us whether he intends to adopt new measures to stabilize the housing construction sector in order to promote capital investment?

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, I shall take the question as notice and I will refer it to the President of the Treasury Board.

• (3:20 p.m.)

[*English*]

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Wednesday, January 31, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order. When the committee rose last evening clause 2(h) was being considered.

Mr. Starr: Mr. Chairman, we are now considering clause 2—

Miss LaMarsh: Still.

Mr. Starr: Still. This clause has many important aspects to it. A great deal of opinion has been expressed and no doubt will continue to be expressed as we consider this clause. In the interests of progress on the bill in the committee stage I wish to propose to you, sir, and through you to the minister and the committee, that we stand this clause and that subsequent clauses be called by Your Honour. I make this suggestion in the hope that we might pass a number of the clauses of the bill to which hon. members are not inclined to direct themselves.

If Your Honour called the clauses following clause 2, any hon. member of the committee who wished to direct himself to that particular clause could so indicate by asking that it stand. If there is no response from any hon. member to that effect we could carry the clause. Then after we have gone through the whole bill we could come back to those clauses which have been stood. We could now pass those clauses to which no hon. member wishes to direct himself, and come back to the discussion on subclause (h) of clause 2. I make this suggestion, and hope hon. members will agree with it, in the interests of making progress on this piece of legislation.

The Chairman: Does the committee agree to stand clause 2, to call the other clauses in order, and if there is no other clause to be stood to continue with the consideration of each clause?

Mr. Prittie: Mr. Chairman, in the interests of getting on with the business we are quite agreeable to the suggestion made by the house leader of the official opposition, namely that the clauses be dealt with in the manner suggested by him. But may I also state that we will then be standing clause 2(h). I would add, in connection with that particular clause, that we were in favour of the original drafting which was suggested by a member of the official opposition. We accepted the compromise drafting which came from a member of the official opposition, and we would not agree to any later change in that particular subclause.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Miss LaMarsh: Mr. Chairman, perhaps we should establish a few more ground rules. Do I understand it is agreed that wherever there is an amendment which is proposed to be put from either side of the house, we indicate that, stand the clause and then come back to it, so that we know to which clauses amendments are proposed?

[The Chairman.]

Mr. Starr: Perhaps I did not make myself clear, Mr. Chairman. I suggested that if, for example, clause 9 is called and a member of the committee wishes to speak to it or move an amendment to it, he indicates that by saying "Stand". Consequently we will stand the clause and move on.

Mr. Grégoire: Oh, no.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Grégoire: No.

The Chairman: Is the suggestion put forward by the hon. member for Ontario acceptable?

Some hon. Members: Agreed.

[*Translation*]

Mr. Grégoire: Mr. Chairman, it may be that I did not understand correctly the suggestion made by the hon. member for Ontario (Mr. Starr). Does he want us to pass all the clauses we find acceptable and then return later to the controversial clauses?

[*English*]

Mr. Starr: Mr. Chairman, perhaps for the benefit of the hon. member I may repeat my suggestion. I suggested that in order to make progress on this bill we stand clause 2 and call each subsequent clause. If there is an indication by any hon. member that he wishes to speak on a particular clause, all he has to do is ask that it be stood. I make the suggestion in the hope that we can pass those clauses to which no hon. member wishes to address himself or with regard to which no amendment is to be proposed.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

The Chairman: Clause 2 stands. Shall clause 3 carry?

Mr. Starr: Stand.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to make a few remarks on this clause, and I should therefore have it stand.

[*English*]

Mr. Starr: Stand.

The Chairman: Clause 3 stands. Shall clause 4 carry?

Clauses 4 and 5 agreed to.

On clause 6:

[*Translation*]

Mr. Grégoire: Stand.

Mr. Chairman, we are not given time to consult our files and notes as we go along. I wonder if that is really good procedure.

[*English*]

Mr. Starr: Mr. Chairman, I made the proposition in the hope that it would meet with the approval of all hon. members. Evidently the members of the committee are in agreement with the suggestion; they seem to be well versed in the bill and know exactly which clause or clauses they wish to speak to or propose an amendment to. I would ask the hon. member for Lapointe, in the interest of making progress on this bill, whether he would not look at this situation in the same way as other hon. members.

Mr. Knowles: Mr. Chairman, I should like to support the appeal of the hon. member for Ontario to the hon. member for Lapointe. Perhaps we could achieve amicability about this procedure if we hesitated for just a moment to let the hon. member for Lapointe and others look at the bill and make a note of the clauses that they want to stand; or perhaps Your Honour would read the marginal notes as you call each clause. If we take this slowly I suspect that perhaps in 15 minutes we will carry about 40 of the clauses, or maybe more. Then we could return to the clauses which have been stood. Perhaps if we took a few moments now there would be a better understanding on the part of all hon. members as to the procedure we are pursuing.

The Chairman: Is it agreed that the Chair in calling a clause will read the marginal notes, to assist hon. members?

Some hon. Members: Agreed.

The Chairman: We are on clause 6, "Duties of full time members. Oath of office." Shall clause 6 carry?

Clause agreed to.

• (3:30 p.m.)

Clauses 7 and 8 stand.

Clause 9 agreed to.

Clause 10 stands.

Clauses 11 and 12 agreed to.

Clauses 13 to 17 stand.

Clause 18 agreed to.

Clause 19 stands.

Clauses 20 and 21 agreed to.

Clause 22 stands.

Mr. Hales: Mr. Chairman, I suggest that anyone who wishes a clause to be stood should rise in his place and say so, so we will know who it is.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

On clause 23—*Setting aside or reference back to Council.*

Mr. Stanbury: Stand.

Clause stands.

On clause 24—*Revocation or suspension of broadcasting licence.*

Mr. Grégoire: Stand.

Clause stands.

Clause 25 agreed to.

On clause 26—*Appeal to Supreme Court.*

Mr. Allard: Stand.

Clause stands.

Clause 27 agreed to.

On clause 28—*Political programs and referendums.*

Mr. Grégoire: Stand.

Clause 28 stands.

On clause 29—*Punishment.*

Mr. Sherman: Stand.

Mr. McCleave: I have an amendment to move to this clause.

Clause stands.

Clause 30 agreed to.

On clause 31—*Report to parliament.*

Mr. Grégoire: Stand.

Clause stands.

Clause 32 agreed to.

On clause 33—*Definitions.*

Miss LaMarsh: Stand.

Clause stands.

On clause 34—*Corporation established.*

Mr. Allard: Stand.

Clause stands.

On clause 35—*Outside interests.*

Mr. Grégoire: Stand.

Clause stands.

On clause 36—*Management vested in president.*

Mr. Allard: Stand.

Clause stands.

Clause 37 agreed to.

On clause 38—*"Executive vice-president".*

Mr. Allard: Stand.

Clause stands.

On clause 39—*Objects and powers.*

Mr. Grégoire: Stand.

Clause stands.

On clause 40—*Corporation an agent of Her Majesty.*

Mr. Grégoire: Stand.

Clause stands.

On clause 41—*Acquisition and disposition of property.*

Mr. Grégoire: Stand.

Clause stands.

On clause 42—*Expropriation.*

Mr. Grégoire: Stand.

Clause stands.

Clause 43 agreed to.

On clause 44—*By-laws.*

Mr. Grégoire: Stand.

Clause stands.

Clause 45 agreed to.

On clause 46—*C.B.C. to be proprietary corporation.*

Miss LaMarsh: Stand.

Clause stands.

On clause 47—*Five-year capital program.*

Miss LaMarsh: Stand.

Clause stands.

On clause 48—*Annual report.*

Mr. Grégoire: Stand.

Clause stands.

[Miss LaMarsh.]

On clause 49—*Definitions.*

Mr. Grégoire: Stand.

Clause stands.

Clause 50 agreed to.

On clause 51—*Ministerial regulations.*

Mr. Grégoire: Stand.

Clause stands.

Clauses 52 and 53 agreed to.

On clause 54—*Penalty for establishing stations without authority.*

Mr. Allard: Stand.

Clause stands.

• (3:40 p.m.)

Clauses 55 to 60 inclusive agreed to.

On clause 61—*Continuation of Board of Broadcast Governors.*

An hon. Member: Stand.

Clause stands.

On clause 62—*Continuation of C.B.C.*

An hon. Member: Stand.

Clause stands.

Clause 63 agreed to.

On clause 64—*Broadcasting licences issued under Radio Act continued.*

An hon. Member: Stand.

Clause stands.

Clauses 65 to 67 inclusive agreed to.

The Chairman: Shall schedule A carry?

Mr. Cowan: Mr. Chairman, I should like to ask whether clauses 3, 19, 28 and 47 have been stood? I was called out of the chamber for reasons which I do not care to disclose at the moment, and I should like to ask if those four clauses have been stood because I will have something to say about them.

Miss LaMarsh: According to my notes those clauses have been allowed to stand.

The Chairman: Clauses 3, 19, 28 and 47 have been stood.

Mr. Cowan: Thank you.

The Chairman: Shall schedule A carry?

Some hon. Members: Carried.

Schedule agreed to.

The Chairman: Shall schedule B carry?

Some hon. Members: Carried.

Schedule agreed to.

On clause 2—*Broadcasting policy for Canada.*

The Chairman: The committee is considering clause 2 (h).

Mr. Nugent: May I first put on the record an official apology to my colleague, the hon. member for Halifax. I know that much of the time of the committee could be saved in the discussion of these clauses if there were consultations with other members of other parties and if there were interparty discussions. I think this has been done. The amendment moved yesterday had been agreed to by the minister, and the minister carried out her agreement to get the members of her party to support it in order that the amendment moved by the hon. member for Halifax should carry. When I first looked at this amendment, I thought it was all right. I did put on the record some reservations I had after reflecting upon the amendment.

However, I feel we must amend this clause still further. I have discussed my reasons for saying that with some other members and I feel they are still valid. The amendment, as it reads now, deals with conflicts and provides that they shall be resolved in the public interest but paramount consideration shall be given to the interests of the C.B.C. This clause derogates from the consideration of the public interest. I feel it is the first duty of all members of parliament to direct any regulating body to have paramount consideration for the public interest. If we carry out our duty as legislators, we cannot derogate from that. I cannot see, therefore, how we can allow this clause to pass. I am sure that on reflection hon. members would not want to have expressed a view which was in direct conflict with our duty, remembering that the paramount consideration is the public interest. Any wording that would have accomplished this would have been acceptable. However, as the clause reads it is a derogation from the expressed duty to pay attention to the public interest.

I explained yesterday the amendment that I hope to move and which I hope I am still in a position to move. I believe it would be easier if we were to vote on this clause as amended and defeat it. That would wipe out the clause and then the minister could move a new clause or someone else could. In considering our course of action, I should like to run over the various means by which we may get ourselves out of the dilemma in which we find ourselves. It may be that other members do not interpret the situation in the same manner as I do and I may be taking up the time of the committee needlessly. However, if members agree with me that the only interpretation that can reasonably be given to the amendment moved yesterday results in a derogation of the duty to act in the public interest, then we are in a dilemma. If we vote against the clause as amended the clause is removed and it is open to the minister or anyone else to suggest a new clause.

As I said yesterday, the government inserted this clause for a very special reason. Where there was a conflict between the private and public sectors the government wanted to express the view that the public sector should prevail. I feel that the amendments that have been moved have been motivated by the feeling that the original clause 2(h) was too strongly in favour of the public sector and we wanted to tone it down. I suggested that if there was this feeling in the committee, then perhaps the clause should provide that where there is a conflict of interest and everything else is equal the public interest should prevail. I had hoped we would be in a position to move such an amendment. However, whether or not hon. members agree with me that the wording of this clause shall provide for an all-prevailing public interest, as originally proposed by the government, or whether it shall provide simply a balance and when everything else is equal we tilt the scales slightly then, I believe everybody can agree with me it is a question which should be resolved by a standing vote. In other words, Mr. Chairman, no matter how we handle this clause the will of parliament should be recorded by numbers at least, if not by names.

• (3:50 p.m.)

Therefore I think the simplest solution is to ask the committee to vote against clause 2 (h) as amended. This would have the effect of removing it altogether, in the expectation and belief that the government still wants to give preference to the public as against the private sector of broadcasting and will bring forward a new amendment which will either be in substantially the same form as the wording of the original paragraph or will be in a somewhat modified form giving preference to the public sector only to the extent of tilting the

scales in its favour, all other things being equal.

There is one point in subclause (h) as originally framed that I thought worthy of mention. It commences with the words "where any conflict arises". A conflict arises in a case where only 1 per cent of the argument is in favour of the public sector and 99 per cent in favour of the private. Yet under the wording of the original subclause the public interest must prevail in any event. I do not think that the committee wants to go that far, Mr. Chairman, and the subclause obviously needed some amendment.

I hope I am not being unkind when I say, after reflection, that the amendment passed last night should not be allowed to stand since it derogates so clearly from the duty we have to make sure that every regulatory body as well as parliament puts the public interest first. Therefore I for one am prepared to suggest a new subclause (h), though I hope the government is too. However, our first task should be to vote on and get rid of the amended subclause (h).

The Chairman: If the hon. member for Edmonton-Strathcona wishes to move a motion he will have to present it to the Chair.

Mr. Nugent: I am not moving an amendment now, Mr. Chairman.

Mr. Sherman: Mr. Chairman, on a point of order, will the Chair advise me for my own edification whether the committee is now voting on a special amendment or on subclause (h)?

Miss LaMarsh: On subclause (h) as amended.

Mr. Sherman: Then I wish to make another suggestion to the committee. I find that I cannot accept subclause (h) as amended, with all due deference to my colleague and in all sympathy for others on this side of the house who feel that the amendment proposed yesterday and accepted by the committee will benefit this subclause.

In my opinion, Mr. Chairman, the amendment in no way alters the essential meaning of subclause (h) as originally worded. The various discriminations against private broadcasters and the other objections that some of us on this side of the house have raised to the wording of subclause (h) are in no way eliminated or resolved by the amended subclause, which simply moves the intent of the subclause to some other subclause in this clause and does not take care of the protection of the public interest.

I intend to move a further amendment to subclause (h) that I hope will be acceptable to the minister and the members on the government side of the house in that I think it goes some distance to accommodate the minister's concern for the wording of the paragraph and yet still protects the public interest and the private broadcasters against what I sincerely feel is a discriminatory piece of legislation. My amendment would substitute several words in place of some of the words in the amended subclause (h). It would delete all the words between "public interest" and "the objectives" and would substitute in their place the words "in a manner mindful of". The amended subclause would then read:

> Where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, it shall be resolved in the public interest in a manner mindful of the objectives of the national broadcasting service.

In other words, Mr. Chairman, there is still service paid, both lip and in letter, to the objectives of the national broadcasting service but no longer would paramount consideration be given to the objectives of the national broadcasting service. That is the section of the subclause that is unacceptable to me and I think to many others on this side of the chamber. We do not agree that paramount or primary consideration should be given to the objectives or interests of the national broadcasting service or the private element of the Canadian broadcasting system.

As I said a little earlier in the debate, we believe that the primary consideration in this area of broadcasting, that is, the area where conflict arises between private and national interests, should be the public interest, the interest of the general viewing and listening public, the people reached by broadcasters whether national or private. Therefore, Mr. Chairman, I wish to submit this amendment for the consideration of the committee:

> That all words in paragraph (h) of clause 2 between the words "public interest" and "the objectives" be deleted and the following substituted therefor:
>
> "in a manner mindful of".

• (4:00 p.m.)

The Chairman: Order, please. The Chair doubts whether this amendment is proper. If there is no objection it can be accepted by the committee but if comments are to be made on whether the amendment is in proper form the Chair will be pleased to hear those.

Mr. Nugent: Perhaps the minister could indicate whether she is prepared to accept the amendment.

Miss LaMarsh: Question.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Sherman) negatived: Yeas, 27; nays, 46.

The Chairman: I declare the amendment lost. Shall clause 2(h) carry?

Mr. Jamieson: Mr. Chairman, may I direct a brief question to the minister about this clause because there is an application here which has not been discussed in our lengthy debate. The question has to do with the extension of service. The objective of the national service is outlined in subclause (g)(ii). It is to be extended to all parts of Canada, as public funds become available. In view of that, what happens if there is a private application for a region which has only one service? Clearly the objective of the C.B.C. is to go in there with its own service. Does the language of this clause prohibit the new council from providing alternate service for the public in a given area under this circumstance?

Miss LaMarsh: Certainly not.

Mr. Jamieson: Will the minister please elaborate that answer? Surely the objective of the national service is to extend service to all parts of Canada. Under this bill that objective must prevail. I am merely asking this question. If the C.B.C. is not prepared to go ahead and instal a service in a given area, that does not change its objectives. I suggest to the minister that where there is a private application, bearing in mind the objective of the C.B.C. the council would have a hard time trying to resolve the matter.

Miss LaMarsh: I am afraid I cannot agree with the hon. member. I have made very clear previously that there is nothing in this clause, and I would not have accepted any amendments that ran counter to this, which gives an automatic right to the C.B.C. The bill indicates the pre-eminence of the public service in the system. It should be remembered when we talk of the C.B.C. that we are not talking about a few owner operated stations, the ten English television stations, five French television stations, 24 English radio stations and seven French radio stations, but about 129 C.B.C. affiliates. These are all part of the service.

There is absolutely nothing in the clause which would bind the council, the B.B.G., or whatever the regulatory body may be, not to give licences to private broadcasters and to hold potential licences until such time as public funds may be made available so that the C.B.C. can go in there, either by affiliate or with its own hardware.

Mr. Jamieson: With respect, I do not think the minister has totally answered my question. The minister's answer seems to suggest that the objectives of the C.B.C., as she sees them, are not the objectives as seen by the present directorate and expressed by the present official policy of the C.B.C. At the moment that policy is to apply for what is known as every other station. As the minister no doubt knows, this has created an impossible position for the existing regulatory body. The minister's statement appears to repudiate the stand of the C.B.C. with regard to extension of service through C.B.C. facilities. A brief answer to my question will suffice. Does the minister agree that the C.B.C. should have its own stations and carry its service through its own stations?

Miss LaMarsh: Clause 22 which has been stood and which we shall deal with later gives the governor in council the responsibility of laying down guide lines with respect to the system. We are talking about a system which includes affiliates; we should not talk only about the C.B.C. The B.B.G. is required to operate within those guide lines as laid down by the cabinet.

Mr. Jamieson: I am trying to be helpful and to avoid something which has existed for many years, but what has troubled the system for many years still seems to be implicit in this clause. What will the Board of Broadcast Governors or its successor say when faced with an application from a private element if the C.B.C. is not at that time in a position to instal a station but asks, nevertheless that that channel be reserved for it? Can the B.B.G. or its successor, as a matter of policy, grant that licence to the private applicant in order to make sure that alternate service is provided?

An hon. Member: Yes.

• (4:10 p.m.)

Mr. Nugent: Since the minister does not wish to answer that question perhaps I might

suggest that the fault with the amendment as carried last night is that it says that the objectives of the national broadcasting system shall take priority even over the public interest. I do not see how anyone can read the provision in any other way. That is why I take such violent exception to it, and at the risk of repeating myself—I am afraid I am doing so—let me say that I cannot understand how any member of this committee can allow a clause to stand which says that any consideration should take precedence over the public interest.

The amendment just moved by my hon. friend from Winnipeg South exemplifies the way in which the public interest could be served by giving preference to the national broadcasting service. I believe this is a legitimate objective of the government and that the majority of this committee is prepared to go along with legislation which will achieve such an objective. I do not really believe that all those who supported the minister in the last vote are any happier than I am with the amendment which was accepted last night. I believe they are all anxious to see more common sense introduced in this subclause.

The reason we are in trouble over this subclause is that the minister has agreed to an amendment which, on reflection, the opposition felt was a mistake. This has led to a spirit of stubborness, of digging in our heels. The attitude of hon. members opposite is: we have made one mistake; we accepted an amendment but from now on we shall stay put. I do not think we really want to leave things as they are. I have drawn up an amendment which I feel gives the national broadcasting service a preference, but not an overwhelming preference. The original subclause says that where there is a conflict between the two systems the objectives of the national system must prevail. I have put in the phrase "all other factors being equal". As things are now, if the weight of the national interest amounted to only 5 per cent and the weight of the public interest to 95 per cent, the national interest would be bound to prevail. I do not think anyone can be happy about a subclause which would produce that kind of result.

We have confidence in the Board of Broadcast Governors. What we are trying to do is give them a guide line and we certainly should not give them a guide line which ignores consideration of the public interest. We want to give the board a guide line to the effect that when there is any doubt conflicts should be resolved in favour of the national system. This would really be serving the public interest.

Consider the situation in a sector where there is no television coverage and where private enterprise is willing to provide such coverage but has been unable to get a licence. Under the terms of the subclause as it stands the C.B.C. could say that in 20 years time it intended to put in a station and there was not room for two stations. It might be in the public interest that those living in the area should not be deprived of television services for 20 years and that private enterprise should therefore be allowed to provide it. But it would be impossible to reach a decision along these lines in accordance with the guide lines as now drafted by the government. Certainly the amendment accepted last night would make a decision in favour of the public interest no easier to reach. I feel I should fight this provision for the rest of the week or for the rest of the year, if necessary, rather than have it said that any committee of which I was a member passed legislation such as we now have before us.

I therefore move:

That subclause (h) as amended be amended by deleting everything after the word "system" and by substituting therefor the words "all other factors being equal the objectives of the national broadcasting service must prevail."

I wish to apologize for not having written out the amendment itself. I have written out the subclause as amended and the wording is almost identical with that of the original subclause except for the additional words to which I have just drawn attention. All we are doing is seeking to provide guide lines on a reasonable basis having full regard for the public interest in these cases.

• (4:20 p.m.)

Mr. Prittie: Mr. Chairman, the hon. member for Burin-Burgeo brought up a specific example with regard to second television stations in places where there is only one service at present, and the hon. member for Edmonton-Strathcona confined his latter remarks particularly to that point. The national broadcasting service does not mean exclusively C.B.C. owned and operated stations. As the minister pointed out, it also means affiliated stations which carry the national broadcasting service but are not owned by the corporation itself. They have a contract or agreement with it.

There may be many places in the country in which the C.B.C. wants to establish its own

stations and there is already a private station in operation, but it can only do that when the government makes the necessary money available to it. It seems to me that the members of the regulatory authority are going to use some sense in coming to their decisions.

We have the current examples already mentioned of Saskatoon, Sudbury, Victoria, B.C. and St. John's, Newfoundland, where the C.B.C. would like to establish stations, but it is not going to be able to do so because the government will not make the necessary funds available. I maintain that if it became evident to the regulatory authority that those funds were going to be withheld indefinitely, for a long period of years, it would then consider applications from private people to establish private stations which would become affiliates of the C.B.C. and which would carry the national broadcasting service. I think common sense would prevail. I would like to see C.B.C. owned stations established, but this depends upon the government making the funds available. The problem is not as real or as big as some hon. members think it is.

Mr. Nugent: Does the hon. member not feel that the public interest should be the deciding factor and not the national broadcasting service? Which should be the deciding, overwhelming and paramount factor, the public interest or the objectives of the national broadcasting service?

Mr. Prittie: I am sure the hon. member will not consider this a satisfactory reply but I wish to point out that what we are talking about is an extension of the national broadcasting service. These places will get that national service either through a publicly owned station or through a privately owned station which becomes affiliated with the C.B.C.

Mr. Jamieson: The hon. member for Burnaby-Richmond has stated the case quite well but there is one qualification. In my presence not more than 48 hours ago a key figure in the C.B.C., speaking at a public meeting, said it was an objective of the C.B.C., where alternative service was a consideration, to establish its own station. The case in point was Kingston. The policy of the C.B.C. as of this moment, and presumably it has not yet been changed by the new executive, is to apply for a licence for a second station wherever a privately owned station exists and where there is a demand for alternative service. There has been no clarification whether the C.B.C. interpretation of this as an objective is in agreement with the government's position regarding the objectives of the C.B.C.

At present there are requests for a second service in 10 or 12 centres, and until the new regulatory agency knows whether the C.B.C. is going to put its own facilities in those centres these communities will be confined to a single service. Here is a case where I suggest the objectives of the national service, as outlined in this clause, would almost require the regulatory agency to say that these communities must wait on the availability of C.B.C. funds in order to get a second service through a C.B.C. station.

Mr. Prittie: Mr. Chairman, I can agree with much of what the hon. member has said. It is true that the C.B.C. wants to establish its own stations in a number of places. But what is required is long-range capital policy planning. I think it will be the duty of the government to make known to the C.B.C. very soon what capital funds will be made available to it during the next few years. If it is not going to have capital funds made available to it to build stations in ten different places but just enough for three or four places, this should be made known to the C.B.C. and then the regulatory authority could be guided by that information. If the C.B.C. cannot get the funds to establish a station in Kingston for the next ten years, then the regulatory authority will be guided by that fact. If the authority knew there would be only a two year delay they might postpone a private application. What is needed is long-range capital planning, with the details made known to the C.B.C. and to the regulatory authority.

Mr. Orlikow: I think all of us would agree with the policy of the C.B.C. that where there is a private station it should be permitted to establish a C.B.C. station. In fact I think this ought to be government policy.

When criticism has been made of private television stations that they do not do enough original programming, that many of their programs are canned, that they buy many of their programs from the United States or Great Britain, that they do not carry enough public service broadcasting and public affairs programs—this has changed recently—that they do so little in the field of live dramatic programs, in the field of symphony music, ballet and so on, members of parliament and members of the public who are defenders of the private system have told us we cannot

expect private stations to do the kind of programming which we expect and have been able to get from the public broadcasting system.

That being the case I think it is our responsibility and the responsibility of the regulatory agency, not to take steps which will freeze out the C.B.C. in these centres which have been mentioned. To take Kingston, the example mentioned by the hon. member for Burin-Burgeo, if the C.B.C. is frozen out the people there will not have an opportunity in the foreseeable future to get the kind of programming which only the C.B.C. has done and is doing. I have no hesitation in supporting the C.B.C.'s policy that second stations should be reserved for it. If the legislation does not spell this out clearly enough I would be in favour of making it clearer so that the regulatory agency will keep in mind when granting licences that in all the cities of Canada one of the stations ought to be and must be a C.B.C. station.

Mr. Jamieson: Mr. Chairman, I do not know if I am drawing the right conclusions from what the hon. member has said, but if he was not arguing against the idea of the so-called parallel service I refer him back to 1963 when I was the original author of this concept in Canada. Certainly I advocated it long before anybody else. I totally agree with what he said but I repeat that the problem is merely one of a time lag. Can this policy be justified and maintained while a large number of people are deprived of a second service even though there is somebody else who is prepared to offer it to them?

I agree with the hon. member that there should be long-range planning. But first there must be a commitment. We must decide whether we are going to go this route or not. If we are not, then the problem I have mentioned will not exist. However, the fact is that there has been no clarification of this point.

• (4:30 p.m.)

Mr. Prittie: Mr. Chairman, I am not preaching for a call here but, holding the views I have expressed, if I were a member of the regulatory authority and had an application before me involving Kingston, where there is a demand for a C.B.C. station, I would certainly find out from the government when funds were likely to be made available for that station. If I should be told that funds would not be available until 1975, 1976 or 1977, I would say that the people of Kingston should not have to wait that long. If there were a private applicant that application would be heard now. I believe these people should get broadcasting service either through an affiliate of the corporation or through a corporation owned station. I believe the members of the regulatory body would be governed by their knowledge and by common sense too.

[Mr. Orlikow.]

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Ballard: Mr. Chairman, this is my first attempt to take part in this debate. It is not my intention to delay unduly the passage of this bill. However, I find that this subclause as it stood originally and as it stands now as amended is absolutely incompatible with all the beliefs I, as a citizen of this country, hold.

Without presenting a political philosophy of any kind I should like to point out some of the logic which I believe hon. members should apply to this subclause before we give final consideration to it. The original subclause in the bill would make the national broadcasting service paramount in this country. From reading the bill one can only come to the conclusion that if there should be any difference between the Canadian Broadcasting Corporation and any of the private stations the solution to the problem would, ipso facto, be in favour of the Canadian Broadcasting Corporation. The exact wording of subclause (h) of clause 2 is as follows:

> —where any conflict arises between the objectives of the national broadcasting service and interests of the private element of the Canadian broadcasting system, the objectives of the national broadcasting service must prevail;

In other words, it matters not one iota what the reasons might be for the objectives of the private broadcasters if the objectives of the national broadcasting service which are being put forward are in the least contrary to the action being pursued by the private broadcasters. In this case the objectives of the national broadcasting service must prevail.

The next question we must ask ourselves is, who shall decide what are the objectives of the commission. A little farther on in the bill we find, under the heading "Powers of the Council", clause 16. Clause 16 reads as follows:

> (1) In furtherance of its objects, the Council, on the recommendation of the Executive Committee, may
>
> (a) prescribe classes of broadcasting licences;—

I do not find that reprehensible. However, I do find paragraph (b) reprehensible. It reads as follows:

(b) make regulations applicable to all persons holding broadcasting licences, or to all persons holding broadcasting licences of one or more classes,

(i) respecting standards of programs,

(ii) respecting scheduling policy in relation to any category or categories of programs,

(iii) respecting the character of advertising and the amount of time that may be devoted to advertising,

(iv) respecting the proportion of time that may be devoted to the broadcasting of programs, advertisements or announcements of a partisan political character and the assignment of such time on an equitable basis to political parties and candidates,

(v) respecting the use of dramatization in programs, advertisements or announcements of a partisan political character,

Paragraph (b) lists in all nine fields in which the executive committee of the council can establish its own objectives and make regulations. In other words, the members of the council are empowered to establish and enforce their own objectives. Once again it is a case of setting up a body somewhat like a bureaucratic group of civil servants which can make its own laws, enforce those laws and make a final judgment from which there is no appeal.

I suggest to hon. members that the amendment proposed by the hon. member for Edmonton-Strathcona should not be dismissed without serious consideration. As a matter of fact, while I was in the house yesterday the hon. member for Winnipeg South proposed an amendment which put the case very clearly. The effect of his amendment would have been to make the public interest paramount in respect of any consideration given to quarrels between the private and public sectors of broadcasting. It seemed to me that the amendment proposed by the hon. member suited the purpose admirably because we are here not to protect the C.B.C. but rather to protect the public interest.

My friends to the left, geographically and politically, say it is the same thing. It is far from being the same thing. One does not protect the rights of individuals or private enterprise by assigning the rights to some government bureaucracy. This House of Commons is the root of government. We assign some of our authority to ministers but ministers are answerable to this house. From past experience we know that the authority which has been vested in organizations, committees and commissions such as the Board of Broadcast Governors or the Canadian Broadcasting Corporation is not defended before the bar of the House of Commons. There have been many occasions since I have been a member of this house when questions, particularly concerning the character of programs, have been raised in respect of the C.B.C., at which time the minister has stated that answers to the questions cannot be given in the House of Commons because the C.B.C. is not responsible to her.

I say that the subclause as placed in the bill originally and as now amended gives very great authority to the commission which will be governing broadcasting in this country henceforth. I would agree to this amendment or to the original subclause if we had any indication of agreement from the broadcasting industry of this country that that industry should be subjected to this type of regulation. Without having inquired of the private broadcasters, I feel quite sure that no private broadcaster in this country would be agreeable to or suggest such a provision as subclause (h). I dare say that the Canadian Association of Broadcasters finds this subclause very reprehensible, because it will hold back the private sector of broadcasting in this country in order to make way for a slowly moving and lethargic publicly owned broadcasting system.

I do not believe it is good enough for some members of this house to rise and say that the private broadcasters of this country have not done a good job. I think the private broadcasters have been pushing the C.B.C. into more and better programming. The private broadcasters have been leading the way in broadcasting in this country and deserve better treatment than we are offering them under subclause (h) of clause 2.

• (4:40 p.m.)

I say to the minister that if she can rise in her place and say that the Canadian Association of Broadcasters is in complete agreement with subclause (h) and thinks it will not inhibit their growth, ingenuity and adventurous spirit, I will take a different attitude to it. But I am quite sure the private sector of broadcasting in this country finds this section of the bill just as reprehensible as I and other members on this side of the house do and, in fact, as some members on the minister's side of the house do. I refer to those hon. members who realize that the passage of this subclause will put television and radio in this country under a cloud and will mean that

producers in the private sector will be apprehensive of any type of exploration in programming for fear that it may offend a member of the broadcasting commission.

Therefore I would like the minister to give me the assurance at this time that the Canadian Association of Broadcasters, whose members represent the private broadcasting sector of the country, are not opposed to this subclause. Otherwise I would urge hon. members to amend the subclause so that it will read along the lines put forward yesterday by the hon. member for Winnipeg South, to the effect that decisions will be made after giving consideration, and only consideration, to the public interest. If this is not done I would ask that the subclause be entirely removed from the bill.

Mr. Bigg: Mr. Chairman, I did not expect to have to stand again—

Miss LaMarsh: Who told you to?

Mr. Bigg: —to comment upon this subclause.

Miss LaMarsh: Who told you to?

Mr. Bigg: If the hon. lady would stand and say what I think she should say it would be quite unnecessary for me to rise again to speak on the bill. It is the hon. lady who opened the lid of Pandora's box. It is she who knows better than anybody, I hope, where the C.B.C. has got off the track. I have assured the hon. lady on more than one occasion, and I repeat it now, that if she is going to look after the best interests of the people of Canada I will pack up and sit down. But in the last few days I have seen no indication whatsoever that she is going to be anything but a quiet tool of this crown corporation.

Miss LaMarsh: Nobody has ever accused me of being quiet.

Mr. Knowles: Or of being a tool.

Mr. Bigg: Crown corporations are a danger in that, in my opinion, they are an abdication of free enterprise. They are enabled, through the power of government, to do some things which some people in government think are not capable of being performed by private enterprise.

I shall repeat as often as I can, that I believe private enterprise can perform any service for the people of Canada better than ponderous crown corporations. Some crown corporations are slow in their empire building, but the C.B.C. is not. The C.B.C. has an over-burgeoning budget which has reached, I believe, some $170 million a year. I do not think their budget will go down. Yet we appear to be receiving less and less real service in the public interest.

What can be done about this situation? We certainly will not improve it by increasing the powers of this crown corporation to the point where they can blot out all competition from private interests. When I hear members of the house applauding this bill and the particular subclause under discussion, I know we are getting to the heart of the matter and they are pleasing those people who want to blot out all competition from private enterprise.

I admit there may be times when a crown corporation does give us service. We vote them the money to do this. But I venture to say that never, but never, does a crown corporation give us better service, dollar for dollar, than private enterprise. If you put unlimited funds at the disposal of a crown corporation, how can private enterprise hope to compete?

Private enterprise has proved time and time again that in the broadcasting field it can put programs on the air for a fraction of the money that is taken out of the taxpayers' pockets for the C.B.C Surely this alone is a good reason why this subclause should not be passed. If it does pass, there will be no competition whatsoever as long as the C.B.C. wants it that way. Surely all we are doing here, unless we are to have a co-operative system in Canada, is getting out guide lines. The guide lines in respect of the C.B.C have been ignored continually during the last three or four years. The objectives as outlined in subclause (g) have always been those laid down by parliament as guide lines for the C.B.C. But there is no question at all that today the people of Canada are convinced that these guide lines have not been followed.

The reason given for the C.B.C. not following these guide lines is that there must be freedom of the air. How can this subclause give freedom of the air when it cuts out all possible competition to the C.B.C.? I could not agree more with my colleague the hon. member for Edmonton-Strathcona when he says he cannot vote for anything which purports to put itself above the public interest. I am not satisfied so far that the definition of public interest is what I and, I sincerely believe, the people of Canada think is the public interest.

Let me refer to the objectives as set out in subclause (g). I do not say this in ignorance of the real issues but the question is, who is going to carry out these objectives, if they are going to be carried out at all? My argument is well founded if put forward only on monetary grounds. I think I have covered that question. It is more economical for private enterprise to provide good programming.

However, we know that private enterprise has, naturally, a selfish interest. It is looking for profit. In spite of the fact that private enterprise can provide programs more cheaply and, I think, more effectively in a great many cases, it naturally wants to avoid the non-profitable areas of broadcasting. It is not particularly interested in education for education's sake. Private enterprise cannot afford to provide high-powered stations to cover the hinterland, the deep north, the outlying districts. Naturally, true free enterprise is concerned with making a profit and wants to reach the most people for the least amount of money.

A progressive government wants to cover non-profitable operations, particularly if it will mean national unity, education, Canadian identity and the bringing of culture to our people. As taxpayers we have been willing up to now to pay a very large subsidy to this crown corporation which has by and large covered these areas. I like to think that this is a stopgap measure and eventually the population of Canada will expand to the point where every section of our country can afford free enterprise coverage, which is cheaper and can better depict public opinion.

• (4:50 p.m.)

Even if the C.B.C. were to carry out the objectives outlined in subclause (g), it would still be a government fed organization. Both the hon. lady and the C.B.C. say they do not want to be told what programs to put on. I for one do not want to have to tell them in detail what programs to put on, but I am quite certain that unless the C.B.C. has competition and unless it has guidance from above, it will continue to provide the type of program we have had until now and which is not acceptable to us. Therefore we are forced to try to improve the bill which alone can delegate the powers and lay down the guide lines for this vast corporation.

The C.B.C. is not the only crown corporation which has got out of hand. The first trip I made as a member representing my great constituency was to Montreal for an interview with the head of the Canadian National Railways. Before I could even introduce myself or put forward the proposition which I went down there to present to the C.N.R. I was told, "Go home to Alberta, mind your own business and leave our railroad alone". What did they mean by "our railroad"? One might have thought they meant the railroad of the public of Canada. However, that is not what they meant at all. They meant that the C.N.R. was a power unto itself and that even members of parliament should not be allowed to question its officers on whether or not they could give a better service to the areas represented by members. This is just not good enough. At that time I stated to the C.N.R. that I was not a baby and that I happened to represent 70,000 people who wanted an improvement in the service. But I was told it was none of my business. It is my business to do something about what I think is wrong, and this also applies to the C.B.C.

I can tell from the smiles on the faces of hon. members opposite that they think Mr. Donald Gordon was right and I was wrong and that I am still wrong. I do not think there is any institution in Canada above parliament, and whenever we delegate powers to ministers, to the government generally or to officials of the C.B.C., all we are doing is saying that we are seized with the responsibility of looking after the public interests of Canada. I am heartened that there are a great many members of the house who will at least try to ensure that the public interest is safeguarded. I venture to suggest that the people of Canada look to us to ensure that this is done. I for one am not willing to abdicate the regulatory power which we have and to say that any goup of people, no matter how strong and how well informed they may be, can stand above parliament and say that their ideas of what the public interests are should be paramount.

It is often difficult for us to agree on what exactly the public interest is at any one time. As my friends to the left would say, one must sometimes go on and on trying until the necessary action is taken. The divorce bill is a good example. The members of that party were commended in many quarters in Canada for the way in which they worked almost ad nauseam until some result was achieved and finally action was taken. Our divorce laws are being very carefully considered.

The Assistant Deputy Chairman: Order, please. I have listened to the hon. member speaking about railroads and now about

divorce and I wonder whether it might not be better if he would confine his remarks to the subclause under discussion, namely subclause (h).

Mr. Bigg: Subclause (h) refers to one thing only, the public interest, how it can best be served and how the parliament of Canada should delegate its authority, to whom and why. I do not think I have wandered away from this broad reference because "public interest" is a very broad subject. Every section of Canada's public life is affected by this subclause and any possible amendments thereto. It affects the very roots of democracy itself. I believe I should not abdicate my responsibilities in this respect because we are dealing here with a matter which has a bearing on democracy or, if you like, bureaucracy, and there are people who believe that only through complete bureaucracy can there be freedom. I say that when bureaucracy predominates and becomes paramount there is no freedom.

Such a state of affairs may arise when there is an abuse of power on the part of crown corporations such as, for instance, the C.N.R. I do not think any member in the house who takes his responsibilities seriously would agree that a member of a crown corporation should say to me when I go to see him about an improvement for the welfare of my people that I should go home and mind my own business, even before I have stated my case. The case I intended to put to the C.N.R. involved the extension of two railroad lines, one of which was built and the other was not. One of them was the Pine Point railroad. If I had an interest in a private broadcasting station and sought to compete with the C.B.C. I would not want to receive the same answer I received from the C.N.R., that the matter is in hand, that they are handling it adequately, that they know all the answers and will give all the service necessary regardless of the cost to the taxpayer and regardless of whether or not the objectives outlined in subclause (g) are in fact being carried out.

Those who believe in free enterprise in Canada have a right to speak out. It is passing strange that if the people of Canada do not think so they should vote the way they do. The people of Canada not only want the free enterprise system to prevail but they are getting tired of our sitting here in the House of Commons and not doing something about improving the opportunity of people under free enterprise to earn a living.

[The Assistant Deputy Chairman.]

The complaint we hear more often than any other concerns how much, if anything, is being done in Ottawa to preserve the free enterprise system. Do we still believe in an honest profit for honest work or must we all become children of the state? I am tired of the fatherly approach. I, for one, am tired of being looked after from birth to eternity. Perhaps the only vestige of individual freedom left is the freedom to stand here and waste the time of some people. I assure you I am not wasting the time of the people who sent me here. If I want to keep coming down here, my only fear is that I may lose my nerve and not continue to fight for free enterprise, for the right of a man to earn a living and the right to compete with crown corporations no matter how much sanctity those corporations think they have.

• (5:00 p.m.)

There is no such thing as a crown corporation that is above parliament. We cannot abdicate the public interest and we do not intend to do so. If you have an ear to the ground, as I have, and if you listen to what the little people of Canada are saying you will find they want the government to withdraw from the business fields it occupies in Canada. These people want the right to compete, to put their time and energy behind their own self-interest and be good, free Canadian citizens.

There are a great many people in this country who still believe that the free enterprise system is the most effective, the most fair economically, the most challenging and the most satisfying which has ever been developed on this tired old planet of ours. I look at those areas of the world which do not have our system and I find there is not a citizen in Canada who would be willing to go there. The only reason it is worth while to stay here is that we intend to preserve this system as long as we have the power to do so. I still believe the people of Canada are going to insist that we have the courage to stand here and criticize each and every attempt to put the interests of any group above the interests of the people of Canada. It is not beyond our capability to spell out in each and every statute which we put on the books a provision that this gang over here or that gang over there shall not be preferred. As I take my seat I assure you that when legislation is proposed which will put the public interest above all other interests I will be the first to support it.

Mr. Prittie: Mr. Chairman, I am glad to see that the Leader of the Opposition is in the chamber because I think he can be of some assistance to us in this debate. It seems quite evident that some members of his party are determined to filibuster this clause.

Some hon. Members: Oh, oh.

Mr. Prittie: I do not know what the views of the official opposition are in connection with broadcasting matters.

The Chairman: Order, please. The hon. member for Winnipeg South on a point of order.

Mr. Sherman: I think the hon. member for Burnaby-Richmond would like to reconsider his remark about filibustering. There has been no filibuster in this committee by anyone, particularly anyone on this side of the chamber. We have had a deep and urgent interest in this legislation. I feel that the hon. member for Burnaby-Richmond would like to reconsider his remark.

Mr. Prittie: No, Mr. Chairman, I would not like to reconsider it. I said what I thought was a correct interpretation of the situation now.

Mr. Cowan: I rise on the point of order, Mr. Chairman. I looked at the citation in Beauchesne a couple of days ago and found that a member of this house cannot impute motives to another hon. member. If the hon. member does not have enough courtesy to withdraw his remark, then I ask the chairman to make a ruling on the matter.

Mr. Prittie: I did not impute any motives to the hon. member for York-Humber. If I had to do so—

Mr. Cowan: I said the reference was to any member, not to me.

Mr. Sherman: The hon. member for Burnaby-Richmond did impute motives to certain members of the party of the Leader of the Opposition. He so identified the people to whom he referred.

Mr. Prittie: If the hon. member for Winnipeg South had listened carefully he would have noticed that I qualified my remarks and did not include the Leader of the Opposition.

Some hon. Members: Withdraw.

Mr. Prittie: I shall now continue with what I was going to say. I should like to know what the views of the Leader of the Opposition are on broadcasting matters and what is the broadcasting policy of his party. I suspect his views are more in line with the views of the hon. member for Royal and the hon. member for Halifax, to whom we have listened this afternoon, in connection with this clause. If we could hear his views perhaps we could make some progress on this matter.

Some members have spoken this afternoon as if private broadcasting in Canada were in peril because of subclause (h), but it certainly is not. There are more private television and radio stations in Canada at the moment than there are C.B.C. stations, and there will be more in the future. Some of them are doing very well. There is no reason why private stations will not do well in the future. There is nothing in this bill which will prevent private broadcasters from establishing new stations and making money.

What the bill provides is certain objectives of broadcasting policy, and those objectives are given to the national broadcasting service to carry out. The national broadcasting service may consist of publicly owned stations or of privately owned stations affiliated with the C.B.C. They are charged with this specific responsibility. When I tried to move an amendment to impose the objective of national unity upon all broadcasters in Canada I was told that this was a special job for the public element. We are giving them this special job, so it seems to me they should have a paramount position. There is nothing in the bill which will inhibit private broadcasting. We are being subjected to delaying tactics, so I think it would help if we could hear from a spokesman for the official opposition as to what their broadcasting policy is.

Mr. Johnston: Mr. Chairman, we are witnessing another attempt to get back to where we were something like a day and a half ago in the discussion of clause 2(h). I am not at all happy with the amendment that is before us. It suggests that all other things being equal the scales should be tipped toward the public corporation. Surely the task of any board adjudicating a conflict that might arise between the objectives of the national broadcasting service and the interests of the private element would be to determine which side had the better case. If they arrive at a point where, all other factors being in balance, they are unable to make a decision, then their clear duty would be to resign or at least to pass on the dispute to the next level or reconstitute the board so new personnel

could examine the question to ascertain which side had the better case. We do not need or want in this legislation a guide line that would inevitably tip the scales in one direction. It would not take many precedents to establish a rule embedded more firmly than the wording of the amendment before us might suggest.

• (5:10 p.m.)

It has already been suggested by one provincial figure that passage of this bill should be postponed till the conclusion of the constitutional conference. In view of the Canadian charter of human rights to be presented to the conference, this might be a good idea. For example, in this booklet that has been distributed to hon. members there is a reference to the United States declaration of independence and we read that all men are created equal and endowed with inalienable rights, such as life, liberty and the pursuit of happiness. We also read that to secure these rights governments are instituted among men deriving their just powers from the consent of the governed, and whenever any form of government becomes destructive of these ends we are not to tip the scales in its favour but it is the right of the people to alter or abolish it and to institute a new government.

These are very clear and ringing words in support of the argument that has been carried on for the past two days that the public interest, the government interest or the interest of crown corporations need not be identical. This is a point that seems to require a tremendous amount of reiteration.

Again in the booklet provided to hon. members, Mr. Chairman, we read the following:

> In both the United States and France, there was embodied the idea that men shall not be deprived of liberty or property except in accordance with the law. This is a manifestation of the belief that men should be ruled by laws, not men; that a government has no more power than the people have agreed to delegate to it.

I hope this parliament will not be willing to delegate to the government more than its equal share of power in any dispute that may arise between the objectives of the national broadcasting service and private interests. There will be occasions when the private interest is not that of one individual who would come into dispute with the objectives of the national broadcasting service at some point in the future.

The charter of human rights from which I have quoted suggests that Canada needs a constitutional bill of rights. I am not prepared at the moment to argue that we need that constitutional guarantee as long as we have a parliament that is alert and courts that use their wisdom to decide cases between parties, not on the basis of some prearranged criterion that the government of the day might wish them to use.

I should like to read one further paragraph from this charter. At page 11 there is this statement:

> A constitutional bill of rights in Canada would guarantee the fundamental freedoms of the individual from interference, whether federal or provincial.

That is a brave declaration, Mr. Chairman, in light of the fact that we seem to be prepared to write into this broadcasting bill a certain amount of interference with the individual and to say that where all things are considered equal the scale is to be tipped in favour of the crown corporation, whose interest is to be paramount. Perhaps it would be well from the point of view of the government to consider the broadcasting bill in relation to the Canadian charter of human rights, and it might also be a good idea to wait until the conference has concluded before proceeding further with this bill.

Mr. Stanbury: Mr. Chairman, like the hon. member for Burnaby-Richmond, I have some difficulty in detecting just what is the position of the official opposition on this question, and I think it is important that this be clarified. One of the benefits of our parliamentary system is that a party in this house can take a position that the people of Canada can later judge when they are given the opportunity to choose a government. I suggest that we in this house are not giving the people of Canada that opportunity until we determine what is the official opposition's position on this very basic paragraph in the bill.

The hon. member for Okanagan-Revelstoke stated quite clearly what I presumed to be the position of his party. The hon. member for Athabasca stated quite clearly what may be the position of his party, though I am not sure. It seemed to differ substantially from the position taken in the past, both in the house and in committee, by the hon. member for Royal, who I understood to be the broadcasting expert and critic for the official opposition. It also seemed to differ substantially from the position taken by the member I understood to be the deputy broadcasting critic for the official opposition, the hon. member for Halifax.

Yesterday we saw the spectacle of the hon. member for Halifax being abandoned, except for the companionship of the house leader of the official opposition, in his introduction of an amendment which those of us on this side of the house—certainly the minister—took in good faith as an amendment put forward on behalf of his party. I believe the minister went to some trouble to check with the broadcasting critic of the N.D.P. in order to see whether the amendment was acceptable to that party, though perhaps not with the hon. member for Okanagan-Revelstoke because the position of his party has been very clearly stated. It is not a position with which I agree but I believe he has stated it clearly. I believe that we and the people of Canada have the right to know clearly what is the position of the official opposition on this point, one that is so central to the future of broadcasting in Canada.

It has been suggested that this subclause, either as originally worded or as amended on the initiative of the hon. member for Halifax, the deputy broadcasting critic of the official opposition, undermines democracy. Is that the position taken by the Progressive Conservative party? It seems to me that the position taken by the government is clear: it is that put forward by the minister responsible. Every member of this party on this side of the house does not completely agree with that position, but we all know what is the position of the government. Do we know what is the position of the official opposition? I am afraid I have not been able to ascertain it.

Does the official opposition agree or not with the original exposition of the place of public broadcasting given by Right Hon. R. B. Bennett some years ago and quoted so often during the debate, and which occupies such an important place in the report of the committee of which I have the honour to be chairman? I suggest there is nothing original in the wording of the subclause put forward by the minister. Subclause (h) is new to the Broadcasting Act, or will be if it is passed, but it is surely not new to our consideration of broadcasting in Canada.

• (5:20 p.m.)

When that great senior statesman of Canadian broadcasting, Mr. E. Austin Weir, made a statement to our committee during our consideration of the white paper on broadcasting, he said that a score of parliamentary committees from 1932 to 1958 and two royal commissions had declared the C.B.C. to be the core and dominant feature of the Canadian broadcasting system. He said the white paper prepared by the government did not state that predominance and he recommended, as did other witnesses, that it be stated and that our new act should make a legislative declaration of the predominance of the public sector of broadcasting.

This desire was recognized by the committee, as demonstrated by the hon. lady, in a number of places in the report which was tabled in the house on March 21, 1967. I shall refer to a few passages to indicate what this all-party committee had to say about this matter. On page 6 of the report, under our comments on section 3 of the white paper, are found these words:

> The committee concurs with the general principles stated in the white paper. We urge, however, a clear legislative declaration of the pre-eminence of the public sector.

On page 7, at the beginning of paragraph 4 of our comments, are found the following words:

> The C.B.C., as the prime instrument of public policy in broadcasting and one of the world's largest broadcasting organizations, needs a strong board of directors.

You will note the words "prime instrument of public policy in broadcasting".

On page 8 of our report, still commenting on paragraph 4 of the white paper, we said:

> In assessing the C.B.C., the B.B.G. should take into account the financial resources available to the corporation, its mandate and its vital importance as the prime instrument of national policy in broadcasting.

Though this matter has been mentioned a number of times in the house it must be mentioned again, and I refer to the last paragraph of the report which is in italics to emphasize the importance each member of the committee attached to the statement I am about to read:

> We express our conviction that the primacy of the public sector should be the paramount and continuing objective of the new legislation; that we must make more effective, and not undermine, the main instrument by which "national consciousness may be fostered and sustained and national unity still further strengthened."

The last words "national consciousness may be fostered and sustained and national unity still further strengthened" are a direct quotation of the words of Right Hon. R. B. Bennett, spoken when he introduced the legislation founding the Canadian Broadcasting Corporation 35-odd years ago. That position has been adopted in many reports, but now I wish to refer briefly to the latest basis

for public policy in this field. The report of the committee on broadcasting, 1965, better known as the second Fowler report, says on page 12:

> We believe that private broadcasters can, and should, achieve a greater degree of common purpose, and should participate in the national objectives of the Canadian broadcasting system to which they belong, as well as continuing to render local services to their individual communities. But the private sector is unlikely to achieve the cohesion and unity that the public sector should have and, despite their near equality in total income, this necessarily means that the public agency —the C.B.C.—has the primary responsibility and must be paramount in creating and maintaining a broadcasting system that is distinctively Canadian.
>
> While the private broadcasters are a part of the system, and while their rights and interests should have all legitimate protection, in cases of fundamental conflict between the public and private sectors the interests of the C.B.C. must prevail.

I shall leave that quotation for a moment to say that the drafters of this legislation recognized that perhaps that statement is too strong. They have carefully distinguished between the objectives of the public sector and the interests of the private sector and they have not placed the interests of the C.B.C. above the interests of the private sector. I continue quoting:

> The simple fact—the crucial fact—which must be clearly understood is that the C.B.C. is the essential—

That last word is in italics:

> —element of the Canadian broadcasting system and the most important single instrument available for the development and maintenance of the unity of Canada.

Also, on page 123 of this same report appear these statements:

> The C.B.C. is the chosen instrument for public broadcasting in Canada. It is only a part of the Canadian broadcasting system; the private broadcasters also receive rights to use public assets and, in accepting those rights assume responsibilities to contribute to the national purpose of the system. However, the C.B.C. has the primary responsibility for providing excellent broadcasting services to the Canadian people.

Lower down on that page appears this statement:

> Having been given the primary responsibility, the interests of the C.B.C. are paramount within the Canadian broadcasting system, but if it is to perform its function adequately and acceptably, it must be told what it is expected to do. It must have a clear mandate from parliament.

I interpose to say that that is one of the objects of clause 2 and particularly of subclause (g) which has already been passed, I believe. Returning to the report, I quote from page 125:

> It should be clearly stated:—

[Mr. Stanbury.]

I skip a paragraph and continue quoting:

> —that within the national system, the C.B.C., as the chosen instrument of parliament, has the prime responsibility to provide broadcasting services to the Canadian people as a whole, and that the interests of the C.B.C. are therefore paramount.

In making its recommendations to the house the standing committee reflected the basic statements and principles which appear in the second Fowler report and in other similar reports which have been made through the years. I am delighted, as I am sure the majority of our committee members are, that the minister and the government recognized the necessity to make the clear legislative declaration that the objects of the public sector should be paramount. It is not only the majority of Liberal members of that committee, not only the majority of the official opposition on that committee—its chief critic was a member of the steering committee and helped to draft our report—not only the majority of N.D.P. members of that committee and not only those who drafted this legislation who have supported the concept and sentiment about which I have spoken and read. There was editorial comment following the release of our report, and I want to refer to two editorials which state the case clearly. One of these articles appeared in the Ottawa *Citizen* of March 22, 1967, and I quote from it in reference to the report of our committee:

• (5:30 p.m.)

> It strongly affirms the pre-eminent role which the publicly-owned Canadian Broadcasting Corporation should play in a national system.

Later the article says:

> It has taken the best of Fowler and of the white paper, but has sharpened the main points of both and has kept in view the national purposes and special value of a public broadcasting organization.

Some members of the opposition might suggest that the Ottawa *Citizen* is more favourably disposed toward the government than are certain other newspapers. To please them I should like to quote from the Ottawa *Journal* of the same date in which these words appear in an editorial on the subject of our report:

> The basic importance of the committee's work is to reaffirm the role of the C.B.C. in Canadian broadcasting. Members of parliament from all sides of the Commons urge "a clear, legislative declaration of the pre-eminence of the public sector"—the C.B.C.

It is clear what all the bodies which have investigated broadcasting in this country over the years have recommended. It is clear what

the standing committee on broadcasting wanted. The government has made its position clear by adopting the recommendations of the standing committee. The hon. member for Okanagan-Revelstoke has made the position of his party clear and the hon. member for Burnaby-Richmond has made the position of the New Democratic party clear. I wonder whether we could ask that the position of the official opposition be made clear at this point. Let members opposite tell us whether they are opposed to the principles I have just outlined. If, indeed, they are opposed to those principles, let us hear their position clearly stated. Let them, if necessary, put forward a further amendment to express their attitude. Then let the committee vote on it and make progress with this bill. It is incumbent on the party opposite and in particular, as the hon. member for Burnaby-Richmond stated, it is incumbent on the leader of that party to tell us what he thinks about this broadcasting legislation.

Mr. Mackasey: Mr. Chairman, I have a few brief remarks to make on the bill before us, particularly with regard to the amendment suggested by the hon. member for Calgary. It has been the custom for most speakers to deal briefly with the general subject of radio and television in relation to this subclause of the bill. Many speeches have been made in the course of the last few weeks on the subject matter of this important bill. It is only since I have been paying particular attention to the bill in the last few days that I have become aware of the fact that there is such dissension and disruption in the ranks of the official opposition relating to their whole philosophy of their approach to broadcasting. I respect the hon. member for Calgary, who has spoken on a number of occasions and who spent a long time in the standing committee—

Mr. Sherman: On a point of order, is the hon. member referring to the hon. member for Calgary South or does he have the hon. member for Winnipeg South in mind?

Mr. Mackasey: Both hon. gentlemen. The point I am making is that we have advanced a long way during our consideration of this bill, the foundation for which is the acceptance among all parties, with the exception perhaps of the Social Credit party, of a political philosophy generally favourable toward the C.B.C. and the advance of public funds annually in its support. This does not mean that the C.B.C is above criticism. Indeed, there is no other public body which has been subject to as much criticism and investigation. But at least we believed that the Conservative party, along with the Liberal party and the New Democratic party, approved the concept of the public radio and television organization which we call the C.B.C. It is only as a result of the dissension and disunity which is so evident from the speeches of hon. members of the official opposition that we begin to realize there is an internal struggle going on within the party opposite as to whether it does or does not endorse the principle upon which the C.B.C. was established.

I recognize and understand the views of those who have indicated in the last few days that they are against public broadcasting or television. The former leader of the opposition never missed an opportunity in the House of Commons, even when castigating the C.B.C., to re-endorse the principle that a country as close to the United States as we are needed some organization such as the C.B.C. to represent what little Canadian identity we have left in this nation.

The C.B.C. is among the few media of communication that we control in this country through which we can emphasize the fact that we are a country and a nation. It is for this reason, because the C.B.C. has such a responsible role to play in the growth of this country, that we have adopted subclause (g) and outlined the four broad objectives of the corporation. In these circumstances I think it is about time the Leader of the Opposition let us know where he stands. Does he support the spokesmen for private enterprise over there or does he support those who believe in the C.B.C.?

Mr. Sherman: Would the hon. member permit a question? Would he be more explicit and tell the committee on what occasion anybody in this party has spoken against the idea of a publicly-owned broadcasting system?

Mr. Mackasey: Yes. Only the other night the hon. member for Digby-Annapolis-Kings openly stated that he was contemplating bringing in an amendment whose effect would be to destroy the whole concept of a publicly-owned system. One would only have to read some of the speeches made today to realize that all too many members of the official opposition are against the C.B.C. and that when the chips are down they stand for private interests, the profit-making organizations.

Here, as I say, is a medium of communication which was designed to protect the

Canadian identity. And what do we hear from members of the official opposition? They object to the word "filibuster". If the word "filibuster" is too strong for their sensitive feelings, let us examine the history of the bill before us. Is it something brought up by the minister last week, something which is being rammed through the House of Commons? If it were a filibuster would be legitimate or at least understandable. But what are the facts? The facts show that the C.B.C. has been subject—

• (5:40 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, on a point of order.

In wonder if the member for Verdun (Mr. Mackasey) is dealing with the amendment now under consideration or whether he is doing a history of the opposition party. The Chair has often called us to order when we strayed from the question or from the amendment under consideration.

I realize the hon. member has strayed quite far from the subject and I wonder if he should not stick to the paragraph (h) of clause 2 so that we may make some progress? Why does the member wish to prolong consideration of this bill?

[*English*]

Mr. Mackasey: On the point of order, Mr. Chairman, it is obvious that the objection to clause 2(h) is an objection to the principle that the Canadian Broadcasting Corporation should exist, is existing, and should have priority over private interests in this country. This is all the objection really is. One group is supporting private interests and the other group, including myself at the moment, is supporting and defending the principle that surely this country should have some medium controlled by parliament, belonging to the Canadian people, and dedicated to the concept that we are a nation and that Americans do not and should not control all our fields of communications. This concept is reflected in subclause (h).

We have had intensive investigations of the C.B.C. and its operations. Just a few months ago hon. gentlemen who are now castigating the C.B.C. took advantage of a statement made by the minister, in which she suggested there was rotten management in the C.B.C., to stand up and protect the C.B.C. and castigate the minister. If we had time to compare their statements then with their statements now it would make funny reading. However, as a result of certain studies and investigations we came up with a white paper which formed the basis of this bill.

The Chairman: Order. I would ask the hon. member to confine his remarks as closely as possible to clause 2(h).

Mr. Mackasey: I entirely agree with your suggestion, Mr. Chairman, and as usual bow to your ruling. As amended clause 2(h) now reads:

> (h) where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, it shall be resolved in the public interest but paramount consideration shall be given to the objectives of the national broadcasting service.

I think this was a fine amendment of the subclause. I presume it was drawn up by the hon. member for Halifax. I am not certain of that, but it sounds very much like his work because it does not depart from the principle that the C.B.C. is our organization, for better or worse, as opposed to that of private interests, and it also recognizes the rights of those private interests to a fair hearing in areas of conflict.

But that amendment has not satisfied all the members of the Conservative party, despite the fact that it was brought forward by a member as senior, as respected and as intelligent as the hon. member for Halifax. This can only lead to the conclusion that there is a definite difference of opinion in that party. This is a fair assumption because if it did meet the full approval of the Conservative party and reflected their philosophy and policy vis-à-vis the Canadian Broadcasting Corporation, this clause would have been passed long ago and the committee would have moved on to another clause.

In discussing clause 2 (h) I am sure, Mr. Chairman, I may be permitted to bring it to the attention of the public that it is part of a bill based on the white paper, which in turn was based on at least three investigations of the C.B.C. However, in discussing it I want to point out that something other than the bill is at stake here, namely, the concept of the new emphasis that we have placed on standing and special committees of the House of Commons. Two years ago all parties in the house agreed to put more emphasis on committees, including the broadcasting committee—

Mr. Grégoire: Order.

Mr. Mackasey: Mr. Chairman, the hon. member who endorses the separatists seems to want to holler order. Let him holler from his seat. I cannot see him in the chamber from here but I can hear him.

As I was saying, subclause (h) is part of a bill that derived its origin from the standing committee on broadcasting. I would point out that the minister entered the spirit of the new committee system by giving that system complete freedom to analyse this bill, to criticize it, to improve it and to amend it to such an extent that subclause (h) actually came in its unamended form from the steering committee of the broadcasting committee.

On that committee was no less a person than the hon. member for Royal. That hon. member is progressive, and I know he has rather forward-looking ideas which may not necessarily be in complete accord with those of all his colleagues. This is normal, but at least he was one of the official spokesmen for his party in the broadcasting committee. When he, as a member of the steering committee, gave his blanket approval to subclause (h) it was only natural that the minister should expect speedy passage of it in committee of the whole.

After spending weeks and weeks on this bill, in the standing committee where it was subject to the scrutiny of members from all parties in the house, it would be only normal and natural for the minister to think that when the bill reached committee of the whole its passage would be rather speedy, because that was the idea behind the new emphasis on the committee system. I ask, what minister is going to have any incentive in the future to refer his or her legislation to a standing committee of the house for intensive study, only to find that all the arguments are repeated ad nauseam in committee of the whole?

As I say, Mr. Chairman, I respect the hon. member for Winnipeg South because I do know that of all the critics who have participated in the debate on subclause (h) he is one who has earned the right to stand up here and speak on this subject matter. Nobody has denied him the right to bring his amendments forward. But having brought them forward and presented his arguments concisely, lucidly and as eloquently as he could, it seems to me his colleagues would do a service to him, to the minister, to the house and to all of Canada to let matters proceed to a vote. The kind of help he has been getting he does not need because he has advanced his reasons with conviction and integrity, based on his experience in private life and on his experience in the committee.

It is not his participation that I object to, it is the participation by all the other members who have taken advantage of subclause (h) and the amendment to it to outline their basic philosophies on broadcasting and to suggest that we do not need the C.B.C. and that we should let the Americans take complete control of the field of communications. If this is how they feel, and this is how I think they feel, they should have said so on second reading when we were debating the principle of this broadcasting legislation.

If this is how hon. members opposite feel, then it is time for the Leader of the Opposition to call more special caucuses at two o'clock in the afternoon and find out where the Conservatives are going on broadcasting, whether they recognize the need and the necessity for the C.B.C. or whether they do not. If they do, then let us stop using the C.B.C as a whipping boy. I suggest, in deference to the hon. member for Winnipeg South who has done a fine and proper job in presenting his viewpoints, that his amendment should be put and voted on.

Mr. Keays: Now that the hon. member has spoken about an amendment and referred to the hon. member for Winnipeg South, would he mind speaking on the amendment before the committee which is the one moved by the hon. member for Edmonton-Strathcona?

Mr. Mackasey: There have been half a dozen amendments, Mr. Chairman, but I thank the hon. member for Gaspé for his usually eloquent and telling contribution to broadcasting. In turn I would ask him where does he stand? Does he support the public broadcasting system or the private stations?

Mr. Starr: Both.

Mr. Keays: Instead of using all the verbiage which some hon. members seem to like I reserve my remarks until we reach the proper clause.

• (5:50 p.m.)

Mr. Mackasey: The hon. gentleman has given his answer and I will not seek to interpret it. I repeat what I have said, that even though somebody has stated they support both there should be a bias on behalf of C.B.C., since we have already accepted subclause (g). Possibly there is something in subclause (g) which some members may think could cause conflicts. Perhaps they would

arise as a result of the wording which says that the national broadcasting service should be extended to all parts of Canada as public funds become available, or as a result of the wording which says that people in all geographic regions who speak the French language or the English language must be served. Perhaps this is what is bothering some people. Maybe some people object to the idea that broadcasting should contribute to the development of the national unity. I am not sure what people are objecting to. All I can say is that so long as we recognize the necessity for a Canadian broadcasting service which belongs to the people of Canada, is paid for by the taxpayers and administered through parliament, at least in so far as its finances are concerned, then the least we can do, having recognized this, is to recognize that when there is conflict which must be decided in favour of one group or the other, then priority should be given to the Canadian Broadcasting Corporation.

That really is the substance of the amendment proposed by the hon. member for Halifax. I believe it is a reasonable compromise. It was accepted by the minister. If, on the other hand, certain members of the opposition believe there is no room for the Canadian Broadcasting Corporation, then I can understand their opposition to subclause (h). This is the reason I say with respect and sincerity that the Leader of the Opposition should take advantage of this debate to make clear where his party stands on this matter.

Mr. Sherman: Mr. Chairman, during recent weeks we have heard a good deal about the campaign being carried on by members in the ranks opposite for the leadership of their party. This, however, is the first occasion we have had to view the hon. member for Verdun in full flight in his campaign for a cabinet post. I suggest that he has done an exceptionally fine job in carrying on that campaign. I am sure he has impressed his leader and his colleagues. We on this side of the house have not been impressed, but we have nothing to say in respect of the appointment he may be seeking.

The scandalous attack of the hon. member for Verdun was so diffuse that it is almost impossible to know where to begin or to determine whether it is worth while to take up some of the outlandish allegations he has made. For example, he made the assertion that members of this party have advocated the abolition of the concept of public broadcasting in this country. This assertion is scandalous, out of order and improper. No one in this party has advocated such a philosophy. In fact a great many members of this party have taken the opposite position not only during this debate but also during the proceedings of the committee on broadcasting, films and assistance to the arts. We have supported the idea of the Canadian Broadcasting Corporation as a publicly owned and operated system. We concede that it has done an admirable job through the years in binding this nation together and in helping to conserve the concept of a Canadian identity and national unity. It is utterly scandalous that anyone should suggest that we have taken a philosophical or political stand in this debate in opposition to the Canadian Broadcasting Corporation or the concept of a Canadian broadcasting service.

The hon. member for York-Scarborough spoke at length in his usual intelligent and compelling way. Although his speech was interesting it probably constituted the most dangerous utterance anyone has made in this chamber during this debate. He stood up and challenged this party on the question of difference of opinion. He took the position that they on that side are members of an almighty united party, that they are all of one mind and belief and have the same concept and philosophy of a greater Canada and a greater broadcasting system. What immortality.

I ask the hon. member for York-Scarborough where the hon. member for Burin-Burgeo, for instance, stands. I know where he stands because the hon. member stood with me, or I stood with him, when this bill was before the standing committee in opposition to subclause (h) of clause 2. The hon. member for York-Scarborough is aware of this, as is the minister. No one spoke more vociferously or more intelligently than did the hon. member for Burin-Burgeo in respect of subclause (h) at that time. I notice that he has been conspicuously absent during most of this debate. He may have been behind the curtains but he certainly has been absent during the votes on most of the amendments.

Miss LaMarsh: Where are the hon. member for Royal and the hon. member for Prince?

Mr. Sherman: I was wondering when the hon. member for Burin-Burgeo would enter this debate. As for the members on this side of the house to whom the minister has referred, I should like to remind her that

they both spoke earlier in this debate. The hon. member for Burin-Burgeo made his first contribution today. He did so after having implied to all members of the standing committee that he would stand or fall on this clause when it reached the committee stage in the house. What about the hon. member's colleague, the hon. member for York-Humber? Where does he stand in respect of this all-encompassing philosophy?

Mr. Stanbury: Mr. Chairman, am I being asked a question?

Mr. Sherman: Yes.

Mr. Stanbury: I should like to refer the hon. member to *Hansard* of this day. When he reads *Hansard* he will realize that I said that by no means was there unanimity on this side of the house and that I welcomed the fact that there are varying points of view on this question. I did say that I know the position of the government. Now, can the hon. member please tell me what is the position of the official opposition?

Mr. Sherman: I am delighted to have that statement on the record because the implication in the hon. member's speech was that all was sweetness and unity over there and that there was division over here. Mr. Chairman, I intend to speak when this debate resumes after the dinner hour. May I call it six o'clock.

The Chairman: Order. It being six o'clock and in order that the house may proceed to private members' business I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Springfield (Mr. Schreyer), Post Office Department—Libau, Manitoba—protest on transfer of postmastership; the hon. member for Vancouver East (Mr. Winch), Public Works—Vancouver—construction of federal building; the hon. member for Halifax (Mr. McCleave), National Defence—prevailing rates employees losing jobs through unification.

DIVORCE

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a Message has been received from the Senate informing this House that the Senate have passed Bill C-187, An Act respecting divorce, with an amendment.

[*Editor's note: For text of amendment, see today's Votes and Proceedings.*]

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.—CONCURRENCE IN SENATE AMENDMENT

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I ask for unanimous consent that the house proceed with the consideration of the amendment made by the Senate to Bill C-187. The amendment is really to cure an oversight which occurred during the drafting of the bill. It would have the effect of continuing the power of the Ontario supreme court to deal with an action for annulment. That provision was inadvertently omitted in the redrafting of the bill. Under the former act parliament had not only the power to grant divorce but also to grant annulment on the ground of non-consummation of marriage. The right to grant an annulment was inadvertently excluded from the new bill. The necessary amendment was made in the Senate and I am now asking for unanimous consent that the house proceed with the consideration of the bill as amended and presented by the Senate.

• (6:00 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, does the Solicitor General (Mr. Pennell) assure us that there is nothing else in the Senate amendment than the point to which the minister just referred?

Mr. Pennell: Yes, Mr. Speaker, I am prepared to give that undertaking. I have been briefed on that point and am satisfied that it is the only point involved in the amendment.

Mr. Robert McCleave (Halifax): Mr. Speaker, on behalf of our party I can support what the Solicitor General (Mr. Pennell) has said. Despite attempts to bring in many notable amendments, including some that made considerably more sense dealing with the definition of what constitutes a high court in Ontario, the government supporters in the other place were pretty adamant. I regret that the one amendment that was brought in was not accompanied by several others dealing with points that we had raised earlier in this house.

Private Bills

Mr. Arnold Peters (Timiskaming): Mr. Speaker, speaking for the New Democratic party, if this is the only point I think we can agree with the amendment. Like the hon. member for Halifax (Mr. McCleave), I was hopeful that the other place might bring in an amendment to provide for a five year review, because it seemed to me this might be advantageous. However, I believe the practice with regard to annulments that has been followed over the years in the Ontario courts has been satisfactory and there is really no reason why this provision should not have been written into the bill. I think that in the discussions which took place in committee there was agreement on this proposition and it was probably inadvertently left out, as the minister indicated.

Mr. Pennell thereupon moved the second reading of and concurrence in the amendment made by the Senate to Bill No. C-187, respecting divorce.

Motion agreed to, amendment read the second time and concurred in.

Mr. Speaker: It being six o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, notices of motions (papers), private bills, public bills. As there are no notices of motions (papers) on today's order paper, the house will proceed to the consideration of private bills and public bills.

PRIVATE BILLS

THE EXCELSIOR LIFE INSURANCE COMPANY

The house resumed, from Thursday, November 16, 1967, consideration of the motion of Mr. Stanbury for the second reading of Bill No. S-8, respecting the Excelsior Life Insurance Company.

Mr. Speaker: Is the house ready for the question?

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, as I am sure most hon. members have become aware, I and some of my colleagues are quite concerned about the steady flow into this chamber of bills to incorporate more and more life insurance companies. I may say that our concern is shared by the Inspector General of Insurance, who at a committee hearing some months ago said that he and his departmental officials were quite concerned about the continual incorporation of more and more life insurance companies and were asking themselves whether this was really necessary for the good of the Canadian economy. He also pointed out, quite rightly, at that time that neither he nor his officials were in a position to say: This is enough; we cut if off here. As the Inspector General of Insurance quite correctly pointed out to the committee, if we allow one Canadian citizen to hold a policy in a life insurance company every Canadian citizen must have this right.

At that particular committee meeting I suggested it was time the government and parliament began to look into the whole question of the savings of the Canadian people and the manner in which they were to be treated, because the basis of all economic development and progress in an economy is the savings of the economy in the form of personal savings of citizens and surpluses from business operations. It is of vital importance that we should have some control and direction of these savings for the development of the Canadian economy and Canadian society.

The continual proliferation of private life insurance companies is splintering the pool of savings. As far as I can see the only effect is to contribute to the chaos that has obtained for quite a long time now in our financial institutions, a chaos that occasionally results in the collapse of businesses of various sorts, a chaos that eventually causes financial troubles that create problems for the government and limit the development of our society and economy. We have been urging again and again in the house that the parliament and government of Canada should take a very long, hard look at this business of bringing in new bills to incorporate still more life insurance companies.

I should like to see the whole matter referred to a parliamentary committee or perhaps even to a commission of inquiry to investigate the net results of permitting the savings of the Canadian people to fall into the hands of private groups which have complete control over the manner in which those savings shall be invested, whether in the Canadian economy or some other economy. Far too much of the savings of the Canadian people collected by life insurance companies and mutual funds is invested in another economy. At the same time, of course, we hear continual pleas by government spokesmen that Canada requires a continual inflow of capital from abroad if we are to continue to exist, let alone expand.

I have for a long time, sir, been protesting that this is looking at only one part of the picture. I have complained that the government of Canada, this and previous governments, has been in the habit of pleading with our United States friends to lend us their money while at the same time allowing Canadian capital to flow out of the economy. I suggest that if this parliament refused to incorporate any more life insurance companies and decided that the operations of existing ones were to be examined thoroughly as to the effects on the Canadian economy of the disposition of the savings of the Canadian people in the hands of life insurance companies, we might have a basis for deciding just how we are to handle this key factor in economic development and progress.

I have suggested before and I suggest again that we took a slight step in this direction when we developed the Canada Pension Plan. In fact, I recall that at that time there were some wails from life insurance companies that were already beginning to feel the effects on their businesses of the coverage provided by the Canada Pension Plan. This cheered me up immensely. I thought: Obviously this is the way in which to deal with this problem.

I would not for a moment suggest that we should attempt to expropriate private life insurance companies. No one in his right senses would want to expropriate a whole raft of insurance agents. But I suggest that we should offer the Canadian people another and a better way of disposing of their savings than turning them over to private institutions. I can see that if the Canada Pension Plan were expanded to include options comparable with the options provided by private life insurance companies, something over $1 billion a year which now goes into life insurance premiums would come into the hands of the public authority. I would have thought the Minister of Finance (Mr. Sharp) would seize very quickly on this idea, considering that he has had so many difficulties lately. Here would be a source of the funds that the government requires. They could be well protected by government bonds. This money could be made available for the sort of programs upon which this and any future government will have to embark.

• (6:10 p.m.)

But before doing so I would again urge that we examine the alternative, which is to continue this business of incorporating anything up to a dozen new life insurance companies in every session of parliament. To my mind this is utter nonsense. It is not as though we were expanding the pool of Canadian savings but rather that we are licensing small fishermen to fish in it. It is the same pool. We are fragmenting it into sections which are difficult to control. It is very difficult to determine what the final disposition of these funds will be. I would hope that the government and parliament will take this seriously under consideration.

There is a very strong tendency today in other fields of insurance to move out of the private field. Hospital insurance used to be dominated by private insurance companies. We now have our hospital bills covered by various public methods, depending on what province we come from. In my own province hospital costs are paid out of the consolidated revenue. When the government finally, if it ever does, gets around to the implementation of the medicare bill, much of the insurance business which was devoted to providing medical care will also pass into the public sector. There has been a continuing demand, of course, all across the country for the public authority to take over the insurance of automobiles because of the tremendous charges made by insurance companies for that type of insurance. But even more important than these is the question of life insurance savings because by and large these are a proportion of income which people set aside for their old age, to ensure the education of their children, and to ensure some economic and financial stability for the family. This should be the concern of the public authority, and I and my colleagues will continue stressing this every time one of these private life insurance bills comes before the house.

I know it may seem unfair that we should deal with those companies which stick their heads up here in this chamber and not do anything about the ones which never appear before us because they are already well established. But I am sure hon. members will have realized from what I have said that we do not consider blocking these bills as anything more than a preliminary step toward a complete review of what, as I said, is a chaotic situation in the handling of the savings of Canadian people. I hope that parliament will finally impress upon private individuals and members of the house the undesirability of bringing any more of these bills before the house until we have made a complete examination of the operations of life insurance companies and the part they play

in the development of our economy in Canada.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, once more we have before us the proposal of the Excelsior Life Insurance Company to become a federal company rather than a provincially incorporated one. That in itself raises some interesting questions about the whole subject of the operation of insurance companies. My colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), has just made the suggestion that perhaps some form of inquiry into this matter might be instituted. He even went so far as to suggest that perhaps a commission of inquiry might be established. I believe that this bill and the principle contained in the explanatory note bring out very well one of the areas which such a commission of inquiry might explore. I refer to the rather strange practice under our federal system of government of companies being incorporated provincially and then seeking to transmogrify themselves into another form of corporate being. As the superintendent of insurance pointed out when a bill identical to this one was before the standing committee of the house in an earlier session, this is a somewhat different process than that normally followed in such a change.

If the argument advanced by the hon. member for Nanaimo-Cowichan-The Islands, which I and other hon. members have advanced from time to time in connection with certain other bills, about the impact of the operation of insurance companies on the direction of investment of the pool of savings of the Canadian people is a valid one, and if one looks at the volume of business transacted by insurance companies, it should become apparent to all hon. members that this process is an important factor in influencing the direction in which our economy moves or does not move at the present time. I think one must agree that companies which establish themselves under the authority of a provincial legislature usually operate in that way for a while and then move into the field of a federally incorporated company. This is an important question which needs examination.

We hear a good deal these days about the problems facing the Minister of Finance and the government of Canada in exercising effective monetary and fiscal controls in the operation of the economy. Much has been said about the dangers which exist when the economy becomes overheated or suddenly becomes underheated. All these questions are definitely tied in with the kind of proposal which in this instance is made by the Excelsior Life Insurance Company.

As is pointed out in the explanatory note, the company has been established in Canada for a long time. It was incorporated by letters patent dated August 7, 1889, in the province of Ontario, and it is one of several provincial life insurance companies registered with the federal department of insurance under part IX of the Canadian and British Insurance Companies Act. The note goes on to point out the differences between the provincial and federal legislation in respect of the operation of insurance companies.

This brief explanation of the reason for the desire of the company to change its incorporation, which is the principle of the bill before us, was expanded on by Mr. Humphrys before the standing committee of the house on Tuesday, February 14, 1967. After having pointed out that the company was incorporated in 1889 by letters patent in Ontario, he went on to say:

> Since 1897—

Not long after it first began its operations.

> —it has been registered under the federal insurance laws and has been supervised by the federal insurance department, but as a provincial company. Therefore it had its powers under provincial legislation, but it had voluntarily made itself subject to the federal insurance acts and the supervision of the federal insurance department.

He went on to point out that the federal insurance act imposed certain restrictions on it and that in some instances acceptance of the federal rules has in his view created certain difficulties for this company from which companies incorporated directly by federal law did not suffer.

• (6:20 p.m.)

I suppose the proponent of the passage of this bill would argue that this inconvenience to the company should be removed without question at their request. However, so far as I am concerned the testimony opens up some rather important aspects, not only in relation to the general economic life of the country but the constitutional situation in which we find ourselves. We all know that a federal-provincial constitutional conference is to convene here shortly. We are aware that the conference will concern itself more with such matters as individual human rights; perhaps I should say with matters of the spirit rather than the flesh. Nevertheless, the fact that we are on the eve of what has been hailed as a very important federal-provincial conference on the future of our constitution brings to

mind many important areas which need to be considered but which are not in the agenda of the conference. These matters might well be considered further as we seek to develop a new constitution, if that is what we are seeking to achieve, for the operation of Canada as a federal state.

The complexities and difficulties in respect of this company raise in my mind certain questions about whether the present arrangement, which allows insurance companies to incorporate either federally or provincially and to operate under a hodge-podge of different laws and regulations, is desirable or is in the economic interests of Canadians generally. This kind of question might very well be examined by a board of inquiry with broad powers. Such a board could also get the views of provincial authorities who have had experience in dealing with insurance companies in their own jurisdictions. If we are going to have a more orderly direction of the flow of investment funds in this country in the future than we have had in the past, it seems to me there are obvious advantages to some kind of uniform legislation covering these companies. This would seem to be the case as long as we have private insurance companies operating in the country, and I expect that will be for a good many years yet. We should not leave it to the whim or fancy of a particular firm such as Excelsior Life to decide whether or not it wishes to operate under an Ontario charter or a federal charter.

This company, according to the evidence given by the superintendent of insurance, is one of the major companies in Canada, even though apparently it is not controlled in Canada. I can see some merit in such a company being governed by federal insurance laws and supervised by the federal insurance department. As Mr. Humphrys points out, the proposal by this company that it be changed to a federal company is purely voluntary on its part. Apparently the company has operated quite successfully since 1897 under the present arrangement.

This opens up the whole question of whether or not this kind of arrangement should be left to the voluntary action of the company or whether it is the type of thing that should be dealt with in a more orderly and rational manner through some such means as a special commission of inquiry. Such a commission would have powers beyond those of a parliamentary committee inasmuch as it would be able to spend more time and engage the necessary help to get evidence and opinions from provincial authorities. I hope, Mr. Speaker, that these ideas will receive consideration.

A large organization such as Excelsior Life obviously has not suffered too seriously from the existing disability. If this situation were left as it is until the matter can be decided in a broader way than by the simple adoption of this bill, that might be a more desirable course of action. If any temporary inconvenience of a minor nature, which apparently the company has experienced from time to time, should continue for a further period this would not seriously affect the operations of the company and might very well be more in keeping with the real interests of the Canadian people than the simple adoption of this bill by parliament.

There are many other issues inherent in this bill, just as there have been in some of the other proposals made by insurance companies in bills which have been coming before the house. One question which has received a lot of attention in parliament and in the country in recent years has been interest rates. Mention is made in the evidence given about this company that at one point there was a difference between the federal insurance laws and the Ontario law with regard to the amount an insurance company could invest in mortgages.

It was pointed out that in 1965 the federal insurance law was amended to permit companies investing in mortgages to lend up to 75 per cent of the value of the property, whereas formerly it was two thirds. At the time the federal law was changed the Ontario legislation still imposed a limit of two-thirds on insurance companies incorporated within that province. It was pointed out that while federally incorporated companies could then use the 75 per cent formula, this company was still restricted because of its provincial charter to two-thirds. I suggest this situation raises the whole issue of the direction of mortgage funds into various areas of mortgage activity. Since Excelsior is a large company it probably has directed a large pool of funds into mortgage activity.

We have heard a lot of discussion about the availability of mortgage funds for certain purposes. We recognize that the pool of these funds is only a certain size. The Minister of Labour (Mr. Nicholson), as spokesman for Central Mortgage and Housing Corporation, and more recently the President of the Treasury Board (Mr. Benson), have made various proposals to cope with this problem. By and

large, the only answer given by the government has been that the ceiling on interest rates must be removed so that mortgage funds can be attracted into housebuilding. Who decides where investment funds are to go? Those funds go to the kind of companies with which we deal in these private bills. According to this bill, Excelsior Life Insurance Company is one company that is interested in using its funds for mortgage purposes.

• (6:30 p.m.)

It seems to me obvious that in dealing with these bills we have, in effect, been helping to aggravate the problems that the minister who reports to parliament on housing has had to face. On the admission of various spokesmen for the government from time to time, the problem has been that bodies such as Excelsior Life have been directing their mortgage funds, at their whim and fancy, into fields other than housing, because at a given point in time they seemed to find them more lucrative for investment purposes. I think Excelsior Life would be different from some of the other insurance companies, if it had not directed some of its mortgage funds into the erection of large office buildings, or possibly shopping centres which it is suggested from time to time are somewhat redundant in relation to the real need of the present day for adequate housing for our people.

If Excelsior Life feels that there is some hesitancy on our part to transform them into a federal company by means of a rather strange legislative enactment in order, so it is suggested, to make it a little simpler for the company to change their corporate status and thus remove this little inconvenience, then let the company take note of the fact that some of us are concerned about the right of bodies such as this to decide, in effect, whether or not the Canadian people are going to have sufficient housing.

I suggest that these are the kinds of issues that are involved in the bills with which we deal during this hour. The other day I was speaking on another bill, and I said there are some of us who are not prepared simply to agree that the convenience of any particular company, whether Excelsior Life or some other, should take precedence over action which, in our view, should be taken to meet the real interests of the Canadian people whom we in this parliament are elected to represent. So I have no hesitation in saying that this particular proposal is not one which we should pass lightly.

[Mr. Barnett.]

Mr. Speaker: Order. I must interrupt the hon. member to inform him that his time has expired.

Mr. Bud Germa (Sudbury): Mr. Speaker, in commenting on Bill S-8 that is before the house this evening, I would point out that the Senate banking and commerce committee heard evidence from the proponents of the bill which indicated that the purpose of the bill was to convert a provincially incorporated company into a federal corporation. This would not make too much difference to the operations of the company; in fact, it would only enhance its prestige in the community.

The evidence presented to the committee on banking and commerce revealed one fact that I should like to draw to the attention of this house. Under questioning it was revealed that the major share interest in the company is owned by a United States company, the Aetna Life Insurance Company. The major interest, about 70 per cent, was acquired in 1960. I am quite surprised that this acquisition was made at such late date. We all know from the pronouncement of the Prime Minister (Mr. Pearson) that the government is endeavouring to gain control of the Canadian economy, eventually wresting it from the hands of foreign nations. Certainly this particular move at a date as late as 1960 is not in accordance with stated government policy.

An hon. Member: Different government.

Mr. Germa: No matter whether it was a different government, I have stated on many occasions that I do not see much difference between the actions of those who form the government and those who form the opposition. The same trend appears to be continuing. Companies have changed hands time and time again over the last 100 years but the trend toward foreign ownership has gradually increased. Regardless of who was in power, I know of no time when this trend has reversed itself, enabling Canadians to gain control of their own economy.

In order to get to the root of the trouble, Mr. Speaker, and to understand the insurance business in Canada, I should like to delve into the reason insurance companies exist and to relate to the house what motivates people to buy insurance. It is surprising to me that in this affluent nation of ours there should be so much fear of economic disaster as a result of death that the people of Canada should see fit to put so much money into insurance. It is also a condemnation of past governments that

the people of this country live in such fear that they have to protect their dependants from economic disaster as a result of death.

Statistics show that the level of insurance has increased five times over the figure for 1950. It has increased twice as fast as incomes have increased. Why is this, Mr. Speaker? It is because the people of Canada have not been provided with a sense of security by past administrations. Who are the people buying insurance, Mr. Speaker? You would think that the man with spare money in his pocket would invest in insurance. However, statistics show that this is not the case. They reveal that 50 per cent of life insurance policies are bought by people with $5,000 income or less; and 83 per cent of all life insurance in Canada is bought by people who earn less than $7,500. This shows that there is fear, that the small wage earner is in fear of not being able to provide for his family and he must take advantage of this type of protection.

Over 93 per cent of the Canadian people carry life insurance and 83 per cent of those who buy that insurance are in the under $7,500 a year income bracket. You can see that the little man carries the life insurance companies on his back. I think that the government should provide some sort of security for our people so that those who live in desperate fear will not need to go to private insurance companies to relieve their minds in order to sleep more soundly at night.

• (6:40 p.m.)

One of my colleagues has said that the government sponsored insurance plan would have been twice as good had there not been interference by the private insurance companies, which realize what will happen to them if the government proceeds to expand plans like the Canada Pension Plan. The introduction of the Canada Pension Plan and Quebec pension plan reduced the group annuity payments to private insurance companies by 14 per cent. One piece of legislation transferred to the public sector 14 per cent of the premiums that had been paid to the private sector. Since in one year that amounts to about $1,300 million, one can see that a sizeable amount of money is involved, and that money can be directed by the government toward the best needs of the people.

A great public lobby is being conducted by various organizations which want to show that the foreign insurance companies operating in this country are good corporate citizens. "Good corporate citizen" is an expression that has been coined by insurance associations, manufacturers associations and Chambers of Commerce, the inference being that a corporation is almost human, with flesh and bones. It is not. A corporation is made of bricks, bank books and bank accounts. It has no blood and bones. The terms "corporate responsibility", "good corporation citizenship" and others like them are clichés.

During housing debates in this house some hon. members have said that mortgage funds are in short supply in those areas that most need them. Since most of our mortgage funds are tied up in insurance companies, those companies have the power practically to direct this country and to tell it where the money is to be invested. We know that insurance companies do not invest in the maritimes, and that the maritimes need investment money perhaps more than other areas of Canada need it. We cannot control the insurance companies in their investing.

Foreign owned insurance companies have not complied with the wishes of the Prime Minister, and I support him in that regard, even though the government has not done much, actively, to reduce the number of foreign owned insurance companies operating in this country.

In 1966, speaking only of life insurance companies and excluding those companies which sell fire, automobile and health insurance as well as other types, there were in Canada 116 companies which sold life insurance. Forty one of those were Canadian and 75 were foreign. Since the 75 foreign owned companies probably do more business than the 41 Canadian companies, most of our premium dollars were controlled by foreigners.

It is strange to find British and United States companies operating in Canada while no United States company operates in the British Isles and no British company operates in the United States. I do not know what the saw-off was, but that is how things are. In Canada, life insurance is sold by United States, British, Netherlands, Swiss, German and French companies. We seem to have no control over who comes in and takes our premium dollar. In the United States they seem to have some control, and in the British Isles they have some control. We, on the other hand, let five or six different nations come in with their insurance companies, and we let those companies control about 60 per cent of our insurance business.

I was interested in a speech given by Mr. W. W. Foot, president and general manager of

Economical Mutual Insurance Company of Kitchener, as reported in the *Globe and Mail*. Mr. Foot, being critical of newspaper reporters and editors, is reported to have said:

> Reporters and editors are involved in a conspiracy with governments to promote nationalization of the general insurance business.

I do not know whether government members are conspiring with the newspaper people. That is for the government members to answer. Mr. Foot was critical not only of newspapermen but of his own colleagues as well:

> The insurance industry...at one time extols the virtue of free enterprise competition and simultaneously takes measures to promote uniformity of operation.

He goes on to say:

> Competition is cut-throat, unbridled, always vicious. Among ourselves, inwardly, we abhor competition. If a company, through its management, conforms to the uniform standards promulgated by the Establishment, agents are disposed to look upon it as a stick-in-the-mud, but when it adopts any form of deviation from the standards of the Establishment, everyone shouts "Stop rocking the boat".

This is a sort of admission that there is price fixing, that a cartel agreement to fix rates is in effect. He goes on to say:

> Consider our practice of announcing rate increases in the press each year... By so doing we invite criticism; we create the image of a monopoly.

Usually we see a blanket increase in automobile or other insurance rates. Each company will charge an increase across the board, and yet each company will claim to be engaged in free enterprise. To my way of thinking, they are all monopoly oriented.

In order to grant members of this house more time to consider this bill, Mr. Speaker, I move seconded by the hon. member for Nickel Belt (Mr. Fawcett):

> That this bill be not now read the second time but that it be read a second time this day six months hence.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I regret that my friends in the N.D.P. have taken this opportunity to mount their campaign against the insurance industry. I think they have picked the wrong victim.

[Mr. Germa.]

As has been admitted by many speakers of that party who always dominate these discussions, this is an old established Canadian company which simply seeks to clear up the confusion about its status in a way which the superintendent of insurance entirely approved in the hearings on a similar bill which were held before the miscellaneous private bills committee during the last session.

• (6:50 p.m.)

I will resist the temptation to answer the many arguments which were put forward by spokesmen for the New Democratic party and which pertained to this company—there were many others which had nothing to do with the company or with the bill now before us. I will simply suggest that there is much merit in the words of the superintendent of insurance when he appeared before the standing committee on miscellaneous private bills on February 14, 1967. I quote his statement as it appears on page 60 of the minutes of proceedings and evidence, No. 4.

> I think by moving over and subjecting itself more firmly to federal jurisdiction and really cutting off all the provincial control and authority, it is clearing up an uncertainty and untidiness of its present position. If at some future date parliament decides that it will impose a more severe policy on foreign ownership, this company will be affected by it, but if we leave this company as it is, it will not be.

Hon. members opposite are defeating the purpose of their present campaign by picking on this particular bill as a convenient vehicle for the expression of their idea that there should be no new life insurance companies in Canada. This is not a new company: It is a well-established company which seems to be highly respected. The bill before the house is one which has been approved by all the government agencies concerned, and was recommended during the committee hearing last session by the superintendent of insurance. I appeal to the house to defeat the motion.

Mr. Deputy Speaker: The hon. member for Sudbury (Mr. Germa) seconded by the hon. member for Nickel Belt (Mr. Fawcett) has moved that Bill S-8, an act respecting the Excelsior Life Insurance Company, be not now read a second time but that it be read this day six months hence.

[*And more than five members having risen.*]

Mr. Deputy Speaker: Since a vote has been demanded, pursuant to section 7 of standing

order No. 6, this item of business stands over until 8 p.m.

Mr. McNulty: Might we call it seven o'clock by unanimous consent?

An hon. Member: No.

AETNA CASUALTY COMPANY OF CANADA

The house resumed from Thursday, November 23, 1967 consideration of the motion of Mr. Cameron (High Park) for the second reading of Bill No. C-112, to incorporate Aetna Casualty Company of Canada, and the amendment thereto of Mr. Gilbert (p. 1746).

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): This bill is somewhat different in its nature from the one about which I was speaking a few minutes ago. This is an insurance company to insure virtually everything but life. In clause 6 we find a list of 26 types of coverage running the whole gamut of possible disasters including fire insurance, accident insurance, aircraft insurance, automobile insurance, boiler insurance, credit insurance, earthquake insurance, explosion insurance, falling aircraft insurance, forgery insurance, guarantee insurance, hail insurance, impact by vehicle insurance, plate glass insurance, sickness insurance, sprinkler leakage insurance, weather insurance and windstorm insurance. It is perhaps a good thing we have only 26 letters in the alphabet.

Again, Mr. Speaker, I believe we should be considering whether all these forms of insurance ought to be in private hands. As I was saying some time ago, there is a widespread demand for automobile insurance to be taken out of private hands because of the way in which private companies have handled this necessary feature of modern life. The same could be said of other areas in which insurance companies engage in business.

This bill proposes to incorporate a company which is, I believe, largely owned outside the country. I do not know whether that is very important, one way or another. I object to private individuals engaging in this sort of business, whether Canadian or not. There are some who become very agitated if they see that ventures of this kind are foreign-owned and I suppose that if we are to have people battening on the economy we should confine this privilege to Canadians.

My suggestion is that government and this parliament should subject such undertakings to careful scrutiny. Are we not moving into a new era in which many of the things once carried out by private companies should be carried out by a public authority which would provide coverage at minimum cost?

There is no question but that the proliferation of companies in the insurance field must add to the cost of the services provided. Some people may question this, but I can assure them that it costs twice as much to hire two men as it does to hire one. The more insurance companies there are, the more people will have to make a living out of them. Consequently, the cost to the insured person is bound to continue to rise.

May I call it seven o'clock?

Mr. Deputy Speaker: The hour for the consideration of private members business has expired.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PRIVATE BILLS

THE EXCELSIOR LIFE INSURANCE COMPANY

Mr. Deputy Speaker: Order. Pursuant to section 7 of standing order 6 the house will now revert to private members business for the purpose of taking the vote which was postponed when private members business was being considered in the hour from six o'clock to seven o'clock in this sitting. Accordingly the question is as follows:

Mr. Stanbury, seconded by Mr. Haidasz, moved that Bill No. S-8, an act respecting the Excelsior Life Insurance Company, be now read a second time. In amendment thereto Mr. Germa, seconded by Mr. Fawcett, moved that this bill be not now read a second time but that it be read a second time this day six months hence.

Call in the members.

• (8:10 p.m.)

The house divided on the amendment, (Mr. Germa) which was negatived on the following division:

YEAS

Messrs:

Barnett	Knowles
Cameron (Nanaimo-Cowichan-The Islands)	MacInnis (Mrs.)
Douglas	Mather
Fawcett	Orlikow
Germa	Peters
Grégoire	Prittie
Howard	Saltsman
	Schreyer
	Winch—16.

Division

NAYS

Messrs:

Allmand
Basford
Batten
Béchard
Bell (Saint John-Albert)
Benson
Bigg
Blouin
Bower
Byrne
Cadieu (Meadow Lake)
Cadieux (Terrebonne)
Caston
Chatterton
Choquette
Chrétien
Churchill
Clermont
Comtois
Coté (Longueuil)
Cowan
Crossman
Crouse
Dinsdale
Drury
Fane
Faulkner
Fulton
Gauthier
Gendron
Godin
Goyer
Granger
Gray
Groos
Gundlock
Habel
Haidasz
Hales
Harley
Honey
Horner (The Battlefords)
Johnston
Jorgenson
Lachance
Langlois (Chicoutimi)
Laniel
Laprise
Latulippe
LeBlanc (Rimouski)
Lefebvre
Lessard
Loney
Macaluso
MacEachen
MacInnis (Cape Breton South)
Mackasey
MacLean (Queens)
Macquarrie
McIlraith
McKinley
McLean (Charlotte)
McLelland
McNulty
McWilliam
Marchand
Matheson
Monteith
Moore
Nasserden
Nesbitt
Neveu
Noble
Noël
Nugent
Ormiston
Pascoe
Pilon
Prud'homme
Pugh
Rapp
Régimbal
Reid
Ricard
Rideout (Mrs.)
Rochon
Scott (Victoria (Ont.))
Sharp
Sherman
Simard
Stafford
Stanbury
Stefanson
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Thompson
Tremblay
Turner
Walker
Watson (Châteauguay-Huntingdon-Laprairie)

—102.

• (8:20 p.m.)

Mr. Speaker: I declare the amendment lost.

• (8:30 p.m.)

Mr. Herridge: Mr. Speaker, I was paired with the President of the Privy Council, who was unavoidably detained.

Mr. Chatterton: How would the hon. member have voted?

[Mr. Deputy Speaker.]

Mr. Hymmen: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Bell (Saint John-Albert): With whom was the hon. member paired?

PENITENTIARIES

ESTABLISHMENT OF JOINT COMMITTEE

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I ask for the unanimous consent of the house to revert to motions for the purpose of moving item 58 on the order paper, the motion to revive the joint committee on penitentiaries. I understand the committee would be in a position to complete its report on prisons for women after one or two more meetings. I move therefore:

That a joint committee of the Senate and House of Commons be appointed to consider the state of penitentiaries under the control of the government of Canada and the plans of the government in relation thereto with powers to report from time to time its observations and opinions thereon; send for persons, papers and records; adjourn from place to place; sit during sittings of the house; and print from day to day such papers and evidence as may be ordered by the committee, and that standing order 66 be suspended in relation thereto;

That 15 members of the House of Commons, to be designated at a later date, act on behalf of the House as Members of the said committee; and

That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deem advisable some of their Members to act on the proposed joint committee.

Motion agreed to.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, February 1, 1968

Sir,

I have the honour to inform you that the Hon. J. R. Cartwright, M.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber today, the 1st February, at 9.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary to the Governor General

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order. When the committee rose at six o'clock subclause (h) was being considered, with an amendment by the hon. member for Edmonton-Strathcona.

Mr. Sherman: Mr. Chairman, when the house proceeded to private members business a little over two and a half hours ago I had been discussing some of the comments that had been made by members of the government on the position that our party has taken in the debate on this subclause, and on the position which members on the government side feel has been manifested by their own colleagues on the government benches. Needless to say there is a wide divergence of opinion between us on this side and the spokesmen to whom I refer on the other side with regard to the sincerity of the position purportedly taken by members on the government side. I was referring to the remarks made by the hon. member for York-Scarborough in which he alleged and purported to suggest that there was division in my party with regard to subclause (h), and that by contrast there was remarkable unanimity and community of thought and purpose among the members on the government benches. I asked the hon. member for York-Scarborough, in a rhetorical way perhaps, just where he would place such members of his party as the hon. member for Burin-Burgeo, the hon. member for York-Humber, the hon. member for Coast-Capilano, the hon. member for St. Paul's, and the hon. member for Spadina. Indeed I could go on naming hon. members. The five hon. members who I have named have hardly risen in this chamber to profess a deep philosophical and sincere commitment to the position of the government on this subclause. On the contrary, both inside and outside this chamber, some of them at least have given every evidence that they are as much opposed to the principle contained in subclause (h) as we in this party are. I must say that the difference of posture between these members and the members of our party has been very evident when the crunch came and the votes were taken, because many of them have absented themselves from the chamber so as not to have to participate in them. Those of us, however, who have taken the philosophical position which I and many others in my party have enunciated in the past week have been here to participate in these votes, and we have put our political money where our principles and our philosophical beliefs are.

• (8:40 p.m.)

Although the hon. member for York-Scarborough made a very urbane and intelligent speech and, in his usual poised political manner, exposed what he considered to be the essence of the argument, I suggest he was treading on dangerous ground. He cannot, in all conscience, support the argument that his party is united philosophically on this question and is the only party in this house to be so united when his colleagues have stood in this chamber during the last 72 hours and proposed amendments which would, in effect, substantially change the wording of the subclause in question. These amendments would have put the subclause in line with the philosophical expression to which we adhere in this house. I cannot explain the absence of those hon. members when votes on such amendments have taken place. This is something which the hon. member for York-Scarborough will have to settle with his own conscience.

Both the member for York-Scarborough and the hon. member for Verdun have made emotional appeals for some leadership, some direction from the head of this party in so far as this particular dispute is concerned. I suggest that this is a specious appeal to make in this chamber. There is absolutely no reason why members of this party or of any party in this house should not, when we are examining legislation of this kind clause by clause, speak out and state their individual convictions, and suggest their individual, independent points of view. The difference is, of course, that those of us who form this party have for a long time, certainly throughout our political lives, adhered to the tradition of independence and freedom which is part and parcel of the philosophy of Conservativism. Obviously members on the other side of the chamber are muzzled and the verbal expression certain members may wish to make of their convictions is denied them. There are handcuffs on those same members so far as any overt action is concerned.

We are at a stage in studying this legislation where every one of the 265 members

should, in accordance with parliamentary tradition and devotion to the democratic political principles of this country, stand and make his or her own, individual, independent views known on the parts of this legislation with which there is not agreement. There is absolutely no reason why there should be a crystallization of the position of this party on this legislation at this stage, either by the leader of this party or anyone acting on his behalf. When it comes to leadership, sir, I suggest that those on the other side of the chamber are treading on very dangerous ground. If they asked members on this side of the chamber if they felt the Liberal party had provided this country with the type of leadership Canadians have been crying for during the last four years, the answer would be a resounding no.

When members opposite talk about leadership, they should first put their own house in order. If there had been leadership provided on this broadcasting question, none of the explosions of the past two years in the field of broadcasting would have occurred. They have asked, Mr. Chairman, where we stand in this party on this particular philosophical question. I think it has been made clear where we stand, where the consensus in the party lies. Where members have different points of view, as I have attempted to suggest, it is incumbent upon them at this stage in the study of the legislation to express those different, independent points of view.

The hon. member for York-Scarborough has attended faithfully throughout the tedious hours of this debate and is familiar with the stand of this party on this philosophical question. He has been here throughout the week when the consensus on that philosophical point has developed and been articulated by this party. His answer lies in the *Hansard* record for the past four days.

I was mildly distressed, Mr. Chairman, by a reference the minister made, really outside the area of debate, which seemed to suggest to me that she felt such members as the hon. member for Burin-Burgeo and I have an axe to grind in this debate, since we have spent some time in the field of private broadcasting. I submit to the hon. lady that she has cast unfair aspersions upon both the hon. member for Burin-Burgeo and me. I believe these allegations are unsupportable. If she checks my remarks during this debate, in fact if she goes back to my speech on first reading in this house and the meetings in the standing committee, she will see that I have tried to emphasize the fact that I am not speaking in defence of, nor am I particularly interested in, the objectives or aims of private broadcasting any more than I am in the objectives and aims of publicly owned broadcasting. What I am talking about, the element in which I am interested—and I thought I had made it perfectly clear in my remarks—is the viewing and listening public. I am interested in the right of that public to have its objectives, its ambitions and interests preserved and paramount when any conflict arises between the two elements of our Canadian broadcasting system. There has been no attempt on my part, and I think the same can be said for the hon. member for Burin-Burgeo, to expostulate the position of private broadcasters. Hers is not a true charge.

The position I have taken, and that the hon. member for Burin-Burgeo certainly took in very articulate fashion in the standing committee, so far as this clause was concerned was that it was the public interest that should be paramount. It is the public interest which is the only justifiable criterion in this dispute. It is the public interest that is abrogated and violated in the wording of the subclause as it was originally constituted, and as it is now constituted in amended form.

Members on the government side may wonder why I took the particular voting position I took yesterday when we had an amendment which subsequently passed, but to which the member for Okanagan-Revelstoke moved a subamendment. The subamendment, if it had been carried, would have accomplished the same thing as my original amendment moved on Tuesday of this week. I did not support the subamendment moved by the hon. member for Okanagan-Revelstoke, although I agreed with it 100 per cent, because my colleague, the member for Halifax, had an amendment which would have been completely neutralized by the passage of the subamendment. I did not vote on that issue. I neither voted for the subamendment nor against it. I voted against the amendment of the hon. member for Halifax purely on the grounds that I had to be able to justify the remarks which I would make subsequently, and which I am making now. I felt I could not justify a further intervention in the debate if I voted for the amendment. I submit this argument to hon. members as my rationalization of my voting position of yesterday on the subamendment and the amendment before the committee.

I was exercised to a degree also, Mr. Chairman, by the remarks made earlier today in the chamber by the hon. member for Burnaby-Richmond. Before we even reached this aspect of the debate the hon. member said that the N.D.P. would be against any change in the amended paragraph (h). He said: "We"—meaning his party—"supported the original subclause and we supported the amendment moved yesterday by the member of the official opposition"—the hon. member for Halifax. He also said that he and his group would be against any further change in the clause.

• (8:50 p.m.)

That hardly came as surprising news to any of us. Of course he would be against it, because the amended clause says precisely what the original clause said. That is our objection to the amendment. The hon. member was originally opposed to any change to paragraph (h). Therefore when an amendment is moved that is precisely the same, with the exception that it moves the emphasis further down in the sentence by changing the phrasing but does not change the essence of the paragraph, he would naturally be in favour of the amendment and opposed to any amendment that we might suggest to soften or modify the rigid position enunciated in the paragraph.

I also felt that his subsequent references to filibustering on the part of members of this house were unworthy of him. The hon. member has contributed greatly to the formulation of this broadcasting policy and the creation of the bill before us. I do not want to engage in argument with him over allegations that either he or I might make against each other's respective parties and positions, but considering the high level of intelligence and conscientiousness that he has brought to the debate I did feel that that remark was beneath him. There has been no filibustering by anyone in this party. We are concerned about the serious oversight in the wording of this legislation which compromises the most important element in Canadian society—the public interest.

If some of us missed things in the early examination of this legislation, then we are sorry and apologize. It is not always possible to come quickly to a satisfactory understanding of every clause in every piece of legislation with which we in this chamber are confronted. Sometimes re-examination and a period of contemplation is required before one comes to, as it were, the moment of truth in respect to a particular phrase or provision. Only then is the weakness or strength of that particular part of the legislation properly focused before us. That is what may have happened as far as some members on this side of the chamber are concerned.

In my own heart and conscience I can fully justify and defend the position that I have taken in this debate. In no way should the stand I have taken be construed as a filibuster. I have made a sincere attempt to change a piece of legislation in such a way as to protect the most important part of Canadian society—the Canadian interest. I have made a sincere attempt to soften and to modify wording which to me smacks of stateism, authoritarianism, and which to say the least is discriminatory. It is not a question of its being discriminatory in respect of private broadcasters but of its being discriminatory in respect of, if you like, private enterprise, discriminatory in respect of the independent, free-thinking, free-moving Canadian.

I cannot understand why the minister has been so intractable on this point. I was dismayed, to say the least, when the amendment I moved earlier this afternoon failed to find favour with the minister. I felt it satisfied both philosophical positions in this debate without watering down the position of the government. It satisfied the concern on this side of the chamber for free enterprise and the public interest and in no way represented a defeat, moral or otherwise, for anyone participating in this debate.

Disappointed as I was, even more than that I was amazed that the minister found the wording of my amendment so unacceptable. For my own part I find the wording of the paragraph as it now stands completely repugnant from a philosophical point of view. I see no justification whatever for it and I certainly support the amendment that has been moved at this point in the debate by my colleague from Edmonton-Strathcona.

I would be interested to hear the minister or some of her colleagues defend the clause as it now stands and explain why the term "public interest" has throughout the debate seemed to be so reprehensible to the government. It was through the efforts of this party that this term was put into that particular paragraph. The original paragraph made no reference to it. However, the clause is not yet satisfactory to us, even though that term is in the paragraph. To put it there we have had an uphill struggle against ministerial intransigence.

Why is the minister so loath to write into the legislation something that is in the best traditions of Canadian democracy and which should be in the best traditions of the Liberal party, the protection and primacy of the public interest? One is quickly persuaded to come to the conclusion, as did the hon. member for Digby-Annapolis-Kings two nights ago in this chamber, that this debate has separated the champions of individualism and independence from that sparkless, faceless army of people who would see this country complete its alarming slide into state-ism, socialism and total welfare-ism.

From that, one is logically forced to the conclusion that we are one of the few countries that seems to be stubbornly and unwisely bucking a political and philosophical trend in the world. Countries like Denmark are getting away from the totally socialistic, authoritarian concept of government, while countries that still stick with it, such as Great Britain, are suffering the slings and arrows of the most outrageous social, political and economic fortunes.

This lesson is being written in every corner of the western world, yet this country seems to go on stubbornly resisting and ignoring it, plunging headlong down the path to welfare-ism, socialism and authoritarian control, sapping the society in which we live of all its ambition and robbing it of all its dreams.

• (9:00 p.m.)

I think the hon. member for Digby-Annapolis-Kings made the point most eloquently two days ago in his charge to the members on the government benches with respect to the choice facing them and the test ahead of them, as they go into their leadership convention. They must ask themselves, under whom will their party live? The tragedy, of course, is that the Canadian people are involved in this exercise. If it were a party choosing a leader for itself with no one else involved, it would be different. But here they are carrying out their exercise for the whole Canadian public, and what they do will affect the government of this country. In effect, they are choosing the direction that the government and the country will take. That is where the tragedy lies.

Before closing and yielding the floor, I hope, to my colleague from Edmonton-Strathcona, who intends to speak further on his amendment, I ask again, as I have asked on some five prior occasions in this debate, what are the objectives of the national broadcasting service? If I thought that the objectives were clearly enunciated and did not encroach on the individual rights of individual, free Canadians, did not encroach on the civil liberties of Canadian men and women, I might subscribe, I dare say, to the clause as it originally stood or in its amended form.

But I am not satisfied that the objectives of the national broadcasting service have been properly defined in this bill and I appeal once again to the minister, in the interests of liberalism, socialism, conservatism and every other ism in the spectrum of Canadian politics, in the interests of Canada and the Canadian tradition of freedom and enterprise, to yield on this one point, to satisfy a great many people inside and outside the broadcasting industry who, I can assure her, are concerned with the apparent authoritarianism of amended subclause (h) and with the apparent, arbitrary and permanent conclusion that broadcasting authorities are charged to reach where conflicts in broadcasting arise in future between the public and private sectors of the industry—that is, between the national broadcasting service and the private part of the system.

The subclause means that a decision has been reached that will guide the authorities for all time. The scales are to be weighted and the jury shall be directed to find in favour of the national broadcasting service. The case of the private individual and of the public, and after all it is the public that is most concerned in this matter, is compromised, foreshortened and doomed to failure before the litigation has begun.

I conclude by reiterating my support for the amendment moved by the hon. member for Edmonton-Strathcona, by hoping that it will be accepted by the minister and by hoping that, once this matter is resolved, the committee of the whole will be able to move expeditiously through the remaining clauses of the bill.

Mr. Nugent: Mr. Chairman, at the invitation of the hon. members for York-Scarborough and Verdun, I am on my feet again in connection with the amendment I moved and in connection with a problem contained in this bill. The bill seeks to say that where there is any possibility of conflict between private and public sectors of broadcasting, the interests of the public sector shall prevail.

Certainly I owe the senior member for Halifax an explanation about what happened this afternoon. While some may ask the question, facetiously perhaps, as to where this

party stands, I think the answer is simple. It may look as if someone in our party moved an amendment and as if a majority of our party do not support it; but the situation is simple. Members of our party, and I think I can speak authoritatively about this, felt that clause (h) was so worded that it could be interpreted as being overwhelmingly in favour of the national broadcasting service, where there is any possibility of conflict. On reading the bill, it became apparent that if the interest of the national broadcasting service in any matter were but one per cent and the interest of private broadcasters were 99 per cent, a decision would have to be rendered in favour of the national broadcasting service. I do not think anybody on the broadcasting committee intended to go that far, and I do not think anyone in the house would wish to see that situation prevail.

I thought originally that the situation contemplated in the clause referred to equal interests. I thought that where there would be difficulty about how to resolve a question, the interest of the national broadcasting system would prevail. Such was our concern with this matter, Mr. Chairman, that the hon. member for Halifax, acting on behalf of our party, attempted to negotiate with the government to try to ameliorate the effects of this clause. I think it is generally agreed that when all other factors are equal, the balance of the scales should be tipped in favour of the national system. But this clause went too far, and the object of the hon. member was to try to obtain agreement to amendments that would ameliorate that provision and let us get on with the business of the house.

The difficulty, Mr. Chairman, was that the wording was arrived at hastily round about noon. The minister took a look at it, said she would accept it, and we went back to the house without anybody having had a chance to study the amendment. When it was read to us it revealed words which said that the matter shall be resolved in the public interest, and so on, and the thought came to me that that was not what was in mind. The language of the subclause would be that in case of conflict the matter would be resolved in the public interest; but I submit that the suggestion is that when there is no conflict, a decision in favour of the national broadcasting service is not in the public interest. In other words, we seem to be directing someone to do something that is not in the public interest.

• (9:10 p.m.)

There was no time for consultation and we never saw the amendment until just before it was proposed in the house. The first objection to it was taken by the hon. member for Winnipeg South Centre, who said he had reservations and wanted to think about it. Obviously, he was somewhat dubious about the wording. He was certainly in full accord with the general object of trying to soften the effect of the original wording. It was I who made an objection and pointed out where the difficulty lay, namely that we were failing in our duty to regulate in the public interest because we were asking an authority to do something without regard for the public interest.

Members of our party looked at the wording of the amendment this afternoon and agreed that it was most unfortunate. It was my hope that by drawing attention to this situation, a poor choice of words in an amendment which had been drafted hastily in an honest endeavour by the minister to meet the feeling by hon. members on this side of the house as well as, I believe, on her own side of the house, the minister would become aware of what had happened and would be agreeable to finding another form of words which would meet the case. There had been no time for a close study of the amendment. There was no time to talk it over. By the time we were able to study its effects the motion had been moved. I had hoped that the minister, looking again at the amendment with cool judgment, would have taken a reasonable attitude and made sure that the amendment would, in fact, soften the effect of the subclause under discussion.

When the vote was called I had expected that the amendment would be turned down and that another amendment would then be introduced which would express more clearly the result which we on this side wish to achieve. In the event, the hon. member for Halifax having moved his motion and having made an agreement with the minister, obviously could not vote against his own motion, while on the other side of the house the minister's supporters merely followed the minister. I thought it strange that there should be such overwhelming support for the minister in the committee on this occasion, and some hon. members may wonder whether it is always to the advantage of this house that ministers are so often able to get such wholehearted support behind them in connection with just one point in the legislation being

considered. Obviously hon. members opposite felt that the minister having made a commitment, they should help her keep it. This is commendable; but the essence of the situation is that the wording really did not give effect to what either the minister or the hon. member for Halifax had hoped to achieve. So it became a matter of trying to amend the wording in such a way as to bring it into conformity with the agreement which has been reached—not to abrogate that agreement or reach some other agreement.

If there should be some wonderment on the other side of the house as to where the opposition stands, perhaps I might say this in explanation: Unlike the clause itself, which has been before us for a considerable time, the amendment was only moved this afternoon and hon. members, who did not have the actual wording before them, were unable to consider its implications. They could only listen to what was said and had only a few minutes in which to make up their minds. Some of us obviously felt that if we did not support the hon. member for Halifax we were going back on the agreement to some extent. However, as I have explained, we felt in the end that the amendment did not really give effect to the agreement which had been reached and that the matter should therefore be reconsidered in order that a properly worded amendment could be moved. While I am not reflecting on the action of the committee in accepting the amendment which was put forward, I would point out that we do have an opportunity now to determine whether the wording which the committee found acceptable is, in fact, as satisfactory as the wording which I proposed earlier today. As members of parliament it is our duty to decide whether the national broadcasting system should take precedence over the private broadcasting system. I think it is also our duty to give some indication to the Board of Broadcast Governors as to the extent of such a preference.

In subclause (h) as originally worded, the government took a very clear stand. It said that should a conflict arise between the C.B.C. and private interests, even though the C.B.C. might have only a minor interest at stake as opposed to a major interest on the part of private enterprise, the conflict must be settled in favour of the national broadcasting service. There is considerable doubt in the minds of many hon. members as to whether they really wish to go as far as this. Some, I suppose, would argue against my amendment, which says that all other factors being equal the national broadcasting system shall prevail—in other words that there should be a slight bias in favour of a national system. In cases where there is only a minor interest on the part of the C.B.C. and a major interest on the part of the private network we obviously do not want a subclause here which says that the interest of the C.B.C. must prevail. This is what we object to, and this is why the hon. member for Halifax went to the minister in an effort to have that provision ameliorated.

[Mr. Nugent.]

• (9:20 p.m.)

I think the fact that the minister would agree to an amendment proves that there was agreement that the original wording went just a little too far. If I am right in that, Mr. Chairman, and I believe the logic is sound, then it was a case of finding wording that would ameliorate this a little, and not violate the principle that the minister wanted to have in the bill, the pre-eminence of the C.B.C.

When the minister agreed to the amendment moved by the hon. member for Halifax, it showed that there was agreement to soften the clause a little bit, but the mechanics of carrying out that agreement were just a little faulty. I feel that the result has left this committee in a most embarrassing position. I am hoping that we will be able to take up this clause tomorrow, because perhaps over night hon. members will have time to think about it.

It is not my purpose to make this a partisan debate. Certainly the division on the amendment was not partisan. Some Tories supported it; some voted against it. I voted against it simply because of the wording and not because of the intent. I am sure many of my colleagues did the same. My plea tonight to the committee is that it not abrogate the intent of what was done, but to suggest that by this wording we have not done what we thought we would. We should look at it a little longer and see if my amendment does not more closely carry out the wishes we thought we had expressed.

I have no doubt that if we leave the clause as amended yesterday, when it goes to the Senate that body will say, "We will amend this clause so that it does not offend against the interests of parliament, and so that it will say that the public interest must be the prime consideration for everything we do." In effect, this amendment says that conflict "shall be resolved in the public interest, but..." In this way we take away from what is our absolute duty.

To those hon. members who have asked where our party stands, I reply that the apparent difference of opinion is only in the wording, and that in fact on both sides of the house there was general agreement on what we were trying to do, but that there was not full understanding of what the words in the amendment actually did.

As I say, I was surprised that the minister did not accede to the request to study the matter for a while, to see if we could refine the words in the amendment a little more. I know that a couple of members on the other side of the chamber have suggested amendments similar to the one now before the committee. In fact the amendment that I have moved is almost identical in meaning to the wish expressed in speeches made by a couple of Liberal members yesterday, and I do not think those members were speaking just for themselves.

As I say, the fact that the minister accepted an amendment to the clause indicated a certain amount of agreement to ameliorate to some extent the harshness of the original clause. My amendment suggests that, all other factors being equal, then pre-eminence is given to the C.B.C., and I suggest there is nothing in the attitude shown by members, no matter which way they voted on the last amendment, which would tie their hands so that they could not be free to vote on this one.

The original wording of the clause gave overwhelming pre-eminence to the C.B.C., and everybody was agreed that that went a little too far. It may be that somebody will devise a formula to give a balance of proportion, where the factors have to be two to one or three to one before this clause comes into effect. That will be rather hard to draft and it is difficult to imagine how we can reach agreement.

In reply to members who asked this afternoon where our party stood, I say that the public has a right to know where a party stands. I am suggesting that my amendment simply sets out that we want a balance of proportion, and that every member who votes in favour of it will indicate that generally, with all factors being equal, the pre-eminence will be given in favour of the C.B.C. My amendment could be made stronger, but as it stands it indicates that a conflict of interest shall be resolved in the national interest of the C.B.C. only where things are about 50/50. I hope the committee will support my amendment on those grounds.

Mr. Ballard: Mr. Chairman, I wish to speak again on the hon. member's amendment because I think it outlines a basic political philosophy, one with which the committee should be very deeply concerned. I find it hard to imagine the reason why members on the government side are reluctant to resolve any issue in the public interest. Most of the aspects of government and of the judiciary have been designed to be resolved in the public interest. Everything we have in the political sense in this country, the whole democratic process, is designed in such a way that we can confidently expect that the public interest will be served.

It is only occasionally that a clause in a bill such as this, which endangers one of our freedoms, comes before us. I speak of the freedom to dispense information. If a similar proposal were made with regard to other types of organizations that dispense information, such as newspapers, suggesting that if there were a quarrel between newspapers and a government publication then it must be resolved in favour of the government publication, I think there would be a great hue and cry about it.

It is difficult to fathom the reasoning of government supporters against accepting an amendment which gives us a continuation of a certain freedom, but I am quite prepared to accept the fact that there are certain other members of the house willing to have the government take over all aspects of our lives as individuals, and run them according to a computer or to a bureaucratic set-up. I have been asked, "Where are they". Again I say, as I did this afternoon, that these are the people to the left of me geographically and also politically. I do not think that a small vociferous minority should be listened to too intently in this house.

• (9:30 p.m.)

I found it interesting to read some of the evidence given before the standing committee on broadcasting, films and assistance to the arts at the time when the witnesses who appeared before that committee were the director general of the British Broadcasting Corporation and the director general on the Independent Television Authority in the United Kingdom. When Sir Hugh Greene, K.C.M.G., O.B.E., appeared before the committee he was questioned by the hon. member for Burin-Burgeo. He was subjected to some sensible and well put questions. I believe the hon. member for Burin-Burgeo was able to draw from these two gentlemen, Sir Hugh

Greene and Sir Robert Fraser, a good deal of interesting information about broadcasting in Great Britain.

I found some of the comments which were made by these two gentlemen to be quite enlightening. I am not particularly familiar with the situation in Great Britain. It seemed to me, however, that the hon. member for Burin-Burgeo was asking Sir Hugh Greene about the effect that the introduction of independent television stations in Great Britain had on broadcasting. I found Sir Hugh Greene's reply to be rather interesting. This appears at page 1831 of the minutes of proceedings and evidence No. 38 of the standing committee on broadcasting, films and assistance to the arts, where Sir Hugh Greene said this:

> Some people would say that our standard of programs had declined as a result of competition; some people would say that the standard of our programs had improved because of competition. Both of these statements, I think, cannot be true, but they are constantly being made almost in the same breath. Of course, programs will develop over the years whether they are in competition or not, with greater professionalism and expertise.
>
> We tried to answer this question to the best of our ability at the time of the Pilkington committee, searching our consciences. We came to the conclusion that in certain areas of programming, basically news and light entertainment, probably we had benefited from competition, and that the B.B.C. programs were better for it. We came to the conclusion that in other areas of programming it had probably made no difference.

This bears out a point I was attempting to make this afternoon; that is, that the private sector in Canada need not take a back seat to the C.B.C. or to any other organization in respect of the programming service it is performing in this country. So, the question of competition really does not enter into the matter under discussion at the present time. We are not talking about competition; we are not talking about programming in this context. We are talking about an amendment which, in the opinion of my colleagues, if allowed to go through will open the door to violation of one of our historic rights.

Mr. Prittie: Mr. Chairman, would the hon. member permit a question?

Mr. Stanbury: Would the hon. member permit a question?

Mr. Ballard: Mr. Chairman, I have only a few minutes left. If the hon. members have points of view which they should like to express, they will have the opportunity to do so after I sit down.

[Mr. Ballard.]

Mr. Stanbury: The hon. member will not permit a question.

The Assistant Deputy Chairman: The hon. member for Calgary South has the floor at the moment.

Mr. Ballard: Mr. Chairman, I will permit a question from the hon. member for York-Scarborough.

Mr. Prittie: I had one first.

Mr. Stanbury: Mr. Chairman, I wish to ask the hon. member whether the amendment which he has been damning in such severe terms is the one which was introduced by his colleague the hon. member for Halifax.

Mr. Ballard: Well, Mr. Chairman, the hon. member for Edmonton-Strathcona covered this point very well in the speech he made next preceding mine. I should like the hon. member for York-Scarborough to read that speech. Unfortunately he was not in the house at the time.

Mr. Stanbury: I heard it.

Mr. Ballard: I am sure I could not explain the point better than the hon. member for Edmonton-Strathcona did.

Mr. Prittie: Will the hon. member permit my question?

Mr. Ballard: I will take a question from the hon. member for Burnaby-Richmond.

Mr. Prittie: The hon. member for Calgary South has been referring to the British system and the private companies in Great Britain. I wonder whether he realizes that the program companies in Britain have none of the inalienable rights in respect of private property. They use transmission facilities owned by a public authority and obtain permission for a period of years to produce programs. This authority can be taken away, as indeed was the case in respect of Lord Thomson. They have no built-in rights so far as television is concerned.

Mr. Ballard: I must concede the point to the hon. member for Burnaby-Richmond when it comes to matters of broadcasting both in Canada and Great Britain, because he has been a conscientious member of the parliamentary committee which has been studying this subject. While I appreciate his knowledge on the subject, I must say that in Great Britain there are separate authorities

governing the British Broadcasting Corporation and the independent television agency. This situation did not develop by accident; it was a deliberate policy decision, as I understand it, that these two bodies should be developed and governed by separate agencies. As a matter of fact, when the hon. member for Burnaby-Richmond was questioning Sir Robert Fraser, the director of the Independent Television Authority, concerning the overseeing of the television authorities in Great Britain, Sir Robert, as reported at page 1855 of proceedings No. 38 of the committee on broadcasting, films and assistance to the arts, stated as follows:

> Every free country has had to set up an agency of the state to choose who shall be allowed in and who shall not. This is what the F.C.C. is doing most of the time.

The F.C.C., of course, is the Federal Communications Commission in the United States. Sir Robert Fraser continues:

> This cannot be avoided because this is an essential part of the system. The real question it seems to me is whether, given that you have to call into existence an agency of the state to supervise the private sector, you wish it then to have anything to do whatever with the supervision of the public sector. Now the United Kingdom's answer to this is: Let it have nothing whatever to do with the supervision of the public sector. You have already a body called the board of governors of the B.B.C. who were appointed to do that very thing, and either they can do it, in which case they ought to be left to do it, or they cannot do it, in which case they should be changed.

• (9:40 p.m.)

I think Sir Robert was inferring that you should have in any country or state a regulatory body to govern broadcasting. In the statement I have just read it is obvious that Sir Robert recognizes that in respect of broadcasting there should be separate governing bodies. I think that we in Canada can afford one governing body covering the public and private sectors of broadcasting, provided the private sector can expect the same or equal treatment as that afforded to the public sector. To make flesh of one and fowl of the other is absolutely undemocratic and unacceptable. The hon. member for Edmonton-Strathcona is really saying that we are prepared to vote for a body that will have the responsibility of governing broadcasting in this country, provided the public and private sectors are governed, supervised, controlled and regulated in identical fashion.

There is no justification for saying that the private sector of this industry should be regulated in one manner and that sector has to follow the pattern set by the public sector. I think that the concept behind this amendment has nothing to do with broadcasting but has something to do with the preservation of the rights under which all members of the house operate. We have grown to expect these rights, we have fought for them and we will continue fighting for them. This is what we are doing now; we are fighting to preserve the rights to which we are accustomed and to which we are entitled.

It would be easy, Mr. Chairman, for the minister to rise and say, without lessening her political stature in this country—in fact, she would probably increase her political stature if she did this—that by all means the regulatory authority over broadcasting in this country must resolve all problems on the basis of public interest, and for no other reason. If the minister would do that, a continuation of this debate would be unnecessary. This is such a small thing to ask of the minister, but it is so important that we are prepared to fight for it right down to the wire. Mr. Chairman, may I call it ten o'clock?

Some hon. Members: Question.

The Assistant Deputy Chairman: It will be several minutes before the proceedings are interrupted, and there is no necessity to call it ten o'clock at this time.

Mr. Ballard: Then, Mr. Chairman, the information I received is incorrect. I understood that we would be invited to the other place at a quarter to ten. It appears that we still have several minutes to go, but I am afraid I have run out of steam. Therefore, I will call it ten o'clock and let Your Honour call the question.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Pascoe: Mr. Chairman—

Mr. Knowles: How is your steam?

Mr. Pascoe: —my colleagues on this side of the house have presented our arguments in respect of improvements to certain clauses of this bill. They have been presented so clearly and forcibly that so far I have not taken part in the debate. However, I feel impelled to speak briefly tonight, for two particular reasons. The first is that I have been asked in letters I have received in the last day or so to put the views of my constituents on the record of the house. I assure the minister that the public—I know this is the case as far as the people in my constituency are concerned

—have been reading the reports of this debate very carefully. The feelings of the public are fairly high in this regard.

My second reason for speaking tonight is this. The government is taking action by the guillotine method to impose closure on our speaking. This was announced today. As I say, Mr. Chairman, there has been a great deal of public interest in the debate on clause 2. As the minister has stated several times, this clause is the heart of Bill C-163. According to the letters I have received, there is a great deal of interest in the private sector of broadcasting. As I have already said, I have received many letters on this question, and I wish to put part of one of them on the record. I shall not put them all on record, but I quote just this one letter to indicate how much interest there is in maintaining the private sector of broadcasting on the same footing as that enjoyed by the C.B.C. This is what my colleagues have been fighting for, and in this connection I would refer particularly to the hon. member for Winnipeg South and the hon. member for Edmonton-Strathcona.

I shall not read all the letters I have received in this connection because they are not relevant to this stage of the debate; many of them refer to speeches made earlier in committee regarding programs broadcast by the C.B.C. which have offended the sensibilities of a great many viewers. However, I wish to quote from a letter received from a lady in my constituency. This lady says that she is disgusted with some of the programs broadcast over the C.B.C. network. She says:

> These sort of programs are not fit to come into our living rooms. In fact, in ours they are turned off.

The next portion of this letter is the one to which I draw particular attention, and I am sorry the minister is not in the chamber to hear it. This lady says:

> In fact, if we only had the C.B.C. to watch, we would not have a television.

That is what this constituent writes. She thinks there is a great need to give the private sector a square shake, as we say in western Canada, with regard to broadcasting. I do not have to draw to the attention of hon. members on the other side of the chamber how many of them disagree with what the minister herself has said. The minister said—it was said as part of a joke, but she admitted it—that she, and I take it that this also applies to the government, is tilted toward the C.B.C. In order to reinforce my argument with regard to opposition from the minister's own members in this respect, I would put on record one or two statements from members on that side of the house which certainly indicate that they are not in favour of the minister's acknowledgement that she is tilted, and through her the government, toward the C.B.C.

• (9:50 p.m.)

I should like to quote a statement made by the hon. member for Coast-Capilano, which reads as follows:

> My reason for saying that is that the clause as it stands says in effect that the C.B.C. will always have its way and that the will of the C.B.C. will always prevail.

In another part of his speech the hon. member said:

> I suggest that under the present wording—

The wording had been changed slightly since the hon. member spoke but it had the same effect as the amendment which was approved last night.

> —the dice are heavily loaded in favour of the national broadcasting service.

I listened with interest to the speech made by the hon. member for St. Paul's. In my view he also took exception to the minister's very evident bias in favour of the C.B.C. when he said:

> I urge the minister to reconsider the possibility of moving a very simple amendment to clarify, first, the meaning of the word "objectives" and, second, to make it entirely clear that there is to be no automatic resolution of any conflict in favour of the state-owned system but rather that the public interest will be the governing factor.

That is what hon. members on the government side of the house had to say on this bill, and that is exactly what the amendment of the hon. member for Winnipeg South and the amendment now before us proposed by the hon. member for Edmonton-Strathcona is attempting to do to improve the wording of the bill. The bill as it stands suggests that private broadcasting is not on an equal footing with public broadcasting.

May I call it ten o'clock, Mr. Chairman?

The Assistant Deputy Chairman: Order. I am informed that a messenger from the other place is now on his way to the house. Shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

HAZARDOUS SUBSTANCES ACT

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill No. S-22, an act to prohibit the sale and advertising of hazardous substances, to amend the Food and Drugs Act and the Narcotic Control Act and to make a consequential amendment to the Criminal Code, to which the concurrence of the house is desired.

THE ROYAL ASSENT

A message was delivered by Colonel A. Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act to incorporate Vawn Pipe Lines Ltd.

An Act to incorporate Cabri Pipe Lines Ltd.

An Act respecting Trans-Canada Pipe Lines Limited.

An Act respecting Divorce.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

POST OFFICE DEPARTMENT—LIBAU, MAN.—PROTEST ON TRANSFER OF POSTMASTERSHIP

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I notice that the Postmaster General is present and in his place. I welcome this opportunity to deal with what is essentially a grievance that is felt by a majority of the residents of the village of Libau, Manitoba. Unfortunately there is insufficient time to detail with precision the sequence of events and the timing that lay behind the decision of the Postmaster General to transfer the post office and postmastership at Libau last November, but the Postmaster General is well aware that his course of action was found to be very unsatisfactory. The people there took the opportunity to petition him not once but on two occasions, asking him to give consideration to their complaints, their allegations and their request to make an order to retransfer the post office and postmastership back to its location prior to last November. The complaint that the people make is that the minister did not act fairly in that not enough time was given between the issuance of the order of transfer and the date when the actual transfer was to take effect. In fact, I calculate that only four working days were allowed to elapse between notice of transfer and the actual transfer itself.

I must say that the minister was good enough to request or to order a delay in this transfer, during which time—a period of three or four weeks—he considered the request of the residents of this district. However, I and the people of Libau are not satisfied that he was able to justify or sufficiently explain why it was necessary to make this transfer.

The minister has told them in letters, and has told me in the house, that the main reason this transfer was made was that the store in which this post office was located had in recent years changed hands too frequently, and that therefore there was an element of instability. According to the first news reports that carried this announcement, the minister stated that the store in which the post office was located had changed hands three times in four years. This was later amended to three times in five years. I can state with complete accuracy that it changed hands three times in 19 years.

Not only that, Mr. Speaker, but the people of Libau cannot understand why it was found necessary to transfer the post office, in view of the fact that the postmaster who held the position prior to last November had held it for a period of four months or so and his work was found to be satisfactory. In fact I have a letter showing that the regional director of postal services in Winnipeg found the performance of the former postmaster to be quite satisfactory.

• (10:10 p.m.)

In light of that it is difficult to understand why the minister did as he did. When the overwhelming majority of the people make a request, and when what they request will not complicate the minister's job, I submit that that request ought to be acceded to. What was

requested would not have affected national policy and I fail to understand why it was not granted.

The people have petitioned twice for the return of the post office. Had the minister granted that request, would that have affected the operation of his department and the rest of the country? Would it have increased the expenditure of public funds? The answer is that it would not. There was therefore no substantial reason for the minister's refusal.

The request was made and the petition was signed by 75 per cent of the adult residents of the district. In one of his recent letters the minister challenges the accuracy of that figure and suggests that the percentage is more like 67 per cent. But 67 per cent in favour indicates an overwhelming majority. While perhaps I should not challenge the minister's figure, I do so, because the official list of postal subscribers is wrong. Since that list was compiled a number of residents have died, some have moved away—the sort of thing one can expect normally—so that the proportion of residents who signed the petition is, I insist, 75 per cent. I do not make too much of this, except to say that the majority of the people made a simple request and he has denied that request, saying that he has statutory authority for his course of action.

Mr. Speaker: Order, please.

Mr. Schreyer: May I conclude with one sentence? I do not question the minister's statutory authority; I only hope that he might exercise it less drastically and as much as possible keep in mind the wishes of the people.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I know that I do not have much time to answer, but I shall try to be as brief as possible.

First of all, there is some misunderstanding about the word "transfer". A post office in that class is not transferred, any more than a postmaster is transferred. The appointee must provide the premises himself. This does not mean, therefore, that when a postmaster resigns, either because he sells his business or for some other reason, the post office must remain in the same premises. What we do is that we appoint a new local postmaster who must provide his own premises.

The business has been sold three times since 1962. The hon. member knows that did not cost the department anything but each time the postmaster resigns or is transferred, the civil servants of the department must go to the post office and take an inventory of the stamps, money orders, etc. and see that everything is in order. This, of course, entails new expenses.

Because the new owner of the business, Mr. Gilson, was never appointed postmaster, the last postmaster, Mr. Greening, was appointed on a temporary basis, until such time as a permanent one is appointed. So, in this case, two people filled out applications, that is Messrs. Greening and Gilson. Of the two candidates, we have decided, with the assistance of the district manager in Winnipeg, that Mr. Greening was better qualified to fill the post. So I have agreed to make this appointment.

Now, even if a petition has been signed by many users of the mail, I must say that, today, 128 families out of 179 get their mail through the Libau post office. In all justice, Mr. Speaker, I surely cannot fire a postmaster who does his work adequately. I have never done that since I am Postmaster General and I will not do it because, in all justice, I think we should respect the persons on the job.

It may be that there was a misunderstanding when the question of transfer was brought up since, as I said earlier, the postmaster who was there had been hired only on a temporary basis, because the resignation of the one who sold the store had been received too late to appoint his successor.

[*English*]

PUBLIC WORKS—VANCOUVER—CONSTRUCTION OF FEDERAL BUILDING

Mr. Harold E. Winch (Vancouver East): I welcome this opportunity to enlarge upon the question I put, or endeavoured to put, to the Minister of Public Works (Mr. McIlraith) on January 26 in connection with federal construction in the city of Vancouver. Exceeding urgency attaches to this situation.

The shipbuilding industry is already facing a serious situation. One yard in Victoria is closed. Employment in the shipyard in Vancouver is down from 1,500 workers to fewer than 300. More than 60 per cent of the labour force dependant on this industry is unemployed and, according to the newspapers, in the course of only two days there were 500 inquiries by skilled workmen making application to go to the United States. This is the situation as it concerns shipbuilding.

We do not want to see a repetition of this situation in the general construction industry.

On January 15 I made a survey of the carpenters locals in Vancouver, New Westminster, Victoria and Nanaimo. I discovered that 22 per cent of the construction carpenters belonging to those four locals were unemployed. Unemployment among other construction workers such as electricians, plumbers, fitters and steel workers was similarly high.

Major construction work which has maintained employment during the past two years is coming to an end. No more pulp or paper mills are to be built in British Columbia in the foreseeable future. All the heavy power dam construction work on the Peace river and the Columbia river is approaching completion and no further major work is in sight for the next three years.

It is against this background, and bearing in mind the somewhat dismal outlook for the next two or three years, that I am asking the Minister of Public Works and the government whether they will not give favourable consideration to advancing the plan for the construction of the federal building to be built at the foot of Granville street. I know the government plans call for a start in 1970-71 on the first phase, 1973-74 on the second stage, and two or three years later on the third stage. In view of the factual situation and the unfortunate probable future for construction workers in Vancouver I just make the simple, and I think logical request that this one major federal project in Vancouver be planned and phased for an earlier start than 1970-71.

• (10:20 p.m.)

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, we must recognize that this important project requires detailed negotiations which, if rushed through, cannot be carried out successfully. In addition, we must recognize that whether the building will be built by the Department of Public Works on the site now owned by the crown, or whether it will be built in some other way, the preparation of the plans and specifications will involve a great deal of work. These are the considerations that lead almost inevitably to the conclusion that the most realistic estimate that can be made at this time is that the construction phase of the work cannot be started within the next year or two.

I cannot comment on the accuracy of the hon. member's figures with regard to the unemployment situation. I will simply assume that his figures are entirely accurate. Nevertheless, given the requirements for development of an arrangement and the development of plans and specifications, there seems to be no way in which this project can be moved ahead more rapidly.

I am not sure, Mr. Speaker, that it would be anything like the kind of solution to the employment problem that the hon. member suggests; but even if it were, I submit it would be almost totally impossible to put the construction into motion with anything like the kind of haste that he seems to have in mind.

NATIONAL DEFENCE—PREVAILING RATES EMPLOYEES LOSING JOBS THROUGH UNIFICATION

Mr. Robert McCleave (Halifax): On this occasion, Mr. Speaker, I shall be brief, unimpeded by my colleagues in my party. This is the day on which unification takes effect in the armed forces. Earlier today I presented the Minister of National Defence (Mr. Cadieux) with a question about the effect unification would have on the employment of prevailing rate people with the armed forces, and about what would happen to those who were laid off. It was a very short question. I hope my speech tonight will be short, and that the minister will be able to make his speech as long as he wishes so that the text of it can be sent forth to those people whose jobs may be in jeopardy.

I had a letter today from a particular branch of the armed forces in my area, concerning a number of men. One of them, an ex-serviceman, has served for 13 years, and another ex-serviceman has served for 16 years. There are three other people mentioned, one an ex-serviceman who has served for one and a half years, and two other prevailing rate employees without service, but who have served in one case for 15 years and in the other for two years.

Perhaps it is unfair to repeat gossip in this or any other place, but I have heard much gossip that there may be a rather drastic reduction in the complement of those who are classed as prevailing rate employees. Admittedly I have not been able to give the minister all the figures that have beset me, but I hope that in a general way he could give an indication to hon. members, which in turn they could send to prevailing rate employees, of what the future holds for them.

Whether a person has served two years or 13 years with a particular department, there

still remains the matter of whether he is going to be able to take home his very essential bread and butter. I am not going to fire a political salvo on this matter. I simply ask the minister what plans he and his department have in the light of unification, so that we can send that information out to those who write us.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I am very grateful to my hon. friend, the hon. member for Halifax (Mr. McCleave) for the conversation we had this afternoon on a particular subject. We are very sorry, we must admit, that there will be some reduction in the civilian staff as a result of our continuing efforts to bring about further improvements in the employment of our manpower resources within the department. Like everybody else, we face budget constraints. We are also streamlining our operation. We believe this is commendable.

It is regrettable that here and there some people, especially the casual workers, are affected. I must point out, however, that we are making every effort to find suitable positions for those persons who have been or will be affected by the reorganization. In addition to our own internal efforts the officials of my department have written to the Department of Manpower and Immigration as well as the public service commission to solicit the collective efforts of the entire manpower organization in an effort to place the affected employees in other positions.

I can assure the hon. gentleman that all government departments are sparing no effort in their desire to assist these employees. I might also add that we give as much notice as is possible. In the case of the people the hon. member mentioned I believe three months notice was given. We are assisting in every way we can in order to help find suitable replacement employment for these people who eventually will lose or have lost their employment.

Motion agreed to and the house adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, February 2, 1968

The house met at 11 a.m.

LABOUR AND EMPLOYMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Hugh Faulkner (Peterborough) moved that the first report of the standing committee on labour and employment, presented to the house on Tuesday, January 30, 1968, be concurred in.

Motion agreed to.

HAZARDOUS SUBSTANCES

PROVISION FOR PROHIBITION OF SALE AND ADVERTISING

Hon. J. J. Greene (for Mr. MacEachen) moved the first reading of Bill No. S-22 (from the Senate), to prohibit the sale and advertising of hazardous substances, to amend the Food and Drugs Act and the Narcotic Control Act and to make a consequential amendment to the Criminal Code.

Motion agreed to and bill read the first time.

FINANCE

REQUEST FOR STATEMENT ON STABILITY OF CANADIAN DOLLAR

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance, and ask him if he can give us any further information in connection with the dollar, any reassuring statement, in view of the measures taken some time ago.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been reasonably well satisfied with the effect of the measures that have been taken. I have every confidence in the stability of the Canadian dollar.

HOUSING

REQUEST FOR INTRODUCTION OF PROPOSED MEASURE TO REDUCE DOWN PAYMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to direct a question to the right hon. Prime Minister. In view of the statement by the President of the Treasury Board to the effect that opposition parties are playing politics with housing because they refuse to agree to a total restriction on debate on a measure without having had the opportunity of seeing it, I want to ask the Prime Minister if it is now the policy of the government that before legislation is brought in members of this house are to be asked to agree to a total restriction on debate before they have seen the legislation.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, that policy has never been suggested by any member of the government.

Mr. Starr: Just recently, by the minister for housing.

Mr. Douglas: May I ask the Prime Minister, then, in view of the remarks in respect of this housing legislation, will he undertake to see that this legislation is introduced so members can see it? Then perhaps there will be no great difficulty in getting general agreement to restrict debate.

Mr. Pearson: I shall be glad to look into this to see that it is done.

INDUSTRY

SYDNEY, N.S.—INQUIRY AS TO GOVERNMENT ASSISTANCE TO STEEL INDUSTRY

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Prime Minister arising out of the correspondence between him and the premier of Nova Scotia which he tabled the other day, and which suggested the federal government is ready to give Nova Scotia a loan of only some $2 million. I should like to ask the right hon. gentleman whether this means the federal government has decided not to make any loan at all or to assist the provincial government of Nova Scotia in any way in its acquisition of the Dosco steel plant.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. If my hon. friend reads the letter a little more carefully I think he will realize that is not a correct interpretation to be given to it. As I said yesterday, I will be

discussing that communication and the whole problem with the premier of Nova Scotia either over the week end or early in the week.

Mr. Lewis: A supplementary question, Mr. Speaker. In view of the fact that the premier indicates in his letter that the cost of acquiring the plant would be between $20 million and $25 million, would the Prime Minister not consider it in the national interest to assist the provincial government in acquiring that plant without laying on it too heavy a burden in the form of a loan?

Mr. Pearson: Mr. Speaker, I consider it in the national interest for us to help Nova Scotia to achieve the objective that the provincial government has in mind, of assisting this industry and the people of Cape Breton in this matter.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have a supplementary question. May I ask the Prime Minister whether we can deduce from his remarks that the question of a loan to the province of Nova Scotia to acquire the assets of Dosco is still open and has not been definitely decided in the negative?

Mr. Pearson: Mr. Speaker, we have put alternative proposals to the government of Nova Scotia which we think are of very great assistance to that province in that matter. I have no doubt the premier will be anxious to discuss the letter; he has already indicated that he will take it up with me.

TRADE

POSSIBLE IMPORT OF FROZEN BEEF FROM ARGENTINE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of Agriculture whether he is in a position to give the house the further information that he indicated he would obtain on the proposal to import meat products from the Argentine?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, with regard to the two questions raised by the hon. member for Kamloops on Wednesday last as to whether I would care to modify my answer to the hon. member for Battle River-Camrose on January 29, which dealt with whether my department or the government contemplates the importation of frozen meat into Canada, I would draw attention to the question asked by the hon. member for Battle River-Camrose as reported at page 6072 of *Hansard*. The question was as follows:

> Is it true that the government is considering importing frozen beef from the Argentine?

My answer was that the Department of Agriculture is not considering importing beef from the Argentine. I said I could not speak for other departments but that to my knowledge they were not. That was a correct answer to the question asked by the hon. member for Battle River-Camrose.

As the hon. member knows, there are no restrictions on the importation into Canada of cooked canned meat products, and such products have been imported from Argentina for many years. The investigation being carried out by my department concerns a new type of packaging of a fully cooked meat product which is not canned but is packed in large polyethylene containers and then frozen for shipment. The product is intended primarily for use in the commercial manufacture of meat type food products.

No final decision has yet been taken as to whether this new type of container is acceptable.

Mr. Speaker: Order, please.

EXTERNAL AFFAIRS

VIET NAM—INQUIRY AS TO SAFETY OF CANADIANS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question I want to direct to the Prime Minister which is a follow up of a question I asked him the other day. Is the Prime Minister now in a position to give the house a report on the safety of Canadians in Viet Nam, both those who are employed by the government and others.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I cannot add very much to what I said the other day. I hope we will be getting a more definitive report over the week end that will bring us up to date on the most recent developments. No Canadians seem to have suffered physically as a result of these harrowing events, though they have had some unpleasant experiences. As far as we know everything is as I said it was the other day, but I hope to make another report on Monday.

[*Later:*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I realize a question similar to the one I have in mind has already been asked, but because of the urgency, and because the right hon. Prime Minister may have received some later news, I beg leave to ask it again. In view of reports that have just been received that a number of civilian Canadians have lost their lives in Viet Nam, will the Prime Minister indicate whether he has received any word since the house convened or since he answered the previous question as to the well-being of our aid personnel, mission personnel and other civilians who might be there in some capacity? If not, will steps be taken to obtain this information if at all possible?

Mr. Pearson: Mr. Speaker, I have no information which would confirm that report, which I sincerely hope is inaccurate. I will look into the matter immediately.

HOUSING

VANCOUVER—CONSTRUCTION OF HOME FOR SENIOR CITIZENS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the President of the Treasury Board who now reports for Central Mortgage and Housing Corporation. In view of the minister's interest in getting the best use of the money available for housing, can he inform the house why Central Mortgage and Housing Corporation has awarded a contract for the construction of a 19 storey senior citizens home in Vancouver which provides for higher costs and fewer units than other proposals submitted for the same project?

Mr. Speaker: Order. The question is argumentative.

Mr. Prittie: Ten o'clock.

CANADIAN PACIFIC RAILWAY

REPORTED COMPLAINTS FROM EMPLOYEES OF KETTLE VALLEY LINE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Labour. Has the minister anything further to report with respect to his promise to look into the complaints of the Canadian Pacific railroaders on the Kettle Valley railway?

Inquiries of the Ministry

Hon. J. R. Nicholson (Minister of Labour): Yes, Mr. Speaker. I never received such a complaint.

[*Later:*]

Mr. Herridge: Mr. Speaker, I wish to ask a question supplementary to the one I directed to the Minister of Labour, and I should like to direct this question to the parliamentary secretary to the Minister of Transport. Has he any information to give the house about certain complaints by C.P.R. employees on the Kettle Valley division regarding their contracts?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I did receive complaints similar to those received by the hon. member for Kootenay west, which I referred to the deputy minister of labour. Perhaps the correspondence has not yet reached the minister's office.

WINTER WORKS

INQUIRY AS TO CONTINUATION OF PROGRAM

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): May I direct a question to the Minister of Manpower and Immigration. Yesterday the minister said the present winter works program would not be renewed next winter. Can the minister say whether a modified program for winter works will be proposed?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, we shall have to meet with the provinces before we can say exactly what kind of program will be the replacement.

Mr. Chatterton: A supplementary question, Mr. Speaker. Is it the intention of the government to propose to the provinces a modified plan of winter works?

Mr. Marchand: Mr. Speaker, we are still in discussion with the provinces, and I cannot say more than I have already said.

CONSUMER AFFAIRS

MONTREAL—REPORTED FALSE GRADING OF BEEF

On the orders of the day:

Mr. A. D. Hales (Wellington South): I wish to direct my question to the Minister of Agriculture. In view of the discovery that falsely graded beef has been on sale in Montreal, what precautions has the minister taken to see that this practice is immediately stopped?

Inquiries of the Ministry

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, departmental inspectors of course are constantly on the watch for such breaches of the law, and I think it was as a result of their actions that the present prosecutions are being undertaken. I believe some of the cases are still sub judice; therefore I should perhaps not say more than I have said. I assure the hon. member that all possible precautions are taken by departmental inspectors.

Mr. Hales: I have a supplementary question for the Minister of Consumer and Corporate Affairs. Has the minister taken any steps to protect the consumer, and to lay charges for false advertising?

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): We are looking into the matter, Mr. Speaker.

Mrs. Grace MacInnis (Vancouver-Kingsway): A further supplementary question to the Minister of Agriculture, Mr. Speaker. In view of the report that St. Lawrence Butchers Limited in Montreal were charged last fall with selling meat unfit for human consumption, what immediate steps did the Department of Agriculture take to investigate the matter?

Mr. Speaker: Order, please. I suggest to the hon. member that this is a repetition of a question which has just been asked.

Mrs. MacInnis (Vancouver-Kingsway): Then may I direct a supplementary question to the Minister of Veterans Affairs. Is this low grade meat still supplied to the veterans hospitals and other federal institutions?

Hon. Roger Teillet (Minister of Veterans Affairs): I read the story only this morning, and I am having it looked into.

[*Translation*]

CANADIAN CONSTITUTION

INQUIRY AS TO MATERIAL TO BE USED AT CONFERENCE

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

Could he tell us whether the new reprint of the British North America Act published under the name of the hon. Minister of Justice and added to the new fictionalized edition of the Canadian Charter of Human Rights constitute all the documents which are to be studied at the upcoming federal-provincial conference?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker; other material is coming forward.

THE CANADIAN ECONOMY

HEATING OIL AND GASOLINE—REPORTED PRICE INCREASES

On the orders of the day:

Mr. Bud Germa (Sudbury): I wish to direct a question to the Minister of Finance. Has the minister received representation from Superior Auto Service Association protesting a recent increase in gasoline and fuel oil prices, and can the minister inform the house of his reply?

Mr. Speaker: Order, please. The question is not in order.

Mr. Germa: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I wonder if the hon. member would ask another question to facilitate matters.

Mr. Germa: Thank you, Mr. Speaker. Can the minister reply to a similar question that was raised by my colleague from York South a few days ago. At that time the minister said his department was investigating these price increases.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I can reply in part. I received a report this morning, but I have not yet had an opportunity to read it.

INDUSTRY

COPPER—REQUEST FOR REPORT ON PRICE INCREASES

On the orders of the day:

Hon. Mitchell Sharp (Minister of Finance): May I at this time reply to a question which was raised yesterday by the hon. member for Burnaby-Coquitlam. I have examined *Hansard,* and the reply about copper prices was given by my colleague the Minister of Trade and Commerce on December 20.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. I examined the answer of the Minister of Trade and Commerce, and it did not really deal with the question I had directed originally to the Minister of Finance on December 18. I asked the minister if his officials were looking into the increased price of copper and wheth-

er the price increase was justified. The Minister of Finance said that his officials were looking into it, and I am asking for a reply. The answer of the Minister of Trade and Commerce had nothing to do with whether the increases were justified, but with whether there had been similar increases in other parts of the world.

[*Translation*]

INCOME TAX

REPORTED LATE DISPATCH OF T-1 FORMS

On the orders of the day:

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, yesterday the hon. member for Swift Current-Maple Creek (Mr. McIntosh) asked me a question concerning T-1 forms.

Today is February 2, 1968, and the personal income tax returns are now available. Post offices throughout Canada are in a position to supply copies of those forms on request, and they are also available at all district taxation offices.

That form must be completed and filed by April 30, 1968. Therefore, I can see no reason why the penalties should be waived in the circumstances. There has been no delay in the distribution of the forms compared to last year.

[*English*]

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to ask a supplementary question. I am afraid the minister has not given the correct answer yet. The T-1 forms normally go out on December 15. This year in my region particularly, and I do not know whether this was prevalent all over Canada, they did not arrive until January 16, and I am advised that some of the farmers concerned had to have their returns in by December 31.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Chrétien: On this subject, Mr. Speaker, I should like to say, first of all, that the mistake made yesterday was not mine, but that of the hon. member who worded his question wrongly. There is no delay as compared to last year. Some people perhaps did not receive their forms on time, but they can always get one from the post offices or the district taxation offices.

[*English*]

Mr. Speaker: Order, please.

Inquiries of the Ministry

NATIONAL DEFENCE

NORAD—REPORTED U.S. PROPOSALS FOR MODERNIZATION

On the orders of the day:

Mr. R. Russell MacEwen (Pictou): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can he say whether he has yet been advised by the United States defence department of its intention to seek many changes in the NORAD agreement? If so, is he in a position at this time to advise the house on this important matter?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I am wondering whether the hon. member is confusing the NORAD agreement and the announcement made by Secretary McNamara, which are two different things.

Mr. MacEwan: Yes, I was speaking of the announcement by Defence Secretary McNamara, which the Canadian public were advised today was in that regard.

Mr. Cadieux (Terrebonne): As far as can be foreseen, Mr. Speaker, the proposed modernization of the air defence capability in North America contemplates continued requirement for the Pine Tree radar line and manned interceptors, and the eventual phasing out of the Bomarcs and the D.E.W. line facilities.

CANADIAN CONSTITUTION

MATTERS TO BE DISCUSSED AT FORTHCOMING CONFERENCE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in connection with the constitutional conference commencing next week may I ask the Minister of Justice whether it is the intention of the government to present for consideration by the conference a specific document by way of a charter of Canadian rights, or merely to discuss the principles outlined in the white paper tabled yesterday?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, it is our intention to have the principles discussed before presenting any legal document, in order to reach agreement on the principles and many basic ideas before embarking on any legal squabble over words.

Mr. Fulton: The government at the moment has no specific proposals to lay before the conference. Is that correct?

Inquiries of the Ministry

Mr. Trudeau: To answer with precision, Mr. Speaker, the government has specific proposals but it does not intend to lay them before the conference during these particular three days. It is hoped that there will be a continuing committee of attorneys general who will want to look at the specific document when we reach, or if we reach, agreement on the principles.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question.

Can the Minister of Justice tell us whether the last edition of the British North America Act is out of print and whether that is why the complete new edition is being published in this volume under a new title and particularly over the signature of the Minister of Justice?

Mr. Trudeau: Mr. Speaker; two points: Many people speak of the constitution in complete ignorance of the said constitution. It occurred to us that it might be useful if the member for Lapointe had a copy.

Second, many people think that the constitution is not over my signature but over the signature of the Queen of England. Either way, it is not true.

Mr. Grégoire: Mr. Speaker, I wish to put a supplementary question.

In publishing a new British North America Act for presentation to the provincial premiers, did the Minister of Justice think that the provincial premiers were not informed of the constitution?

[*English*]

Mr. Speaker: Order, please.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is addressed to the Minister of Justice. It concerns the conference which is to begin next Monday. In view of the fact that several provinces have made efforts to limit the academic freedom of the universities, has the minister given any thought to raising this matter with the provinces to determine whether he can entrench the right of the universities to be free to decide their own academic course?

Mr. Trudeau: The hon. member will notice that in the declaration of rights there is a section which relates to freedom of expression. This governs freedom of expression in all areas of Canada.

[Mr. Fulton.]

Mr. Hamilton: Mr. Speaker, I think the minister misunderstood my question. I am referring to the financial pressures to which the universities are subjected by the provinces, which are trying to control the individual activities of the universities. I ask this question in view of having read the report the minister has brought forward.

Mr. Trudeau: I fail to see in what way something of this nature could be guaranteed in a bill of rights.

[*Translation*]

AGRICULTURE

APPLICATION OF EASTERN CANADA FEED GRAIN POLICY

On the orders of the day:

Mr. Rolland Godin (Portneuf): Mr. Speaker, I should like to direct a question to the Minister of Forestry and Rural Development.

Could he tell us if the farmers in our areas will soon know the results of the work done by the members of the Canadian Livestock Feed Board, and if they will benefit from a reduction in the price of feed?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, I think the eastern farmers will be delighted with the good work of the Canadian Livestock Feed Board.

[*English*]

HOUSING

INQUIRY AS TO REQUESTS FOR INTEREST RATE INCREASE

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister. Did the government receive any letters, telegrams or other communications requesting an increase in National Housing Act interest rates prior to the recent increase to 8½ per cent?

Mr. Speaker: Order. The question should be placed on the order paper. The hon. member knows that if he wishes the production of papers there is a proper procedure to follow.

Mr. Nasserden: Mr. Speaker, as a follow-up to the previous question, perhaps the Prime Minister would like to table those letters and telegrams in order to save time. Would the Prime Minister be prepared to table those communications?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be glad to look into the matter.

TRADE

ASSISTANCE TO INDUSTRIES AFFECTED BY TARIFF REDUCTIONS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct my question to the Minister of Industry. Would the minister advise the house whether the government adjustment loans to industries which are severely affected by the Kennedy round of tariffs will be applicable to Canadian subsidiaries of United States companies?

Hon. C. M. Drury (Minister of Industry): The answer briefly is that if on all other counts a subsidiary of a United States company qualifies, it will not be disqualified by reason of being a subsidiary of a United States company.

Mr. Hales: Mr. Speaker, would the minister like to elaborate—

Mr. Speaker: Order, please. I would think any elaboration should be pursued on motions.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct this question to the right hon. Prime Minister. In view of the precedent in the past, when Mr. St. Laurent was elected leader on August 6, 1948 and did not become prime minister until November 15, will the Prime Minister advise the house whether he intends to retire immediately following the leadership convention?

Mr. Speaker: Order, please.

Right Hon. L. B. Pearson (Prime Minister): The hon. gentleman will be glad to know that I will be getting out as soon as I can get a mover.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

REPORTED STATEMENT BY MINISTER RESPECTING SUPPORT FOR AMENDMENTS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Labour. In view of a report in one of this morning's newspapers to the effect that the minister had stated that the Canadian Union of

Public Employees supported the passage of Bill C-186, will he inform the house the source of that information, assuming the report to be correct?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I was surprised when I read that paragraph of the newspaper report this morning. The hon. member for York South and others who were there know that I made no such statement. I did say that certain unions affiliated with the teamsters council supported the principle contained in the bill introduced by the government, but I certainly never suggested that CUPE or any of its member unions had done so.

BUSINESS OF THE HOUSE

REQUEST FOR JOINT MEETING OF EXTERNAL AFFAIRS AND DEFENCE COMMITTEES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Defence. In view of the commitment made several days ago in this House of Commons by the Secretary of State for External Affairs when he agreed to a joint meeting of the standing committees on defence and external affairs relative to NATO and NORAD, will the minister indicate when the house can expect the motion for reference to be placed on the order paper?

Hon. Léo Cadieux (Minister of National Defence): I do not know about the motion, Mr. Speaker, but I know the first meeting is planned for February 15.

Mr. Winch: May I ask the minister whether he is referring to a meeting of the defence committee or a joint meeting of the defence and external affairs committees?

Mr. Cadieux (Terrebonne): I refer to a joint meeting.

Mr. Winch: I apologize for the delay, Mr. Speaker, but in view of the statement just made to the house by the Minister of National Defence that there is to be a joint meeting of the defence and external affairs committees on February 15 I should like to ask the minister to explain why members of those committees have not been notified of this meeting.

Mr. Speaker: Order, please.

PUBLIC SERVICE

COLLECTIVE BARGAINING FOR HOUSE, SENATE AND LIBRARY STAFFS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I direct my question to the President of the Treasury Board in his capacity as one of the members of the internal economy commission. Have any steps been taken to facilitate the implementation of the recommendation of the special joint committee on the public service that there be collective bargaining for employees of the Senate, the House of Commons and the Library of Parliament?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I will have to take up this matter with Your Honour before answering.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Thursday, February 1, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provision—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order, please. When the committee rose last evening clause 2(h) with an amendment by the hon. member for Edmonton-Strathcona was under consideration.

On clause 2—*Broadcasting policy for Canada.*

Mr. Starr: Question.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. Starr: Why is this stalling taking place?

Miss LaMarsh: Since there was so much noise in the chamber, Mr. Chairman, I wonder whether you would be good enough to again read the question.

Mr. Churchill: This is just stalling.

The Chairman: The question is on the amendment to subclause (h) of clause 2 moved by Mr. Nugent, which would then read as follows:

—where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, all other factors being equal the objectives of the national broadcasting service must prevail.

Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Nugent) negatived: Yeas, 49; nays, 55.

The Chairman: I declare the amendment lost.

Shall the subclause as amended carry?

• (11:40 a.m.)

Some hon. Members: Carried.

The Chairman: Shall clause 2 as amended carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, before clause 2 is passed, and since the Prime Minister is in the house, I am wondering if it would not be advisable to stand clause 2 until the next federal-provincial conference is over.

We know that two days ago the Quebec premier accused the federal government of aggression because it had invaded the field of education which comes under provincial jurisdiction and because it was trying, without prior consultation with the provinces, to include words such as national unity.

If clause 2 were passed on the eve of the opening of that federal-provincial conference, that would be, Mr. Chairman, sheer provocation as far as the Quebec government is concerned. In the circumstances, and if the Prime Minister and the Minister of Justice (Mr. Trudeau) are really sincere, it seems to me that the clear and definite objection expressed by the Quebec government as to preliminary consultations before a hasty passing of the bill should be taken into consideration, and I wonder whether it would not be better to defer consideration of clause 2.

We can pass on to other clauses. There is clause 3 and about 50 other clauses to pass in Bill No. C-163 and they will certainly not be agreed to before the end of the federal-provincial conference. If, during the conference, there are consultations about this bill, it will then be possible to submit amendments. I think, Mr. Chairman, that the government would be wise to stand clause 2, in order to comply with the representations of the provincial governments demanding that consultations be held before a too hasty passage of this bill.

I would not make such a proposal if there were still a month to elapse before the federal-provincial conference, but since it is our last sitting before the opening of that federal provincial conference, I feel that it is essential.

Under the circumstances, Mr. Chairman, I do not want to dwell on the matter, but I think it would be advisable to stand this clause. I think that the government should accept this suggestion. It would be an indication of its good faith and good intentions, while the contrary could be considered as an act of provocation or paternalistism. It would mean that the clause would be passed without any consideration being given to the representations of the provincial governments, even if a meeting has been arranged in the hope of reaching an agreement. In fact, this would be the same as saying: "A decision has been made and we go ahead". This is more or less what the hasty passing of clause 2 would imply.

That is why I would ask the government to stand clause 2 until after the federal-provincial conference. Could the hon. Secretary of State (Miss Lamarsh) or the right hon. Prime Minister make their views known on this?

Some hon. Members: Question.

[*English*]

Some hon. Members: Question.

The Chairman: Shall clause 2 as amended carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I asked a question, and I wonder if I could get an answer. Would the government be ready to stand clause 2 until after the federal-provincial conference? That is the question I am asking.

Some hon. Members: Order.

[*English*]

Mr. Starr: Mr. Chairman, the hon. member cannot speak again.

The Chairman: Is the committee ready for the question? Shall clause 2 as amended carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, am I to understand that there is no intention to postpone examination of clause 2?

Some hon. Members: Question.

Mr. Grégoire: I see that there is no intention to stand clause 2 and that provocative action is preferred, right on the eve of the federal-provincial conference.

Some hon. Members: Order.

Mr. Grégoire: Mr. Chairman, the Liberals object, but you will admit that the situation is rather serious. On the one hand, the federal government accuses the Quebec government of having imperialistic ambitions. The Quebec government answers by accusing the federal government of aggression. It reminds me of the international situation. The North Koreans call the Americans imperialists—

[*English*]

The Chairman: Order. Shall clause 2 as amended carry?

Mr. Grégoire: No, Mr. Chairman. A vote will have to be taken.

Clause 2 as amended agreed to: Yeas 72; nays, 5.

The Chairman: I declare clause 2 as amended agreed to.

On clause 3—*Definitions.*

Mr. Stanbury: Mr. Chairman, I asked that this clause be stood because I wanted to raise a question about the name of the regulatory authority. I do not know whether other hon. members share my feeling, but despite the work which has gone into trying to choose an appropriate name for this body I feel that the name, in English at least, is not very appropriate. This will be a quasi-judicial body, virtually a supreme court of broadcasting, and it seems to me the word "council" in English is not the right word for that kind of body. I understand that in French the word "commission" is not particularly appropriate either and that the word "conseil" was considered to be better.

However, I do not think it is essential to translate these words literally, and I would like to hear the minister's reaction to the use of the word "commission" in the English version of the name. Personally I would not mind reverting to the names "Canadian broadcasting authority" and "régie des ondes" as Fowler suggested, or even "Board of Broadcast Governors" have suggested, but it seems to me the word "council" is quite inappropriate for such an important quasi-judicial body.

As I said, I asked that this clause stand for the purpose of raising this question now. It was pointed out to me that perhaps I should

have asked that practically every clause from clause 3 to the end of the bill be stood because the word "council" is mentioned in so many of them. But I have taken some modest legal advice on this matter and it was suggested to me that if my question is raised on the first clause in which this name appears and if the change is agreed to, then the parliamentary counsel, if no one else, would make the necessary changes in the other clauses of the bill.

• (11:50 a.m.)

I should simply like to raise the question. If it is not of concern to other members I am not going to press it or take the time of the committee on this point. However, I did want to get the reaction of the minister and representatives of the other parties to this suggestion.

Mr. Prittie: Mr. Chairman, I agree in general with the point of view just expressed by the hon. member for York-Scarborough. I believe the word "council" is very weak. This would be an authority with some power, and I too prefer the words which Mr. Fowler originally suggested, "Régie des ondes", in French or "Canadian broadcasting authority" in English. I do not believe this issue is one I would want to debate at any great length, but the word "council" in English seems weak.

The Chairman: Shall clause 3 carry?

Miss LaMarsh: I do not particularly like the word "council" either. This change was made by the broadcasting committee. I feel that the word "council" in English does not represent anything as important as a regulatory body. It was always my understanding when I was on the opposite side that one could change a name by simply moving an amendment and then saying wherever the name appears elsewhere in the legislation the name shall be changed.

It may very well be, if the committee is interested in this, that we could give the hon. member until we come back at 2.30 to discuss the point with some other members and arrive at a new name if there is one that is more satisfactory. I am in the hands of the committee. I believe a rose is still a rose even if you call it something else, but it does seem to me there might be a name more in keeping with a regulatory body than the name "council". If the committee would do so I would be prepared to stand this clause until 2.30 to give the hon. member an opportunity to ascertain whether there is some agreement on the matter.

[Mr. Stanbury.]

Mr. Stanbury: I don't know whether that is necessary. I discussed the matter yesterday with the pro tem broadcasting critic of the official opposition, the hon. member for Winnipeg South. I do not know whether he wishes to express an opinion. The hon. member for Halifax was not in the house when I spoke to the hon. member for Winnipeg South, but perhaps they have discussed this point. I took it up with the hon. member for Burnaby-Richmond, and there may be little point in standing the clause if the minister finds my suggestion acceptable and if the broadcasting critics for the other parties have found it acceptable. Perhaps the point should be disposed of rather than having the clause stand.

The Chairman: Shall clause 3 stand?

Mr. Cowan: I have some comments to make with regard to clause 3 that do not bear on the point raised by the hon. member for York-Scarborough. While I am not objecting to standing his point until 2.30, I do wish to address a question or two to the Secretary of State while we are considering clause 3. I have been stating since last September, which is some five or six months, that I was opposed to the wording of clause 2(c) as it was presented to us. Clause 2(c) has been amended in a manner satisfactory to me. However, following the amendment of clause 2(c) there are still some little points left in the other clauses. When I refer to these other clauses I hope the Chair will not call me to order and say we are discussing clause 3. I have some questions to ask the Secretary of State about clause 3(d), which reads:

(d) "broadcasting undertaking" includes a broadcasting transmitting undertaking, a broadcasting receiving undertaking—

If clause 2(c) had not been amended in the manner it has, I was prepared to move the deletion from clause 3(d) of the words "a broadcasting receiving undertaking", because a receiving undertaking certainly is not a broadcasting undertaking. Now, when the operators of C.A.T.V. systems and those who believe in the freedom of speech principle expressed their satisfaction with the amendment to clause 2(c), this involved a certain principle that has not been mentioned so far in the committee, and it is this. Up to this time a C.A.T.V. application has been discussed in private by the Board of Broadcast Governors. There has been no public hearing.

The board makes an informal recommendation to the Minister of Transport, and the

Minister of Transport either refuses the application, amends it or issues a licence.

Under the Broadcasting Act as originally brought down with clause 2(c) unacceptable, certain C.A.T.V. operators made the remark that they would accept it, much as they disliked it, because they presumed that under clause 3, subclause (d) and under clause 19 there would be public hearings of C.A.T.V. applications. Now, not only would this new act, if it had not been amended, have trodden upon the principle of freedom of speech, for the first time it would have opened up public hearings for C.A.T.V. applications, which C.A.T.V. applicants have not enjoyed in the past. The C.A.T.V. people therefore, having been butted around by the cabinet for quite a time, gave a grudging assent to the bill as originally introduced on the basis that what they lost on the roundabouts, namely in the freedom of speech principle, they at least picked up by having open hearings on C.A.T.V. applications.

Under clause 19, which is headed "Hearings and procedure"—this is one clause which I asked yesterday be allowed to stand—we find this:

A public hearing shall be held by the council—
(a) in connection with the issue of a broadcasting licence—

Anyone who knows anything about C.A.T.V. knows it is not a broadcasting set-up. The question is, basically, is a hearing on a C.A.T.V. application to be considered as one for a broadcasting licence? In looking at clause 3 we find in clause 3(c) the following:

(c) "broadcasting licence" or, in parts II and III, "licence" means a licence to carry on a broadcasting undertaking issued under this act;

I am not a lawyer but clause 3(d), the one to which I am directing my remarks at the moment, reads:

(d) "broadcasting undertaking" includes a broadcasting transmitting undertaking, a broadcasting receiving undertaking—

This wording in clause 3(d) "a broadcasting receiving undertaking" would make it appear that would be covered by subclause 3(c), which reads:

(c) "broadcasting licence" or, in parts II and III, "licence" means a licence to carry on a broadcasting undertaking issued under this act;

The question I want to ask the Secretary of State, and I not only want an answer but I expect an answer or I shall discuss the matter at some length, is this. Will a C.A.T.V. application in the future be heard at an open meeting of the council, or whatever you want to call it, as though it were an application for a broadcasting licence, although a C.A.T.V. operation is not broadcasting in any manner but is only reception?

• (12 noon)

Miss LaMarsh: I think I had better say that my hon. friend is very much mistaken if he believes that C.A.T.V. has been taken out of the bill by the amendment to which I agreed. I was careful to agree only to such language as would not remove it from control by the authority, and the government has no intention of agreeing to any changes which would have that effect.

Mr. Cowan: I cannot make head or tail of that answer but perhaps I am a little dense. I only asked whether applications for C.A.T.V. licences would in future be heard in open hearings or whether they would continue to be considered in the course of a hole in the wall deal.

Miss LaMarsh: Clause 19 calls for public hearings in connection with broadcasting licences and an application for a C.A.T.V. operation is, of course, an application for a broadcasting licence. Therefore there would be the same provision for open hearings as is made in the case of other kinds of broadcasting undertakings.

Mr. Cowan: I wish to thank the minister for her statement that there are to be public hearings. This was the deduction we had made but we wanted to have it confirmed. The next question I should like to ask the minister is this. I am a member of the Liberal party. Let no one speak otherwise. If this bill passes with an amended clause 2(c) and with the understanding we have from the hon. lady that C.A.T.V. applications will be heard in public in future, will that damnable statement of July 22, 1964 by the minister of transport be automatically killed or does it remain in force and effect? In the fifth paragraph of that statement we find this comment by the minister of transport:

The government has two main concerns. One is to see that C.A.T.V. installations in Canada do not come under the ownership and control of persons and corporations which are not Canadian. The other is to see that C.A.T.V. installations designed to receive broadcasts emanating from outside the area reached by any local Canadian television station, and particularly from outside Canada, are unlikely to make the operation of any existing television station uneconomic or to inhibit the provision of alternate Canadian television service in the area concerned.

My question is: Does this damnable statement die when the act becomes effective, in view of the control over applications for C.A.T.V. licences which the legislation would give the new council, or does the statement I have read still hold water?

Miss LaMarsh: Is that a statement from the department or by the Board of Broadcast Governors?

Mr. Cowan: By the then minister of transport. He is more important than the department.

Miss LaMarsh: I can only say there is a new Minister of Transport now. But the hon. gentleman is well aware that there will be a new board, whatever may be its name, with its own responsibility to follow the legislation which this house enacts. It will be bound by whatever regulations and structure are given to it by orders in council. I cannot tell the hon. gentleman what may happen in the next few months. I do not expect to be here in a position to influence the course of events in any way. I think the hon. member will have to wait and see what happens. I can give him no assurance.

Mr. Cowan: The minister has said that the board will be bound by the legislation passed by this house and added that it will also be bound by orders in council passed in the future. I am glad to have that assurance from her, though I know *Hansard* cannot be considered as a legal document and is not binding in courts of law. The minister of transport of the day assumed a great deal of authority for himself on July 22, 1964, because he said there was no regulation of C.A.T.V. And that great god of the radio world, R. M. Fowler, made some comments in his 1965 report on broadcasting. He said:

> Our terms of reference specifically excluded community antenna services.

Then he went on to make many references to them, stating that the radio and television world lacked legal authority to control them and that something had to be done. Now that C.A.T.V. applications are to fall within the jurisdiction of the broadcasting council, as I will call it for the moment, and since clause 2(c) has been amended and we believe there will be reasonable men on the board, we expect the legislation of this parliament to kill deader than a dodo the autocratic statement of the minister of transport on July 22, 1964.

[Mr. Cowan.]

If an act of parliament does not kill that statement there is no use in parliament passing acts at all; ministers can simply issue statements which will have the force of law. I will accept what has been said by the Secretary of State that the new board will be bound by the legislation of parliament and by the orders in council which may be issued, and I am certain that this means free and open hearings of all C.A.T.V. applications as suggested, though rather indirectly, in subclauses 3(c) and 3(d). Clause 3(c) reads:

> —"broadcasting licence" or..."licence" means a licence to carry on a broadcasting undertaking issued under this Act;

Then clause 3(d) goes on to say that a broadcasting undertaking includes a broadcasting transmitting undertaking. While reception is entirely different from broadcasting, the two are inextricably involved and since in clause 19 it is stated that a public hearing shall be held by the council in connection with the issue of a broadcasting licence I take it, and I wish it to be on record in *Hansard* if nowhere else, that there will be public hearings in connection with the issue of a broadcasting licence, and under 3(d) a broadcasting undertaking includes a broadcasting receiving undertaking.

I have no other feeling on this question of clause 3. I believe I have made my stand clear, the stand of the people who believe in the principle of freedom of speech. I am happy to have the Secretary of State's assurance on the record, and I thank her sincerely.

Mr. Ballard: I want to say one word in response to a question which the hon. member for York-Scarborough put in my direction a few moments ago. I am in favour of the amendment he has proposed to clause 3 and I have no objection to raise to his suggestion at this point.

Mr. Stanbury: In view of the consultations which have taken place I move:

> That wherever in clause 3 and throughout the bill the word "council" as defined in clause 3(f) appears there shall be substituted therefor in the English text the word "commission".

Mr. McCleave: Mr. Chairman, that amendment is acceptable to the official opposition.

Mr. Hales: What would be the abbreviation in letters if this were accepted?

Miss LaMarsh: It would be C.R.T.C. in both languages, I would assume.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to know, under the circumstances, what will be the term used in French.

Mr. Prittie: *"Conseil"*.

Mr. Lewis: It remains *"Conseil"*.

• (12:10 p.m.)

[*English*]

Miss LaMarsh: If the chairman is concerned about whether or not there can be two different words in the two languages here, I think attention should be drawn to the fact that for many years the Canadian Broadcasting Corporation has been the English form of the name of our broadcasting service and Radio-Canada has been the French form. The B.B.G. bears two names in the statute; it appears in both languages. Many of our national institutions have different names in the two languages; they are not necessarily direct translations from one language to the other.

Mr. Knowles: Mr. Chairman, if I interpret correctly the furrows in your brow I think what is troubling you is an amendment to clause 3 that will require amendments to be made to a dozen or so clauses throughout the bill. I am sure the general agreement there is to make this change will produce unanimous consent on the part of hon. members that every clause with the same reference be properly amended.

The Chairman: The difficulty the amendment proposed by the hon. member creates is that while the only question before the committee at the moment is clause 3, and normally an amendment should apply only to clause 3, there will be a number of places throughout the bill where this word has to be changed.

Mr. Knowles: Even in some clauses that we have already carried.

The Chairman: Yes. It can be done in one of two ways. Either each clause can be amended as we come to it or the committee can agree by unanimous consent to change the word in the different clauses as the clauses are considered. There is another problem that comes to my mind and that is that a number of the clauses have already been carried. Would there be unanimous consent on the part of the committee to change this word even in those clauses that have already been carried?

Some hon. Members: Agreed.

Amendment agreed to.

The Chairman: Is it agreed that by unanimous consent of the committee this same amendment will apply to each of the following clauses, as well as to those which have already been carried?

Some hon. Members: Agreed.

Clause as amended agreed to.

The Chairman: The committee will now pass to clause 7.

An hon. Member: What about clause 4?

The Chairman: Clause 4 has been carried, clause 5 has been carried and clause 6 has been carried. The next clause for consideration of the committee is clause 7.

Clause 7 agreed to.

On clause 8—*President and Vice President.*

Mr. Stanbury: Mr. Chairman, I have a very brief suggestion to make. The terms now used for the two chief officers of the regulatory body should, I think, remain rather than confuse the situation by calling them "president" and "vice president". In the French version this is appropriate, but in the English version of the bill I suggest that the terms "chairman" and "vice chairman" be retained. I have consulted with the broadcasting critics on the other side about this matter, and if the minister has no objection I think there will be general agreement to this suggestion. Therefore I move:

That in subclause (1) of clause 8 the words "chairman" and "vice chairman" be substituted for the words "president" and "vice president" respectively in the English text.

Mr. Lewis: And throughout the bill?

Mr. Stanbury: My hon. friend from York South points out that perhaps again we should add the words "and throughout the bill" if there are other references to these terms. I will therefore add those words to my motion.

The Chairman: Moved by the hon. member for York-Scarborough:

That in subclause (1) of clause 8 the words "chairman" and "vice-chairman" be substituted for the words "president" and "vice president" respectively in the English text.

Amendment agreed to.

Mr. Stanbury: Mr. Chairman, I am not sure whether you read the words "and throughout the bill".

The Chairman: Order. I would ask the unanimous consent of the committee to make the consequential changes that are based on this amendment to those clauses following clause 8, as well as to those clauses that have already been carried. Is that agreed?

Some hon. Members: Agreed.

Mr. Knowles: And including the other subclauses in clause 8.

Mr. Stanbury: Mr. Chairman, I have a further suggestion to make in connection with clause 8 that arises out of the uncertainty over how the vice chairman assumes the responsibilities of the chairman. We have heard much of the problems that arise when a president of the United States is incapacitated. We need not labour the difficulties that can arise in that situation. In clause 36 (2) of the bill provision is made for the corporation, that is, the board of directors of the Canadian Broadcasting Corporation, to make the decision when the vice president should assume the duties of the president in the absence or incapacity of the president. There is no such provision in clause 8 with respect to the chairman and the vice chairman of the regulatory authority. It seems to me that by analogy there should be a provision that the members of the council or, as we have now decided to call it, the commission, should make the decision that the absence or incapacity of the chairman is such as to require the vice chairman to assume all his powers and functions. I should therefore like to have the minister's reaction to this suggestion. If she has no serious objection I should like to move:

That subclause (3) of clause 8 be deleted and the following be substituted therefor:

"In the event of the absence or incapacity of the chairman or if the office of chairman is vacant, the commission may authorize the vice chairman to exercise all the powers and functions of the president."

• (12:20 p.m.)

Miss LaMarsh: I am content with that.

Mr. Stanbury: I so move, Mr. Chairman.

The Chairman: Order, please. A day or two ago when the committee discussed clause 2(h), the hon. member for Halifax presented an amendment which recommended that clause 2(h) be deleted. The Chair did not give as much weight to the word "deleted" in that amendment as might have been given to it since the first two or three lines of the amendment were exactly the same as the first two or three lines of the clause. The Chair considered the amendment moved by the hon. member as calling for the clause to be amended rather than deleted.

I wish to say to the committee that a motion to move the deletion of a clause is not in order. If it is the wish of the committee to change subclause 3 of clause 8 and to substitute a new clause therefor, the proper procedure is to negative subclause 3 and, having done that, to substitute a new clause.

Mr. Stanbury: Mr. Chairman, the amendment extends the meaning of the present subclause. If the Chair will permit a change in the wording to bring the amendment into line with the suggested wording, I shall be prepared to amend my motion accordingly. I am prepared to accept the most expeditious procedure that may recommend itself to the committee.

Mr. Chairman: I prefer the hon. member to redraft his amendment in such a way as not to use the word "delete".

Mr. Stanbury: May I redraft my amendment from where I stand?

Miss LaMarsh: I think the hon. member should think about it because his amendment speaks of the president and the vice-chairman.

Mr. Stanbury: Not as it was read. I move:

That subclause (3) of clause 8 be reworded as follows:

"In the event of the absence or incapacity of the chairman or if the office of chairman is vacant, the commission may authorize the vice-chairman to exercise all the powers and functions of the chairman".

The Chairman: The form in which the hon. member for York-Scarborough has presented his amendment is not usually acceptable but if there is unanimous consent by the committee, and without prejudice to any future ruling of a chairman about use of the word "delete", I shall put the amendment. Is there unanimous agreement?

Some hon. Members: Agreed.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment agreed to.

The Chairman: Shall clause 8 as amended carry?

Miss LaMarsh: On a point of order, Mr. Chairman, Your Honour called the amendment, which carried, and you are now in the process of calling clause 8 as amended? Is that correct?

The Chairman: Only one clause is before the committee, nobody requested that it be broken into subclauses. The Chair therefore has only one question to consider and that is clause 8. Shall clause 8 as amended carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should also like to suggest an amendment to clause 8 (1) which stipulates:

The Governor in Council shall designate one of the full-time members to be President of the Council and one of the full-time members to be Vice-President of the Council.

I should like the following to be added at the end of that paragraph:

"One of the two shall be French-speaking and the other English-speaking; both however, shall, speak both languages."

Mr. Chairman, the reason for this amendment is that we are now dealing with radio and television, and the president of the council and the vice-president must be in a position to keep up with what goes on in the field of broadcasting.

Since there is both a French and an English network in the public or the private sector, one of the senior members of the C.R.C. should be in a position, if he wants to judge of the propriety of certain remarks, to understand what is said either on radio or on television.

It is not the same thing as with newspaper items which can always be translated. Radio and television are involved here; it is therefore a question of the spoken word rather than merely the written language. In the circumstances, I feel it is important that one of the two senior officers should be able to speak or, at least, understand either one of the two official languages.

• (12:30 p.m.)

Mr. Chairman, I think it is important that one of the two should have French and the other English as his mother tongue, because one can always judge better then. I would also add that both must, however, speak the two languages, because I think that both must be bilingual in order to perform their duties adequately.

I think there will probably be no objection to this amendment in view of the present concern with bilingualism in government organizations.

I was just reading a passage on page 30 of the Canadian Charter of Human Rights, published under the patronage of the hon. Minister of Justice (Mr. Trudeau) not too long ago. I quote:

It is submitted that these language guarantees be extended to other institutions of government and to education—

It says "guarantees" and not simply "possibilities". It says very clearly:

—that these language guarantees be extended to other institutions of government—

But this commission is an institution of government, just like the C.B.C., and therefore I do not think too many objections will be raised to the amendment I have just moved.

Mr. Choquette: Mr. Chairman—

Mr. Grégoire: Mr. Chairman, could you first read my amendment?

The Chairman: It is moved by Mr. Grégoire that subclause (1) of clause 8 be amended by adding at the end the words:

One of the two shall be French-speaking and the other English-speaking; both, however, shall speak both languages.

Mr. Choquette: Mr. Chairman, just a word to explain why the text of the amendment is unacceptable.

It is exactly as if it was stated in a statute that in order to be appointed to a position a person must be competent. More and more and according to the spirit of the Bill of Rights the use of both languages is accepted in federal institutions. Therefore, if it is stated in a statute that a certain senior official must have sufficient knowledge of the other language, that is equal to saying that to accede to this or that post one must be competent. That is a useless repetition. The spirit of the amendment is acceptable but what becomes somewhat unthinkable is to include in a statute, as the hon. member seems to indicate, such or such a degree of competence.

It is obvious that to obtain a senior appointment, one must be competent. It is more and more evident that a position like that one calls for an adequate knowledge of both languages. It is not necessary to stipulate it in the act; it would be redundancy.

Mr. Grégoire: Mr. Chairman, I would like to make a few remarks on that subject. The hon. member for Lotbinière (Mr. Choquette) says that it is more and more an acknowledged fact that to be able to express oneself in both languages in a federal government agency is a proof of competence. If such were the case in practice, if the usual practice and tradition had been such in the past, I do not say that the hon. member for Lotbinière would not be right, but precisely tradition did not accustom us to that.

I read recently in *Hansard* an answer to a question placed on the order paper by the hon. member for Villeneuve (Mr. Caouette). A list of the directors of each crown corporation and government board was given mentioning the number of those who were bilingual, English-speaking or French-speaking. I was surprised to see that still today, a year after our centennial, there were several boards and crown corporations without any French speaking director.

It is precisely due to such facts, that I have deemed it advisable to present that amendment. Perhaps in a general policy statement, the hon. member for Lotbinière would rightly mention that it is a matter of competence, but the fact is not always recognized. We now have evidence thereof based on figures and facts. I do not remember on what date, this answer appeared in *Hansard*. That is why I cannot give the figures but during the lunch hour, I will probably check on it and bring down something more definite.

But the facts have proven and still prove, through a reply given less than a month ago to a question on the order paper that within crown corporations and government bodies, this knowledge of qualification evaluation was not always observed.

In the circumstances and since the facts are so contrary to the principle mentioned by the member for Lotbinière, I believe that he should make an effort—it should not be too difficult for him—to force the government to practise what it so highly preaches.

It is one of the objectives of my amendment and I am surprised that the member for Lotbinière should object. He claims that writing it out in the bill does not mean anything. I believe it does, precisely because the facts have shown that we are justified in asking that it be written into the bill. If it is written into the bill, then we can say it is compulsory. The Canadian Bill of Rights is not in the act, in the constitution and the Minister of Justice says that if it were included in the constition, it would have force of law and be much more valuable. That is the argument brought forth by the Minister of Justice.

Well, I think the same thing applies to bilingualism; if it were written into the legislation, it would have force of law and it would be much more valuable and could not be evaded.

I wonder why the hon. member for Lotbinière objects to having it written into the act, for the same reason as the Minister of Justice wants the Bill of Rights to be written down in the legislation, in the constitution.

This argument of the Minister of Justice brings down the whole argument of the member for Lotbinière and it is the best reference I can give him. That is why I submit the amendment is necessary to correct the present situation and all should make it a duty to support it.

[*English*]

Amendment (Mr. Grégoire) negatived: Yeas, 4; nays, 31.

• (12:40 p.m.)

Clause as amended agreed to.

The Chairman: Clause 9 has already been carried. The next clause for consideration by the committee is clause 10. Shall clause 10 carry?

Clause 10 agreed to.

The Chairman: Clause 11 has been carried and also clause 12. The next clause for consideration is clause 13.

On clause 13—*By-laws.*

[*Translation*]

Mr. Grégoire: No, Mr. Chairman. I wish to deal with clause 13.

Mr. Chairman, clause 13 refers to the by-laws that the council may make. I wonder whether it is under this clause or under clause 16—the Secretary of State (Miss LaMarsh) may perhaps prefer the latter—that one may move an amendment to the effect that any increase in the rates of radio and television stations must be submitted to the C.R.C. before coming into force.

I wonder whether such an amendment should be moved during consideration of those by-laws.

Does the Secretary of State think that an amendment should be moved to clause 13 or to clause 16?

[*English*]

Miss LaMarsh: I do not agree that it is the business of parliament under either clause to interfere with the private sector in regard to its setting of rates for the hours of broadcasting. As a matter of fact I thought the hon. member raised enough money in France to pay whatever the rates might be.

[*Translation*]

Mr. Grégoire: Mr. Chairman, the hon. Secretary of State is being witty and it suits her. When she smiles this way, she becomes increasingly charming.

However, I should like to point out to her that I did not say that the government had jurisdiction over the fixing of rates of broadcasting and television stations. But it might come under the jurisdiction of a council such as this one, since agencies created by the government are qualified to accept or refuse rate increases.

Mr. Lewis: It affects the powers of the council; that will come under clause 16.

Mr. Grégoire: If I am told that this amendment should be moved under clause 16, then I shall move it when we come to the consideration of clause 16.

[*English*]

Clause agreed to.

Clause 14 agreed to.

On clause 15—*Objects.*

Mr. Cadieu (Meadow Lake): Mr. Chairman, this clause makes it clear that the proposed commission is obligated to implement the broadcasting policy set out in clause 2 of the bill. I would like to direct the attention of the committee specifically to subclause (e) of clause 2, which has already been accepted by the committee. It is stated there:

(e) all Canadians are entitled to broadcasting service in English and in French as public funds become available;

Later in clause 2(g) we find the following:

(g) the national broadcasting service should—

(ii) be extended to all parts of Canada, as public funds become available,

This is not a new obligation. It is a restatement of something that has been implicit in all legislation since governments assumed full responsibility for public broadcasting more than 35 years ago. I only hope that in a much shorter period of time this obligation will be discharged. I trust that the legislation now before us will help to fill a gap that the Canadian Broadcasting Corporation has allowed to exist over the years.

The particular situation to which I draw attention is the broadcasting void existing in northern Saskatchewan, northeastern Alberta and the adjacent Northwest Territories. This whole vast region, a storehouse of national resources and the home of thousands of good Canadian citizens, has been shunted aside time and again by the C.B.C. in its development of broadcasting facilities. It is the area referred to in the Fowler report of 1965 as "the forgotten north." I draw the attention of the committee to the wording of this bill. In clause 15 and in clause 2 the service owed this area is clearly stated as a right.

In my own constituency a large proportion of the people have no television service whatever. One example is the Île à la Crosse area. Also, over a large area even the radio broadcast service ranges from indifferent to poor. Over the years the people there have been told that they must be patient, that service would be provided but that high costs and other priorities were holding up extension of service to the north. Perhaps there was a day when this sort of excuse was valid, but it cannot be accepted today.

While more than 10,000 people in my small area are without even black and white television service and suffer from inadequate radio service, the rest of Canada has the luxury of colour television. In my area the fishermen, farmers, forest workers, miners and all the companies large and small for which many of them work, pay taxes that go to pay the cost of providing broadcasting services. These services are supposed to be national in scope. They are not supposed to be selective, restricted only to those areas of dense population and easy terrain.

When 60 per cent of Canadians have access to two or more television channels surely it is not too much to ask that the people of my area, and the people of the north generally, be provided with at least one. The Fowler commission of 1965 recognized the justice of this plea. It agreed that it was a matter of urgency and fairness. In its recommendations it gave top priority to the extension of adequate facilities to the north. Only recently the Minister of Indian Affairs and Northern Development emphasized that it is necessary to supply proper broadcasting service to the north if people and industry are to be attracted to the north and expected to stay there.

I had occasion to deal with this matter once before in this chamber, as reported on page

2654 of *Hansard* for March 14, 1966. At that time I hoped that the C.B.C., if it would not heed my words, would at least heed those of the Fowler commission and of a minister of the crown. But nothing happened. The forgotten north remains forgotten at C.B.C. headquarters. The Minister of Indian Affairs and Northern Development and myself now have one thing in common. We are equally ignored. I hope that with the new wind blowing through the corridors of C.B.C. headquarters, with a new president and with a new policy directive from parliament the C.B.C. will now undertake the work that should have been done years ago.

At page 194 of the Fowler commission report there is a recommendation that additional operating costs for the northern services be raised by $500,000 a year and that the northern service budget be increased by $1.7 million. This sounds like a great deal of money, and it is. But when one considers the amount of tax money yielded by the area about which I am talking and the ease with which almost twice that amount has been found for enterprises such as the Company of Young Canadians, one feels that such an outlay would be a modest one to ensure fair treatment for a large group of Canadians and the faithful carrying out of broadcasting policy as approved by parliament. It seems to me it would be only simple justice to find a mere one and a half million dollars for a basic northern service when tens of millions of dollars are so readily found to extend colour television service to other segments of the population which already have one, two or more black and white channels from which to choose.

• (12:50 p.m.)

In closing, Mr. Chairman, I would ask simply for speedy implementation of the policy that is spelled out clearly in this bill and in previous acts, a policy which is clearly justifiable in the national interest. With the passage of this bill let us bring to an end the years of neglect, injustice and unfairness to a large and important area of Canada.

Clause agreed to.

On clause 16—*Powers exercisable by council on recommendation of executive committee.*

Miss LaMarsh: Mr. Chairman, when this bill was sent to the standing committee it contained a provision empowering the regulatory authority to make regulations respecting scheduling in relation to any category or categories of programs. The committee discussed this at length. It was suggested that this regulatory power probably was impractical and in any case was unnecessary since it was thought that the desired effect could be achieved through the power to determine the conditions of licence. For that reason the committee proposed and passed an amendment to the effect that this provision should be deleted from the bill.

While this was the thought of the committee, what was overlooked in the discussion was that this would cause a rigidity in the system which is undesirable because it would mean that conditions could not be altered except at five year intervals. Further, although clause 63 provides for the continuation of regulations made by the B.B.G. under the 1958 act, there is some question whether such regulations would be valid if they dealt with subjects not specifically covered by regulatory powers in the new legislation.

The key to this situation lies in subclause 2(d) which already has been agreed to by this committee. It is clear that the new regulatory authority must have power to implement the national broadcasting policy in all its aspects. I should like to remind members that subclause 2(d), which is an essential element of the national broadcasting policy, declares that the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable, balanced opportunity for the expression of differing views on matters of public concern. It goes on further to provide that the programming shall be of high standard, using predominantly Canadian creative and other resources.

It seems that the committee inadvertently did drop something essential. I am therefore prepared to have an amendment moved which would add to subclause 16(1)(b)(i) the following:

—and the allocation of broadcasting time for the purpose of giving effect to paragraph (d) of section 2.

This would then mean that the subclause would read as follows:

—the council may make regulations "respecting standards of programs and the allocation of broadcasting time for the purpose of giving effect to paragraph (d) of section 2."

The Chairman: May I suggest to the Secretary of State that I read the amendment as being proposed by the Minister of Labour?

Miss LaMarsh: I am sure the Minister of Labour would be happy to move the amendment.

The Chairman: The amendment is as follows:

That Bill C-163 be amended by adding to subclause 16(1)(b)(i) the following:

"and the allocation of broadcasting time for the purpose of giving effect to paragraph (d) of section 2."

Mr. McCleave: Mr. Chairman, we are agreeable to the amendment. We had anticipated that such an amendment would have to be brought in because while the declaratory clause 2(d), as the minister has noted, makes certain provision it did not seem to us that the power respecting regulations was broad enough after the amendment by the committee to give effect to what is a very important part of the bill. In supporting the minister in her position in this regard about the only comment I can make is that it seems to me this gives the council the power to come to grips with some of the problems which have bothered members of parliament concerning the standard of certain programs. I believe this amendment fills a vacuum which should not exist.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I have the French text before me. I wonder whether, instead of saying:

—"et l'attribution du temps d'émission afin"—

We should not rather say: "l'attribution de périodes d'émissions?"

[*English*]

Miss LaMarsh: No.

Mr. Prittie: Mr. Chairman, I had to leave the chamber to answer a telephone call and have just returned. I am afraid I do not quite understand this. I would appreciate having a further explanation concerning the words, "and the allocation of broadcasting time for the purpose of giving effect to paragraph (d) of section 2." Does this mean that the council would be empowered to require stations to provide time for the expression of conflicting views on matters of public controversy? I am afraid I do not quite follow this.

Miss LaMarsh: This enables the council to require the stations to carry out the instructions contained in 2(d). A number of things would be required to be varied and comprehensive. When the committee said that these matters should be handled by means of the conditions of licence it was not realized that the conditions of licence only come up when licences are renewed every five years. This left it completely inflexible.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I am not quite sure about the meaning of the French version. In the English text, it is stated:

—allocation of broadcasting time—

Accordingly should the French version not read: "la distribution de temps d'émission" or "l'attribution de périodes d'émissions", or again "la distribution de temps d'émission"?

I think that would state precisely what the minister has suggested.

[*English*]

Miss LaMarsh: Mr. Chairman, this is a special translation which was prepared in advance. I admit that my French is very limited, but I do not know what else the words "l'attribution du temps d'émission" could mean except the allocation of broadcast time. To me the words mean exactly the same thing in both languages.

The Chairman: Shall the amendment carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, may I call it one o'clock?

[*English*]

The Chairman: Order. It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Assistant Deputy Chairman: When the committee rose at one o'clock it was considering clause 16 of Bill C-163 and an amendment thereto by the hon. Minister of Labour.

Miss LaMarsh: Mr. Chairman, the hon. member for Lapointe had asked me about the word "period" instead of the word "temps". I then discussed this with some of my advisers. I am afraid I cannot agree because of the explanation given by the hon. member. What he is after is a phrase which in both English and French would give permission to the regulatory authority to allocate specific periods of time. It was this very suggestion which caused the committee on broadcasting to throw out the original provision. The matter

caused some discussion among private broadcasters, the C.B.C. and the B.B.G., and we have given assurance from the beginning that there is no intention to direct that specific program periods be allocated. That would be the effect of the amendment which my hon. friend, the member for Lapointe, has moved, calling for the substitution of the word "period" for the word "temps" en français.

[*Translation*]

Mr. Grégoire: I should like to move an amendment to clause 16, Mr. Chairman.

Reference is made here to the powers of the C.R.C. which may generally make regulations concerning licence holders and broadcasters. I should like to draw a parallel with another type of undertaking in order to better explain the amendment I wish to move.

Everybody knows that in the field of transportation, for instance, there is a board which issues licences to certain companies operating between two points. For example, there is only one company licensed to provide a bus service between Quebec city and Montreal. This is meant to ensure a certain standard of officiency, to avoid unnecessary competition and to prevent the establishment of numerous small companies, when no large company could actually be found to meet heavy requirements.

When the transport board involved grants a number of licences, this more or less removes free competition in a certain area, but grants a certain degree of exclusive rights to certain companies. The legislation then provides that if some competition is removed—

Mr. Béchard: Mr. Chairman, on a point of order. The committee at this time is considering an amendment moved by the Minister of Labour (Mr. Nicholson) that Bill No. C-163 be amended by adding the following subparagraph (i) to paragraph (b) of clause 16:

—and the allocation of broadcast time for the purpose are giving effect to paragraph (d) of clause 2.

That is what we have before us and, I believe the member for Lapointe is not speaking to the amendment we are discussing.

Mr. Grégoire: I believe that has been carried, Mr. Chairman.

The Assistant Deputy Chairman: Order, please. The Chair is trying determine whether the sub amendment of the member for Lapointe is in order. But if he is speaking to the amendment, he is out or order.

[Miss LaMarsh.]

Mr. Grégoire: Let the amendment carry, Mr. Chairman, and I shall come back later with my proposition.

[*English*]

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment agreed to.

The Assistant Deputy Chairman: Shall clause 16 as amended carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think that we are still considering the whole clause 16, and therefore I shall carry on with my remarks in order to move an amendment to add a paragraph thereto.

As I was saying, the government establishes, in a certain field, transportation for instance, an agency to restrict the number of licenses and also to eliminate a certain competition, in an effort to achieve a greater efficiency and, at the same time, the government imposes a condition on those who find themselves in that situation, restricted in the number of businesses, and also on those who happen to be alone or to enjoy a lesser competition, by telling them: In view of the fact that you are spared competition, you will also be prevented from exploiting the users. If there is only one company to move goods between two points, competition for that transport company is eliminated. At the same time, the government will say: Since you are not subject to competition, we shall prevent you from exploiting the public by forcing you to have all your tariffs and rates approved by the transport commission.

• (2:40 p.m.)

The same is true of telephone service, for instance. We say that there will be only one telephone company in a town, to avoid the necessity of installing two series of posts and wires, to avoid the necessity of installing two series of posts and wires, to avoid unnecessary expenses. We avoid competition but, at the same time, we compel the telephone company to come before the transport commission in order to be allowed to increase its rates.

In the field of radio and television, Mr. Chairman, it is the same thing. We decrease competition by restricting the number of licences. For instance, in Quebec, there is a private station and if someone wanted to get another licence, they would refuse it on the

grounds that there are no more wavelengths available. Competition does not exist any more. If, owing to the force of circumstances, or the scarcity of wave-lengths or on account of a legislation which obliges an individual to obtain a licence before starting in business in the field of radio and television, in short, if competition is restricted, on the other hand, we must see to it that the public interest is still protected against the exploitation of those who are now free from competition. That is why I think that, in the field of radio and television, as well as in the field of transportation by bus, in the field of telephone and electricity, we must compel the station owners to come before a board to justify their rate increases.

I am in favour of a regulatory body or rather of that Canadian broadcasting council serving also as a regulatory body before which all radio and television stations that want to increase their rates will have to appear at public hearings to prove that their request is warranted.

As far as my amendment is concerned, Mr. Chairman, I would like to read it and ask for leave to explain it afterwards. Since clause 16 includes already subclauses (1) and (2), I would like to add to it subclause 3 (b) which reads as follows:

The council shall hold—

That is the Canadian broadcasting council.

The council shall hold public meetings for considering any applications for increases in the rates or tariffs charged by the broadcasters or licensees. No rate or tariff may be increased by the broadcasters or licensees unless authorized by the council following such public hearings.

Mr. Chairman, I would ask you to put this amendment before the house and then I would like to continue my explanations.

The Assistant Deputy Chairman: It is an organization described under the name of commission, and the hon. member mentions it by using the word "Conseil". Is it allowed to substitute the word "Conseil" for "Commission"?

Mr. Grégoire: Mr. Chairman, in the French version, the word "Conseil" is always used. The word "Council" has been substituted for "Commission" only in the English text and in the French version, the designated organization is called "le Conseil de la Radio-Télévision canadienne".

The Assistant Deputy Chairman: The reason why the Chair raised this point is that the French version of the bill given to the Chair mentions the word "commission" instead of "council."

Mr. Grégoire: Mr. Chairman, I believe that is a mistake, but it was clearly specified by the member for York-Scarborough (Mr. Stanbury) that the change was valid only for the English text and not for the French text. Nevertheless, I objected at that time and I would like to have a ruling from you that the word has not been changed in the French version.

Mr. Béchard: Mr. Chairman, I believe the member for Lapointe (Mr. Grégoire) is right when he says that, in the French version, the word "council" has remained. All that we have changed is that, in the English version, we have substituted the word "commission" for the word "council".

The Assistant Deputy Chairman: Very well, the Chair understands the situation. It is moved by the member for Lapointe that the following subclause (b), paragraph (3) be added to clause 16:

The council shall hold public meetings for considering any application for increases in the rates or tariffs charges by the broadcasters or licensees. No rate or tariff may be increased by the broadcasters or licensees unless authorized by the council following such public hearings.

Mr. Grégoire: Mr. Chairman, may I continue my explanations?

It is known for a fact that today there is practically no competition, especially in the field of television. There is only one private station, that is all, in any one area or municipality. That station can ask any rate it wishes from the advertiser or sponsor of television programs. There is hardly no competition and that of the C.B.C. is gradually decreasing in the commercial field. Because the station is the only one, or almost, it lacks competition—except in large centres such as Toronto and Montreal, the licensee can ask the sponsor whatever rates and tariffs it chooses.

In the last few years, the rates and tariffs of television or radio licensees have increased rather rapidly. All this, naturally, is part of the advertising budget of a company, and that is one of the main reasons for the recent increases in rates. If a broadcaster had to justify an increase in the rates or tariffs he charges his sponsors, these increases would often be rejected, or if they were accepted it would be because the private broadcaster had improved the quality of his programs. It is obvious that the profits made by television stations today are very high in comparison

with investments, and the reason for this is that there is little or no competition, it having been eliminated either by the law itself or by the small number of frequencies.

Any person cannot get a licence to operate a radio or television station No. It is limited, very limited indeed. Anyone can launch out into running a newspaper; one does not need a licence for that, and whoever wants to can become owner of a newspaper or start a newspaper. There is no limitation in the field of newspapers, but there is in the field of television and radio. First, a wave-length must be available, and then a licence has to be obtained from the Canadian broadcasting council. If competition is eliminated, unfair advantage is taken of the people by a company which, according to the law, no longer has any competition. It is at that time that the public must be protected, and to do that, since favours are bestowed on the licensee, he has to justify his request to increase his rates.

• (2:50 p.m.)

I believe it is absolutely normal, but, the radio and television stations may not like it. It is as if we were to say to bus companies which have the exclusive transportation rights between two towns: You may ask the prices you see fit. Needless to say, these companies having no competitors would increase their prices immediately.

In the radio and television field, the same problem exists. If the government eliminates all competition by limiting the number of licences, it must also eliminate the exploitation of the public by requiring the station owners to submit any increase in rates to the approval of the Canadian radio commission.

That is the purpose of my amendment and I am convinced, Mr. Chairman, that it will inevitably result—and that is a very important point to consider—in a general improvement of the quality of the programs produced by the private stations because, given their very high margin of profit, they will never be able to get increases in their rates or tariffs now, unless the quality of their programming increases considerably.

Mr. Chairman, I feel this is a very normal request, and there is no precedent involved: Such is already the case for electric power companies, telephone companies, trucking companies, passenger service companies, in all fields, in fact, where the government has established a ceiling on the number of licences. The only field where this was not the case was broadcasting, and it is time for this restriction is to be imposed. That is my reason for moving this amendment.

[Mr. Grégoire.]

Mr. Fulton: Mr. Chairman, would the hon. member admit that the level of maximum rates and not the detailed rates must be determined by the council?

Mr. Grégoire: Evidently, Mr. Chairman, I would certainly agree to have the maximum rates determined by the council and if the directors of a television station want to increase their rates further, they would then have to state their reasons for doing so. If a television station, for example, decides to broadcast cultural programs which are extremely costly that could justify increased rates for commercial advertisements. Is that what the hon. member for Kamloops mean? If such is the case, I entirely agree with him.

[*English*]

Mr. Prittie: Mr. Chairman, the question introduced by the hon. member for Lapointe raises the subject of whether the regulatory authority is to be a price setting agency. It seems to me that is a very important principle which is worthy of debate, but not at this point when we are dealing with this subclause. There is one aspect of it, however, that does concern me. We have been concerned about the monopoly control of media in this country. There is no problem in this connection in the large centres where there are newspapers and more than one television or radio station.

It seems to me there could be a danger in some of the smaller centres in which there is only one television station. Access to this station could be denied to a political candidate or a person in business either by refusing to sell time or quoting that person discriminatory rates. I think we should be concerned about this. Is there anything in the legislation whereby a person who is treated that way could have recourse to the authority if he met with an outright denial of time or if he could prove the station owner had set a price on the time which was not the same as that charged to others and was such as to discourage him? We do have to face the fact that some people have a monopoly on television broadcasting in certain areas. It seems to me that everyone who applies for the use of time should be treated equally. Is there anything in the bill which would provide some course of action to a person who felt he was not justly dealt with by a station owner?

Miss LaMarsh: I cannot think of any place, Mr. Chairman, that there would be any such provision unless it would be in the renewal of licence provision. I think quicker action

would probably be gained by recourse to the public press or other media to indicate this situation. No doubt such action would result in the council or commission getting in touch with the offending station. I do not believe there would be anything in the act which would permit definite sanctions except at the time of the renewal of the licence. I do not believe anyone should for a moment discount that provision because it is a rather important factor. In the first place, the public outcry which my hon. friend or anyone like him who was discriminated against would make, would be very considerable. This kind of discriminatory action would, I think, be something which would cause an individual not to have his licence renewed. He would have to have very strong justification for the action and I doubt that he could find justification for it.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I would like to say a few words about that amendment which seems very logical to me.

Mr. Chairman, there are obvious, I would even say gross, abuses in that field at the present time. Some television and radio stations which have no competition are asking very high prices from some and lower prices from others.

To put something on tape, for instance, some television stations might charge up to $300 while others will charge $35 for the same work. It is the same thing for television and radio programs. It is a matter of viewing hours and there are certainly gross abuses there. Since there is no competition or hardly any, as stated by the hon. member for Lapointe (Mr. Grégoire), I think that it would be very important to find a way to prevent the private stations which have no competitors from exploiting the public.

The public is often exploited; quite often, when we want to use this mass media, we are told: Well, my dear Sir, for you it is such and such a price; you can take it or leave it. For another person, it may be cheaper, but for you, you must take it or leave it.

There are certainly manifest abuses and I think the hon. member for Lapointe is right in moving such an amendment. I think this amendment should be considered thoroughly. It would be logical also that the government should control the air waves and the use of certain wave-lengths, because of the scarcity of frequencies. I think the prices also should be controlled as well as increases. When the owners of such mass media increase their prices, the commission should be informed and the price increases should not be allowed if they are not warranted or if they are prohibitive.

The commission should have some control. There are certainly some abuses. Private initiative is good. We agree 100 per cent with private enterprise, but we do not want it to go too far; when it is harmful to the community, or to certain institutions, it is time for the state to step in. Then it is the responsibility of the state to intervene, under these conditions, and I am sure something can be done, because abuses are apparent. Somebody ought to deal with such abuses. The rent control board has been set up and yet, the situation in this field is much less serious than in the broadcasting field.

There are all types of controls, but there is no control possible without competition. As far as rents are concerned, there is much competition. If accommodations prove unsatisfactory, there are others to be found.

But in the present instance, if we are dissatisfied, we must yield or do without, because there is nothing else. I feel therefore that, as far as public services are concerned, the people should be in a position to make reasonable and proper use thereof.

Some individuals wield such power that they can tell someone they do not like too much: the price is so much, take it or leave it. There is no discussion possible, there is nothing to be done. Then, I believe the commission should intervene in those cases and I agree 100 per cent with the hon. member for Lapointe. I also ask the members of this house—it seems very important to me—to make an effort to find a solution to this problem.

• (3:00 p.m.)

[*English*]

Mr. McCleave: Mr. Chairman, very briefly I wonder whether the hon. member for Lapointe would consider amending his motion to provide that the commission be empowered to set a maximum instead of setting a whole tariff? If that were done I think it would find acceptance here. It does seem to me to be rather dangerous to ask the commission to establish all rates at all levels for radio and television stations.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think it would be most difficult to ask the council to set a maximum rate, because conditions vary from one area to the next, from one station to another.

Some stations will produce very good programs which, obviously, will cost more than showing films. That is why no general rule can be set.

In some areas, it would be more expensive, because ratings are higher, the T.V. antenna is more powerful and more expensive and the operating costs are heavier. In other areas, where the studios are small and simple and the population is less, where the antenna is less powerful then, rates can be quite different.

I am quite ready to examine the suggestion of the member for Halifax (Mr. McCleave) that a maximum should be set, but I believe that in practice it will be difficult to make rates uniform, because the television stations do not have uniform quality in their programs. Nor do they have studios of uniform quality nor uniform power on their antennas nor uniform operating expenses.

However, I believe that if we can follow the example of the transport commission which does not set a maximum rate but requires the telephone companies such as the Bell Telephone Company of Canada to justify the need to increase the rates.

[*English*]

Mr. Fulton: Mr. Chairman, the difficulty, as I see it, is that in the first place the bill does not provide that the board will establish a tariff or schedule of fees that stations may charge. If that were provided, when stations applied for an increase in their fees they would have to justify it. However, the first stage is not there. According to the bill as I understand it, no power is given to set an initial schedule of fees for stations. Therefore, what we are suggesting to the hon. member is this. Would he modify his amendment to give the board power to set schedules of maximum fees, leaving stations free to be competitive at levels below the maximum but requiring them to apply for any increase over the maximum?

Mr. Grégoire: Mr. Chairman, I accept readily the suggestion of the hon. member for Kamloops (Mr. Fulton). It is true that nothing of the kind is provided for in the bill for the future council. Since it has yet to be created, I feel certain provisions should be included in the bill. I am willing to accept all the suggestions of the hon. member for Kamloops for he has far more experience than I in that field. We could, as he suggests, start by setting maximum rates, even if later on the companies are required to justify the increases they request.

I am willing to change the amendment in the way suggested by the hon. member for Kamloops.

[*Translation*]

The Assistant Deputy Chairman: If the committee agrees, we could ask the hon. member for Lapointe to revise his amendment accordingly.

[*English*]

Mr. Prittie: Mr. Chairman, while the hon. member for Lapointe is looking over the amendment I should like to ask a question on paragraph (vii), which reads:

> —with the approval of the Treasury Board, fixing the schedules of fees to be paid by licensees and providing for the payment thereof,

I have often wondered just what revenue is received from the licensing of radio and television stations. Is the minister in a position to give the committee any information in this regard? How is that revenue determined? Can she give some examples of the amounts that various licensees have to pay for the use of the airwaves for periods of time?

Miss LaMarsh: Mr. Chairman, I do not happen to know but I could find out for the hon. member.

Mr. Peters: Mr. Chairman, I should like to know whether this clause includes the licensing of community antenna television and the establishment of fees for such service. If so, what arrangements are made to cover closed circuit television broadcasts?

Miss LaMarsh: Mr. Chairman, closed circuit television does not pick programs out of the air and therefore is not covered by the broadcasting legislation. If it did do so then it would be covered. These licensing arrangements apply to all broadcasting undertakings that are covered, including C.A.T.V.

Mr. Peters: Is it not the intention of the minister to cover closed circuit community antenna services as well as those that pick programs out of the air? Also, may I ask how extensive are the regulations that are proposed in connection with this fight that has been going on for a long time about United States programs that can be picked up close to the border but which can only be received in Timiskaming, for example,

through a community antenna system? Apparently these antennas can reproduce a fairly weak signal which is then fed into a closed circuit.

Miss LaMarsh: Mr. Chairman, there does not appear to be any constitutional basis upon which the federal government can legislate with respect to closed circuit television.

Mr. Peters: There may not be many closed circuit television receivers in my area, but for the last 12 years there has been one that does rebroadcast programs. Let me give an example. It can take another station's program and rebroadcast it on a closed circuit, using its own camera to dub in an advertisement in the middle of the program. Therefore I presume that some regulations will be in effect and I am wondering how extensive they will be. To date there has not appeared to be any such regulation. The Department of Transport will look into cases of interference or where there is an outright theft of another station's program for advertising purposes, but it seems to me there must be some regulation in this regard.

Miss LaMarsh: Mr. Chairman, two of the questions that have been considered are, first of all, program integrity; you are not to use somebody else's advertising on your own programs. Second, at present one must carry the national program that is available in the area. Aside from those two considerations, I can say nothing more. I have been visited by C.A.T.V. operators and both of these matters were discussed. They were well aware that these would be two of the requirements. In addition, because their operation is quite different from that of an ordinary broadcasting station the regulations will be tailor made to suit their operations instead of having general regulations made applicable to all.

Mr. Peters: Is it the intention of the government to limit the number of programs that can be picked up and rebroadcast in a given area? That has been one difficulty. In addition, many of these stations are not licensed by the Department of Transport. Are they now going to be able to carry whatever programs they can pick up by means of a community antenna system and rebroadcast them, in some cases on closed circuit television, without a licence?

• (3:10 p.m.)

Miss LaMarsh: I am afraid I am somewhat confused by my hon. friend. I said we do not grant licences for closed circuits except with respect to C.A.T.V. operations which take programs from the air. Those operators will have to apply to the commission and receive their licences, and in the conditions of the licences will be the conditions that the commission feels are necessary. I am sure that program integrity will be one of the conditions and I am sure that the requirement to carry the national service will be another, minimum condition.

Mr. Peters: In the close circuit system I am talking about the company already has a studio and instead of using the broadcasting system it uses the community antenna which is already hooked up to certain homes. In other words, the people who own the station will have for themselves another channel. In the case I am thinking of they will have the channel which they have already used for some period of time and they will have another channel which they will use for commercial purposes. Is the minister saying that a community antenna service such as I have just described will not be licensed?

Miss LaMarsh: I am not sure if I understand what the hon. member is saying. If the hon. member is saying that these people are actually broadcasting from their studio, then of course, they will have to get a licence for that kind of broadcasting undertaking.

Mr. Peters: But they are not broadcasting over the air. This is not a television station but a service provided by means of coaxial cable. That cable is already carrying one or two channels to the community antenna. The studio will transmit over the coaxial cable and they will not, in that sense, be transmitting over the air. That is the situation I am referring to.

[*Translation*]

Mr. Latulippe: Mr. Chairman, just a few words in reply to the hon. member for Timiskaming (Mr. Peters).

I will tell him that all the closed circuit stations now in operation have to hold a licence. Not a single station is now operating without a licence, even if quite often the owner must wait six months or a year to get his licence. I think that all those who want to go in for closed circuit broadcasting in Canada must get a licence issued by the transport commission.

[*English*]

Mr. Cowan: Mr. Chairman, clause 16 is not one of the clauses that I asked yesterday to

be stood. I am indebted to the committee for having stood clauses 3, 19, 28 and 47, as I desired yesterday afternoon. Since clause 16 was stood I should like to make a few comments in support of the hon. member for Lapointe, inasmuch as he is endeavouring to control the advertising rates charged on television or radio stations.

From listening to him carefully it is quite clear that his agile and alert mind has picked up a point which has not been considered by those who framed this radio and broadcasting bill in quiet and had it printed and put before members of parliament to push through. But I believe the hon. member for Lapointe is weeping on cold shoulders, or should I say, casting his message on stony ground.

I am sure that when the hon. member for Lapointe was attending the Jesuit college in Quebec he must have heard our Lord's parable about the sower. A sower cast some seed on fertile ground and it sprang up and multiplied a hundredfold. But some seed fell among thorns and the thorns sprang up and choked the seed. Other seed fell on stony ground and was burned by the sun. If the hon. member for Lapointe intimates that the holder of a television licence is in a monopoly position in setting advertising rates, he is 100 per cent correct. But that is the situation you put yourself in when you grant monopoly television licences.

Many markets can only support one television licence. The hon. member for Kamloops stood in his place just now and said that the competition of the market place will control the rates as one television station competes with another. That applies to Toronto, Montreal and some other centres where there is more than one television station. But in the advertising world, if a monopoly situation develops in some centre the situation is different. Take Pembroke, Ontario, which is handy and has only got one television station. If the hon. member for Lapointe thinks that in a monopoly situation the advertising rates are going to go sky high, unless controlled, I feel he is on fair ground in that assumption.

The hon. member for Lapointe seems to have overlooked the important fact that an advertiser does not have to use the local television station in Pembroke. There is a newspaper there and you can use sign boards, or individually painted signs and put them in store windows, or you can have them with posts in the centre. Or you can get advertisements printed by some publisher and mail them through the post office. There are other competitive ways of getting advertising done. If you do not use the television station the owner will lower his rates so that you will leave these other forms of competitive media and give him the advertising revenue that he sees going to other avenues.

But if my hon. friend for Lapointe is intimating that the cabinet might take some action to control the advertising rates on television stations when they are in a monopoly position, he is really sowing his seed on stony ground, especially when you consider what has happened to the general public at airports in the carriage of passengers to the city that the airport is serving. On Monday of this week I was on a train for some hours with a member of the present cabinet. During the long train ride—I was on the train because no airplanes were flying that day—the cabinet minister remarked to me that he had recently flown from Montreal to Toronto and he had not been met as prearranged and so had taken the monopoly cab service, so magnificently provided by the Department of Transport, to downtown Toronto. He informed me that he pretty nearly had to wire his bank to see if he had enough money to cover the cheque he had to issue to pay for the ride. I said to this cabinet minister: "What are you kicking about? The Minister of Transport okayed these rates and nobody can cast any aspersions on the fairness of any rates when this cabinet okays them, I'm sure." All he did was smile.

When the hon. member for Lapointe says there should be some control over the rates charged for advertising by television stations in a monopoly situation, I have to agree with him. But I must point out that in the advertising world there are competitive avenues of advertising open to the businessman. He does not have to use the local television station.

Mr. Grégoire: Will the hon. member allow me a question?

Mr. Cowan: I certainly will, to you.

Miss LaMarsh: You are going steady, you two, aren't you?

[*Translation*]

Mr. Grégoire: You will admit also that the minister who used a means of transportation which has the monopoly between the Toronto airport and his home had other ways of getting home. He did not have to take the official limousine. He could have walked, that is another way. Therefore, it is the same thing in the field of advertising.

[*English*]

Mr. Cowan: Mr. Chairman, as I said before, the hon. member for Lapointe has an alert and agile mind and he gave us an example of this just now. I intended to refer to the fact that there was a competitive source of transportation available to the cabinet minister. He could have stood at Malton for about three-quarters of an hour after telephoning for a taxi to come and get him or he could have walked the 14 miles to downtown and save the money.

But I wanted to make some reference to the statement by the hon. member for Kamloops, who referred to the free play of the market place. That phrase was used a good deal on this side of the house when we were setting up the consumer affairs department. The free play of the marketplace would keep prices down; the cost of living would fall and everybody would be happy, happy, happy from now on because we have a new Minister of Consumer and Corporate Affairs.

• (3:20 p.m.)

It seems too bad that the hon. member for Lapointe should be the one to put his finger on such a glaring oddity as this, that a monopoly television operator in one of the smaller centres of Canada can charge as much as he likes. Now the suggestion is made that we cannot set rates but can only specify a maximum figure. I have been in business long enough to know that the maximum rate is always the only one at which an operator can make a profit; anything lower and he would be running in the red.

Something should be done to deal with this question and I admire the hon. member for Lapointe for putting his finger on the spot where action is called for. If the cabinet is disposed to accept the suggestion by the hon. member for Lapointe that there should be control over the rates charged by television stations, I hope my hon. friends will accept the argument that there should be control exercised over the exorbitant rates charged by monopoly cab operators at airports. At the present time the Minister of Transport is the only authority that can exercise control over these rates which are so high that, as one cabinet minister said to me recently, one almost has to wire the bank to see whether one has enough money to pay the fare demanded. I do not know how many hon. members are aware that it costs as much to take a monopoly cab from Malton airport to the eastern boundary of Scarborough as it does to fly from Toronto to Ottawa.

Miss LaMarsh: On a point of order, Mr. Chairman, we have listened to this not very honourable member ad nauseam and I would ask that he be requested to stick to the point he is supposed to be discussing. No one in the committee is interested in what he is saying. We may or may not be in agreement with the amendment moved by the hon. member for Lapointe but it has nothing to do with taxi fares out of Malton. We have spent two and a half weeks on this subject and if the hon. member had his way we would still be on subclause (a) of clause 2. If he does not want the country's business to move ahead, everyone else in this chamber does, so he should at least restrict himself to considering the clause under discussion.

Some hon. Members: Hear, hear.

Mr. Schreyer: The amendment which the hon. member for Lapointe offers is a very basic and fundamental one. It is the kind of amendment which at first glance I would feel inclined to support and I suppose that a good many others here feel inclined to do likewise. However, I suggest that since the amendment involves a consideration of such basic importance we should not be placed in the position of voting hastily on it and I would ask the Secretary of State whether she would agree to hold this matter in abeyance until Monday so that the full implications of what the hon. member has suggested might be considered.

Miss LaMarsh: Mr. Chairman, I have considered this, the department has considered it and so have other people. It does not simply spring out of nowhere. There has been no suggestion from anyone responsible at any time that there should be a scale of fees. Some members of this house have been making speeches for the last couple of weeks comparing broadcasting stations with newspapers. There has never been any suggestion that we should impose scales of fees on newspapers or magazines. As a matter of fact, the hon. member for York-Humber would scream even louder than he has been screaming so far if any attempt were made to do so.

As I say, there has been no suggestion that a whole new structure should be set up and that responsibility should be placed on the board to operate a tariff structure. In any case it would be virtually impossible. There are hundreds of television stations and even more radio stations across the country. We would have to impose individual tariffs on each one of them and the schedule would have to change as circumstances change. The

present Board of Broadcast Governors has not been so structured and has not been provided with the kind of money necessary to do that. There has been no such proposal from anyone either inside or outside the broadcasting industry and no pressure for such a tariff to be set up.

Perhaps I might answer the question asked by the hon. member for Burnaby-Richmond. I am informed that last year gross revenue from licence fees amounted to $2,045,245. The licence fee schedule is as follows: For stations with gross revenues below $200,000, 1 per cent of that revenue; for stations with gross revenues exceeding $200,000, a flat $2,000 plus 1½ per cent of the amount by which $200,000 is exceeded.

Mr. Cowan: Since the minister made a direct reference to me—

The Assistant Deputy Chairman: Order. Is the hon. member rising on a question of privilege?

Mr. Cowan: Yes, if it gives me the floor at the moment. The question of privilege is that you did not force the minister to withdraw her remark about the "not so honourable member for York-Humber". I am referring to the not so honourable Secretary of State. She told the committee I would be screaming louder than I have been if we were to set rates for advertising in newspapers by government regulation. She made a comparison between newspapers and television stations. I should like to point out that in the newspaper world no government licence is required to participate in the game. The situation in circumstances where one can operate only under a government licence, which means a monopoly, is entirely different from the circumstances in which anyone can start a newspaper whenever and wherever he wants to do so.

The Assistant Deputy Chairman: Order. The Chair does not recognize those remarks as raising a question of privilege and they are not relevant to the point under study at the present time.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think that the remarks of the hon. member for York-Humber were pertinent, in that the field of radio and television constitutes a monopoly and a state licence is necessary to broadcast programs.

[Miss LaMarsh.]

Now, the Secretary of State says that if we had to create a board to control prices or set rates for radio and television stations, that would involve a great deal of work, since the situation changes in each case and there are many radio and television stations.

On that point, Mr. Chairman, I would like to point out two things to the Secretary of State: first, I would like to give as an example the trucking industry. There are many more trucking enterprises than radio or television companies. Yet there is a transport commission which sets prices for trucking enterprises in each case, according to the distance travelled and the area involved.

This could, in the trucking industry, mean twenty times more work than it would in the field of broadcasting. However, it is done in order to prevent a monopoly from exploiting the public, even if there are perhaps ten times as many trucking companies as there are television or radio stations. That is why I say to the hon. Secretary of State that her argument that this would mean to much work does not hold when it is a question of protecting the public against a monopoly allowed by law.

Second, Mr. Chairman, the hon. Secretary of State said that the problem received consideration but that there are no provisions dealing with this in the bill. I think it would not be difficult to include such a provision. Otherwise, broadcasting will be the only field where licences are issued and where there is no price control board. This would be the only field where competition would be limited by virtue of a licence, without there being at the same time a board which establishes rates.

• (3:30 p.m.)

Now, if the minister feels that this should not be the responsibility of the Canadian radio commission, it could be entrusted to the transport commission. Since it is the Department of Transport which, in the end, has to pass on the plans submitted for a radio or television station, let the transport commission deal with the matter of rates tariffs to be set for private radio and television stations, just as it deals, for instance, with the matter of the rates of the Bell Telephone Company or other independent telephone companies.

Such is the principle according to which, when the state restricts competition, it must also restrict the rates of those monopolies to prevent them from taking advantage of the public.

Consequently, Mr. Chairman, I think that the argument of the Secretary of State does not hold for the two above-mentioned reasons. In the first place, it would not involve so much work since the transport commission does it for transportation companies which are more numerous than radio and television stations. Then, it is the only field where rates are unlimited while the government is restricting competition.

I hope that the Secretary of State will accept at least the principle involved, even though afterwards she may hand over the control to the council.

That is why, at the request of the hon. members for Kamloops and Halifax (Messrs. Fulton and McCleave), I changed my amendment by adding a third subclause to clause 16 which reads as follows:

(3) (a) The council will be authorized to establish a maximum scale for the rates and tariffs charged by the broadcasters or licencees. The council shall hold public meetings to consider any application for increases in the rates and tariffs charged by the broadcasters or licensees unless authorized by the council following such public hearings.

[*English*]

Mr. Peters: If this kind of amendment is not accepted I wonder how the minister intends to handle the sort of situation which developed in northern Ontario where a private community antenna operator got a licence in an area very remote from a broadcasting station. People subscribing to his service were charged a $200 connection fee and had to pay $5 per month rental. If a family moved out of a house the incoming family also had to pay the $200 connection fee, and one instance was reported to me of a house which changed occupancy five times in a year and each time the $200 fee was charged. When we give such a person a licence I think we have an obligation to protect his customers. The situation has improved following the installation of a C.B.C. repeater station, and CFCL has installed a satellite in the Hearst area. Originally Port Arthur and Fort William had to supply the coverage through community antenna. The $200 fee was an unreasonable charge. If a maximum is not imposed then an unscrupulous person will have the right to charge whatever the traffic will bear.

My experience with television has not been that bad. A television station operator charges for national advertising on the basis of audience coverage and there is another rate for local advertising. But in northern Canada such an operator could eliminate competition by the rates he charges, raising them or lowering them to suit his own purposes. It does not seem unreasonable to me to stipulate a maximum connection fee and a maximum monthly rate for C.A.T.V., and I would not object if the maximum set in northern areas were twice as high as the average in other areas. Prior to this the government had no control over such rates, and I know that the Department of Transport would have been glad to have some kind of control to prevent such abuses taking place. In fact there was no control until the C.B.C. or some other entrepreneur provided alternate service.

Miss LaMarsh: The hon. member should not forget that for the first time in this bill there is provision for conditions to be put on licences. Almost any condition which is germane to a particular situation can be inserted. There is also provision to impose certain monetary penalties for the breach of conditions attached to licences. Previously, in the period between an operator obtaining a licence and having to renew it nothing could be done in this respect. In a situation such as described by the hon. member, where there may be numerous complaints, a condition could be attached to a licence covering the connection fee and if this condition were not observed the operator could lose his licence or be penalized in some other way. But to set tariffs for each individual C.A.T.V. operator, particularly considering the way C.A.T.V. systems have proliferated in the last few years, would not be the proper step.

Hon. members may have seized on this proposed idea as something new but I think they should stop and think about it. Many of the experts in this field, particularly those least friendly to the C.A.T.V. operators, namely the C.A.B. people, would like to scrunch them down, and in turn the C.A.T.V. operators would like to scrunch down private broadcasters.

Mr. Cowan: May I point out that once again the Secretary of State shows she does not understand C.A.T.V. operations. She states that the C.A.B. wants to scrunch the C.A.T.V. people, whatever that means. This is true enough, but C.A.T.V. operators do not want to scrunch the television operators because it is from them that they get the programs they sell to the public. I wish she understood C.A.T.V.

Mr. Barnett: The point raised by the hon. member for Timiskaming is worthy of attention by the committee. I am interested in the

explanation of the situation given by the Secretary of State. If I understand it correctly, a definition of what constitutes a broadcasting undertaking is before us in a way that we have not had it defined since the establishment of community antenna television systems.

• (3:40 p.m.)

The amendment proposed by the hon. member for Lapointe deals with the charges for advertising by broadcasters in the radio and television field. I certainly agree that there does not seem to have been any serious interest in many quarters in setting up a tariff structure in this area. On the other hand, many of us have been aware of abuses on the part of the community antenna television systems in various parts of the country. Heretofore this has not been a matter under the control of any regulatory broadcasting authority.

I believe the suggestion of the Secretary of State that there is provision for conditions to be attached to licences, if it is germane to the question of hook-up fees, monthly rates and so on, should be gone into pretty carefully by the regulatory body to see how they can deal with this matter in laying down the conditions of the licence. Many persons claim that what has in certain instances been a real abuse of a monopoly situation should not be allowed to continue under the aegis of the public authority which is being set up by parliament. I would be content for the present at least to wait and see whether the procedure suggested by the Secretary of State could be developed to meet the situation brought to the attention of the house by the hon. member for Timiskaming.

Mr. Schreyer: Mr. Chairman, the Secretary of State tells us that the amendment put forward by the hon. member for Lapointe is not new to her and that this matter has been fully considered by herself and by the officials of her department. There is no reason for us to doubt that. However, even to those members of the house who were members of the broadcasting committee it comes as a bolt out of the blue. It certainly would appear to have great ramifications and implications. Yet it is brought before us as sort of spontaneous ejaculation which we should deal with here and now. I suggest it would not be asking too much to request that this matter be held in abeyance until Monday.

We have had some debate concerning the necessity and/or desirability of this proposal.

[Mr. Barnett.]

At first glance this would seem to be a desirable course of action to take inasmuch as there are quite a number of smaller cities and larger towns in Canada with only one television station which has a monopoly. One can argue, of course, that advertisers are not necessarily at a disadvantage because they can resort to other media such as the press, handbills and so on, as the hon. member for York-Humber has suggested. It is true that if there is not intramedia competition one can point to the intermedia competition and say that someone wishing to rent time for the purpose of political broadcasting can always resort to another means of communication. I am wondering how realistic that kind of argument is.

I do not wish to take up much time because I realize the hon. lady is becoming impatient. I certainly do not blame her. However, in this instance I hope she will be lenient and allow this matter to be held over so that it can be considered properly. If we must vote on the amendment this afternoon I suppose I will have to vote against it. Much as I like the principle of the idea, I would have to vote against it simply on the basis that something as important as this should not be dealt with so casually.

There is another argument in respect of the amendment which I believe should be considered. If we attempt to give the council regulatory powers in this regard I see certain difficulties. If we stipulate that the council shall have the power to set maximum fees, this could be construed as an invitation to do so. If we do not do that and say instead that the council shall have the power to adjudicate in respect of rate increases after the coming into force of this bill, which would be another way to deal with the matter, then what is to stop the television interests in these one-channel or one-station towns increasing their rates in the interval? Finally, it has been suggested by one of my colleagues that if we attempt to regulate it might be that the major advertisers would seek and probably make arrangements with the television station owner for a bonus system and so on. There are different ways by which to get around any regulation. I would hope that the hon. lady would see the sense in holding this over at least until Monday.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I feel the hon. member for Springfield (Mr. Schreyer) made a reasonable and moderate appeal to the Secretary of State, asking her to allow that

clause to stand. Obviously, we shall not dispose of this bill today. Therefore, there is no objection to suspending the study of that clause or to deferring it until later. When the Secretary of State asked yesterday to pass quickly all the non-contentious clauses, in an attempt to speed up the discussion of the bill, we readily agreed, even though it was done very hastily and it did not seem to us to be the best procedure. I wonder why the Secretary of State does not agree to the suggestion just made, all the more so because the discussion on this bill will no doubt continue on Monday.

If the hon. Secretary of State would accept to co-operate, I am convinced that she would receive in return the same co-operation from the members.

Mr. Chairman, a great many points have not been well explained. With the proper explanations, perhaps everyone would be in favour of that amendment. The hon. Secretary of State tells us that the proposition was considered by her officials and turned down. It would be interesting to know why, and the hon. minister has not told us. We do not know why the officials have turned down such an idea. What I find most surprising, is the fact that the minister seems to think that it would require a whole new administrative structure. But the same administrative structure is found in all the areas where there is a monopoly, and sometimes a larger staff is needed. Let us take, for instance, the field of truck transportation where the structure is considerably more complex than that which would be necessary in this case.

That is why I think that the amendment should be accepted, and I ask the hon. Secretary of State to tell us whether or not she is prepared to accept this matter to be put off until Monday?

• (3:50 p.m.)

[*English*]

Miss LaMarsh: Mr. Chairman, this bill has already, I think, taken more time than anything except the flag debate and possibly the debate on the Canada Pension Plan. My hon. friend is quite wrong when he says I suggested that we should pass the non-contentious clauses. That suggestion came from the house leader of the Conservative party, not from me. I acceded to it with the hope that we would get one or two of them passed.

It may be true that we will be talking about this on Monday, Tuesday and Wednesday of next week, or perhaps for another four or five weeks. The hon. member apparently has nothing else to do than impede the business of the country. He has said clearly that it is his intention to destroy the country and he is now starting, with the assistance of the hon. member for York-Humber, to destroy parliament. This is a pretty good way of doing so, but he is not going to have my co-operation in his efforts. So far as I am concerned, I do not see any reason why a bill which has been studied publicly and privately for almost four years now should be stood further.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I shall not reply to the remarks of the hon. Secretary of State. I am not in the habit of quibbling about anything whatsoever, with so nice a lady. I would rather capitulate when I find myself in that kind of situation. However, with regard to the bill, I should like to add a few remarks.

I noticed that the hon. member for Springfield (Mr. Schreyer) said that, at first glance, he finds the bill quite acceptable, and that the only reason which could induce him to vote against it, is that he does not know all its implications.

First of all, I should like to point out to him that the field of radio and television is the only one where, while there is a state-imposed monopoly, rates do not come under regulations. To my mind, this is already a sufficient reason to at least accept the principle that the state, having set up by law monopolies in certain areas of the country, should now prevent exploitation of the public by regulating the prices.

The member for Springfield also wonders what would happen in the field of business. I would like to tell him that, in the areas with no competition and where owners of television stations enjoy a practical monopoly, where prices are high, only the great nation-wide companies operating throughout the country and able to provide an adequate budget can use television for advertising. The small producers, the small businessmen, the small industrialists do not have the same means, so they cannot meet excessive prices.

One might say that all they have to do is select another medium of advertising. Possibly, but today, in the business world, the winner is the one who uses all advertising media. If an advertising medium as important

as television is eliminated, if the small businessmen are deprived thereof, this means that they are being discriminated against and monopolies created by the state through legislation are allowed to crush the small operator who cannot use television programs.

Television stations set their rates rather arbitrarily, according to the ratings. When there are two television stations in an area, rates become competitive and are less likely to increase.

When there is only one station, rates are set arbitrarily and small businessmen are the ones hard hit. I could give examples of abusive rates of television stations. Devious methods are used and a board could prevent such abuse.

In the field of political programs, for instance, the television station in Quebec will no longer sell 15-minute periods for $300. They prefer to divide those 15 minutes in three periods of five minutes, each selling for $200. Thus divided the 15-minute period costs $600, whereas if sold as a whole it would bring in only $300. They refuse to sell 15-minute periods even if all the political parties were willing to pay for uninterrupted periods. All parties without exception have to accept those conditions because during an election campaign the owners of those stations say: Let us get the most out of this while it lasts. And since the going is good and they want to take advantage of it, they find a way to increase the prices.

I know that at the Quebec television station, for example, simply to screen a film or a video-tape of 15 minutes, they charge $80. This is a means of overcharging, and even if that is not acceptable, there is no alternative because there is only one television station in Quebec which sells time to political programs and it is a private station.

The C.B.C. does not sell such time. There is no choice; people are forced to submit to a monopoly created by legislation and by a federal government council. This monopoly is allowed to exist while in every other field, monopolies have been prohibited without there being at the same time limitations on prices to prevent the fleecing of the public.

Mr. Chairman, the hon. Secretary of State told us, a while ago, that for the first time the bill contains a provision allowing the Canadian radio-television commission to set up regulations authorizing it, when licences come up for renewal, to impose fines, penalties and even to suspend licences when the regulations have not be complied with.

[Mr. Grégoire.]

I hope that it will be possible to include in the regulations of the Canadian radio-television commission a provision on maximum fees, on rates and the conditions to be complied with before increasing the rates for commercials.

If the Secretary of State were tell us that there is a method to include in the regulations of this Canadian radio-television commission such a principle or such a notion, then we would be happy. Half a loaf is better than no loaf. Is the Secretary of State agreeable to the inclusion, in these regulations of the commission, of a provision dealing with increases in fees by the radio and television stations?

Then, we could simply confirm the principle that the commission is empowered to make regulations. Would the minister accept such an amendment enabling the commission to an enact such regulations?

I see that the minister will not listen to anything further on this bill. Well, at least I was able to make my suggestion, but I am opposed to the fact that a state monopoly is allowed without at the same time setting limits to the exploitation of the public.

[*English*]

Mr. Cowan: Mr. Chairman, there is one word of subclause (iii) of clause 16 I should like to draw to the attention of the committee. Clause 16 reads:

> In furtherance of its objects, the council, on the recommendation of the executive committee, may—

It then sets out that the council may make regulations applicable to persons holding broadcasting licences, or to persons holding broadcasting licences of one or more classes respecting, as stated in subclause (iii)—

> —the proportion of time that may be devoted to the broadcasting of programs, advertisements or announcements of a partisan political character and the assignment of such time on an equitable basis to political parties and candidates,

• (4:00 p.m.)

I am a member of the broadcasting committee and I well remember the lengthy discussion which took place on the white paper which was put before us by the Department of the Secretary of State some time ago, and on which we were supposed to express our opinions. As hon. members know, the committee endorsed 19 out of 21 paragraphs of

the white paper. An argument arose on subclause (d) of clause 2 of the bill which reads:

It is hereby declared that

(d) the programming provided by the Canadian Broadcasting System should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy, —

The suggestion was made that the subclause should read:

—should provide equitable opportunity for the expression of conflicting views on matters of public controversy, —

A lengthy discussion ensued in the committee on the use of the words "equitable" and "reasonable". With reference to clause 16 (b)(iii) I should like to refer to the political argument which developed. Half a dozen members of the broadcasting committee referred to the situation in the United States where there is a regulation affecting T.V. stations and radio, according to which all candidates for the presidency must be given equal time on both these media. I should like to refer to a specific instance during an election when there were two or three of what are generally called nuisance candidates running for the presidency of the United States of America. One of them at least was straightforward enough to state that the reason he was running for the presidency of the United States was that only in this way would he be able to appear on the national network. This strikes people as being absolutely ridiculous, namely that a man who might be able to garner only about a thousand votes in all of the United States should be given equal time to present whatever platform he claims to have advocated, as against such historical organizations as the Republican and Democratic parties. The discussion with regard to the word "reasonable" on subclause 2(d) went on for a long time, but at the end the committee agreed that the word "reasonable" was much more appropriate.

Mr. Béchard: On a point of order, Mr. Chairman. At the present time the committee has before it the amendment moved by the hon. member for Lapointe. I believe the hon. member for York-Humber is totally out of order.

The Assistant Deputy Chairman: I will ask the Clerk to read the first amendment moved by the hon. member for Lapointe.

[And a Clerk at the table having read the amendment as follows:]

[Translation]

The hon. member for Lapointe (Mr. Grégoire) moves that clause 16 be amended by adding the following subclause:

3 (a) The council will be authorized to set a maximum scale for the rates and fees charged by broadcasters or licensees.

[English]

The Assistant Deputy Chairman: Is the committee ready for the question?

[Translation]

Mr. Grégoire: Mr. Chairman, if I am not mistaken, subclause 3 has two paragraphs, (a) and (b).

[And the Clerk at the table completed the reading of the amendment, as follows]

3 (b) The council shall hold public meetings for considering any application for increases in the rates and tariffs charged by broadcasters or licensees. No rate or tariff may be increased by the broadcasters or licensees unless authorized by the council following such public hearings.

[English]

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Grégoire) negatived: Yeas, 5; nays, 38.

The Assistant Deputy Chairman: I declare the amendment lost.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, early in the debate I indicated in private to the Secretary of State that I thought there was one serious lack in the bill in that, under its terms we as members of parliament would no longer have any means of influencing the new broadcasting authority either directly or indirectly, and that we could not convey public opinion to the broadcasting authority. Therefore I felt it was absolutely necessary for us to provide somewhere in the bill for the formation of regional advisory councils. My suggestion was that this provision should be made in clause 2 of the bill where the objectives of the broadcasting system are outlined, but my suggestion was not accepted by the minister and consequently I did not press for an amendment to clause 2.

However, upon reflection I am more convinced than ever that we would be remiss in

our duties in the house if we did not establish some sort of regional councils. The white paper on broadcasting made reference at page 9 to the feasibility and desirability of setting up regional broadcasting councils to advise upon representations made by the general public with regard to programming. I suggest that if we are to provide some means to the public whereby the force of public opinion may make itself felt, we must add a provision after subclause 16 (c).

I therefore propose the following amendment:

That clause 16 be amended by adding after subclause (c) an additional subclause (d) as follows: "(d) establish regional advisory councils in order that it shall have the benefit of the advice of as broad as possible a range of Canadian public opinion."

• (4:10 p.m.)

I do not believe any of us here would deny, or very few would deny that over the years there have been abuses committed by our national broadcasting system, especially in recent years in the area of public affairs. I do not intend to discuss that subject at length because it has been discussed at length by members during the last few days. It is my firm conviction that the C.B.C. has immunized itself from the democratic process. I ask members, especially those on the government side, to hear me out on my proposal. The amendment does not change the bill in any way. The type of regional council envisaged would be set up in the five geographical regions in Canada, the maritimes, Quebec, Ontario, the prairies, British Columbia and the Northwest Territories. Members would be appointed for two years. They would not receive remuneration. They would be named by a number of organizations which would range from religious groups, educational groups, the labour movement, management, agriculture, political parties and provincial governments to any other major group of public opinion which the broadcasting commission deemed suitably reflected Canadian public opinion.

The advisory council which I envisage obviously would not have the legal power to force the C.B.C. to do anything. It would be our assurance, as members of parliament, that we have not thrown away all protection for the Canadian public in this bill. In fact this is what we would be doing if we passed this bill without an appropriate amendment to establish these regional advisory councils. If we did so we would be, in effect, saying to this broadcasting authority: You have the power in clause 16 with respect to such other matters as you deem necessary for the furtherance of these objectives, to set up these advisory councils. However, I feel that we must do more than that. We must clearly set forth that it is our desire that these regional councils should be set up.

If the minister would go along with it, I would be prepared to settle for one national advisory council. My argument against a national advisory council would be that it would not be possible to reflect adequately the linguistic make-up of the country on that type of council. It would not be possible, for example, to provide representation for native peoples such as would be the case with a regional council.

There are a number of defects in a national advisory council which I think could be overcome with regional councils. I do not want to take up too much time of the committee, but I am convinced it is essential that somewhere in the bill we have an indication that this house insists that such councils be set up. This amendment would make it clear that we expect the commission to establish such regional councils. If this amendment is accepted it would be necessary to make further amendments later in the bill setting out the details as to how the regional advisory councils are to be made up. Perhaps these amendments could be made following clause 21. This would depend on whether or not my amendment is accepted.

The principle of advisory councils has been accepted and put into effect in the United Kingdom, a country whose national broadcasting system is the world's outstanding example of impartiality. In the federal Republic of Germany, with the experience of the world's most appalling dictatorship, they came to the conclusion early that democracy could best be protected if the national broadcasting system were subject to certain checks and safeguards. A system of regional advisory councils based on each of the German states is in effect in Germany and is working well.

The Canadian Association of Broadcasters in what I believe is part of their submission to the standing committee, said they believed that the regulating body should have regional offices and be responsible for the organization of advisory councils composed of individuals and interested organizations. Then they make reference to the fact that the white paper mentioned the possibility of advisory councils. They go on from there to state that the B.B.G. would recommend favourably on this

proposal if in the light of experience it felt its own arrangements were inadequate in this respect.

This is not good enough. As members of this house, I suggest it is incumbent upon all of us to make sure there is some means in the Broadcasting Act whereby public opinion can exert itself on the broadcasting authority. If public opinion cannot do so through parliament, how else is it going to do so? Are we going to leave it up to this organization entirely to decide whether or not it shall hear the public? There are provisions for the commission to hear complaints, but this is not good enough. I strongly urge the minister to reconsider her opposition to the concept of regional advisory councils. It is for this reason, Mr. Chairman, I have taken the time of the committee this afternoon. I hope members on this side of the house as well as the other will support the suggestion I have just made.

Mr. Thompson: Mr. Chairman, I wish to speak briefly on this amendment presented by the hon. member for Châteauguay-Huntingdon-Laprairie. I believe the idea presented in his amendment is a practical and worthwhile one. I have spoken a number of times in this debate about the necessity of providing in this legislation a means by which the management of the publicly owned broadcasting system could assess public opinion. It is very difficult for the members of this house to do so. It is very difficult for the C.B.C. to do so directly. In fact I have been increasingly alarmed over the amount of correspondence that comes to my desk expressing frustration on the part of Canadians who write to the C.B.C. and do not even receive an acknowledgement of their letters, let alone a reasonable reply to the questions raised.

As the hon. member has just mentioned, this type of advisory council is working very well in both the United Kingdom and the Republic of Germany. It was my original intention that a formal council be set up on a national basis, though not appointed by the C.B.C. or by parliament, so as to represent the various democratic organizations in society across the country.

• (4:20 p.m.)

In considering the proposal in light of this debate, and in view of our responsibility to dispose of the bill as quickly as possible, it seems to me that this type of amendment is probably more fitting at the present time. It would meet the need for a national advisory council just as well. In fact, it could even be more effective because programming policy is geared not only to the national system, but must likewise be geared to regional taste as well. I think therefore that this amendment is a very practical one, as we adapt the idea of an advisory council to the Canadian scene.

I do not intend to speak at length on the amendment but I do commend it both to the committee and the minister. It has a great deal of worth in it. This amendment provides the management of the C.B.C. with a legitimate sounding board of public opinion. The creation of this body would not require great expense; the most expensive item might be holding the occasional meeting. In fact, even this item might not be expensive because I visualize the representatives on these regional councils as representatives of various organizations, and more than likely those organizations would be only too pleased to send their representatives to the council meetings at their own expense.

Some hon. members might ask where these representatives are to come from. Basically I see them coming from most of the democratic organizations in the country, such as home and school associations, university organizations, teachers federations, labour organizations and the Legion. Even representatives of civic clubs and other important and legitimate national organizations, and other private organizations, might attend. I am pleased to give my support to this amendment and I trust that the minister will see fit to accept it without prolonged debate on the worth that I feel it contains.

Mr. Hales: Mr. Chairman, I wish to make a few brief observations on the amendment now before the committee. I will vote against if for the following reasons. First of all, I think this national council—we have now changed its name to national commission—has good representation from across Canada, in the same way as the former Board of Broadcast Governors had. That board was composed of members from every part of Canada. If this national commission is set up on the same basis, I see little reason for regional councils to be set up across a country that has a sparse population of 22 million.

Mr. Thompson: Might I ask the hon. member a question. How many members are on the council as constituted?

Mr. Stanbury: Fifteen altogether.

Mr. Thompson: Is it the hon. member's opinion that such a body, the members of

which have certain technical and financial qualifications, is able to give the necessary advice on programming that might be required?

Mr. Hales: My understanding, Mr. Chairman, is that there are 15 members on the national commission. In the second part of my hon. friend's question, he referred to organizations such as home and school associations and similar bodies, and I see no reason why they cannot present their views in letters, briefs or through other means to the national commission. I am one of those who feel we are beginning to have government by boards and commissions. It seems to me that every piece of legislation that comes before the house requires the appointment of a board, commission or council. I think if one is set up in this legislation, that one will be sufficient.

The hon. member who introduced the amendment spoke of the system in operation in Great Britian. Perhaps regional councils are needed in an area that is so densely populated as Britain, but I do not think regional commissions are required in this country, certainly not at this particular stage in the history of our broadcasting and television services. Therefore I would oppose the amendment.

Mr. Prittie: Mr. Chairman, the proposal made by the hon. member for Châteauguay-Huntingdon-Laprairie relates to the clause that deals with the Canadian radio-television commission, as well as to this clause. The hon. member for Red Deer kept referring to the C.B.C. but the amendment relates to all broadcasting.

I should like to make one or two comments on the amendment. When the director general of the B.B.C. and the director general of the I.T.A. came to Ottawa from the United Kingdom I questioned them on this point, but I have forgotten their answers. This was November 1966 and I am afraid I have not looked at the minutes recently.

However, a perusal of the handbooks of the B.B.C. and the I.T.A. indicates that there are a great many advisory bodies. They have professional advisory bodies for education and religious broadcasting, and there are also a great many regional bodies. These might be useful; I do not know. But I am against setting up bodies which become innocuous, "nothing" bodies that really do not do anything. If I could be persuaded that these advisory commissions in various parts of the country could contribute to better broadcasting in some way, then they might be worth

while, but I do not think the case for that has been proven.

There is one way we could get around this difficulty, Mr. Chairman, and this suggestion was made in the committee. Both the regulatory body and the board of directors of the C.B.C. should be encouraged to meet in different parts of Canada at different times. I know that occasionally this has been done in the past. However, I see the regulatory authority meeting sometimes in Vancouver, sometimes in Regina and sometimes in St. John's to hold a public hearing to find out what the public, either individually or through organizations, thinks about the job that is being done by the broadcasters, public and private.

The board of directors of the C.B.C. should also move around the country. They should advertise the fact that they are holding a meeting at a certain place, and they should invite the public to come and be heard. This might serve the purpose that the hon. member for Châteauguay-Huntingdon-Laprairie has in mind. I do know that these bodies have been set up in the United Kingdom, but how active or effective they are I do not know. I have my doubts about them.

• (4:30 p.m.)

[*Translation*]

Mr. Pelletier: Mr. Chairman, I merely wish to continue in the same vein as the hon. member for Burnaby-Richmond (Mr. Prittie), and say that the intention of the amendment moved by the member for Châteauguay-Huntingdon-Laprairie (Mr. Watson), strikes me as excellent, but likely to add to the clumsiness of structures which are already cumbersome as it is. The matter was discussed briefly in committee and, for that very same reason, the suggestion that regional committees be set up on a permanent basis was turned down.

I feel, as does the hon. member for Burnaby-Richmond, that the same object can be achieved through sittings of the Board of Broadcast Governors and the board of directors of the C.B.C., not only if those bodies give notice of their alternate sittings in various parts of the country, but if, to the contrary, notice of these sittings will be given ahead of time and the audience throughout our whole broadcasting system will be invited specifically to present grievances, make representations, and—why not?—offer its congratulations.

This too was mentioned in the committee by the representatives of both the bureau of

broadcast governors and the board of the C.B.C., and the two bodies replied to the committee that they had the intention to do so, they thought it essential to act in this way. Such an attitude would serve to avoid what the member for Burnaby-Richmond indicated that there is a risk, if we organize too heavy a superstructure, of having also a dead superstructure. If the bureau of broadcast governors and the board of the C.B.C. announce that they will meet to hear representations from the listeners, then, those who come before them will come of their own free will and not because they have been appointed. They will come because they will have something to say.

If is true that there is so much discontent over broadcasting among Canadians, we should not doubt for a second that the intermediary organizations or voluntary bodies, all kinds of associations including viewers associations will make their representations before these two bodies of their own accord, not because they have to, but because they are motivated by their own feelings and rules of conduct.

So I say that we should drop the proposition now before us in favor of a much more flexible formula and probably therefore a much more efficient one.

[*English*]

Mr. Herridge: Mr. Chairman, I rise briefly to congratulate the hon. member for introducing this amendment, although I am not quite sure whether it fills the bill entirely. The amendment would seek to provide for the establishment of regional advisory councils in order that the national council shall have the benefit of the advice of as broad as possible a range of public opinion. I think there is merit in this amendment because, at the present time, we have a national council only and it is very difficult to get, shall I say, the response to certain programs or policies of the C.B.C. through the national council alone, or even through this house.

I think this amendment does provide an opportunity to improve the participation of the general public in the administration of this important legislation. As my colleague from Burnaby-Richmond says, this sort of thing has been the practice in Great Britain for a number of years. They have less geographic space to deal with but a larger population. I am in favour of doing everything possible to get the participation of the public in the administration of the laws we pass in this house.

So far as my own constituency is concerned, I have received in the neighbourhood of 300 letters in connection with C.B.C. programs, and that sort of thing. You see, I represent a riding that is very alert to what is happening in Ottawa, and in other places. I am sure those people in the Kootenays would welcome the opportunity from time to time to bring opinions to the attention of the national council. I know this. I am sure there are many, shall I say, people who would like the opportunity to serve in this capacity on a voluntary basis. If I put it to the people I represent and said, "Are you willing to appoint a regional board to represent and reflect opinion in the Kootenays?" which is quite substantial, many of them would willingly serve on such a board on a voluntary basis, without any expense to the state. It is a matter of getting opinions, recording them, gathering them in and sending them to the national council so that they know what the reaction is in various parts of Canada. I think the hon. member has a point here and I hope some consideration will be given to the idea he has in mind.

Mr. Barnett: Mr. Chairman, the hon. member for Châteauguay-Huntingdon-Laprairie obviously feels the concern which I expressed when I spoke on the bill on December 20. I was intrigued by his phrase, if I heard it correctly, that the C.B.C. in the name of democracy has immunized itself from public opinion. I am inclined to the view that we in this house, by the legislative process, have had a good deal to do with that immunization. In other words, in our zeal to ensure that the broadcasting system does not come under some form of partisan political domination, we have more or less set the C.B.C. to one side in a way that has brought some feeling of frustration to many people in Canada, because of their inability to make felt their feelings and views with respect to the C.B.C.

I do not want to repeat what I said before, but I suggested that the best regional and national forum in Canada is this House of Commons. Outside the actual terms of this bill we, as a house of parliament, have it within our power to set up a mechanism different from that which existed heretofore, and through that mechanism we could make the views of regions known and felt from time to time. We could do that with respect to broadcasting and other related matters, instead of, as we have done in the past, using the Secretary of State as a go-between with ourselves on one side and the broadcasting system on the other.

I made references to the technique employed when we established the redistribution commissions. We evolved the machinery for making our views known to them. I draw this proposal to the attention of the hon. member, and my own view is—because it is my own brainchild, I suppose—that that proposal or technique might serve better to meet the purposes he has in mind.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I wish to make two comments, one of them about the remarks of the hon. member for Wellington South. He said that the commission would be adequate to reflect public opinion to the broadcasting authority. I do not think it is adequate, and that is why I brought forward this amendment.

I do not think the commission, with its number of members, will be suitably reflective of Canadian public opinion. The hon. member is right. Under the bill the commission will have the resources, if it decides to, to go across the country. It may consult with various bodies across the country. But we have not said, in this bill, that it should do that. If the minister would consent anywhere else in the bill to some amendment which would indicate parliament's desire for this authority to go out among the public and ask how the public feels about broadcasting, I shall be content. If we do not provide for that in the bill somewhere, we shall be remiss in our duty.

The second aspect of the proposed amendment which was touched on by the hon. member for Hochelaga had to do with the clumsiness of the machinery which would be employed under this amendment. I do not think the machinery would be as cumbersome as he imagines.

• (4:40 p.m.)

I envisage that the members of the advisory councils would be volunteers appointed by labour unions, educational groups and so on. They might be paid officials of those unions or other groups, or they might not. In any event, their services would not add, as the hon. member for Hochelaga suggested, to the cost of operation of the national broadcasting authority. Their presence might mean more work for the commission. In fact it would, because the commission would be obliged to consult with them once or twice a year and it would be obliged also to answer for ignoring recommendations by the councils in previous years.

I believe it is essential to the working of the democratic process in Canada that we end the isolation of our national broadcasting system from the Canadian public. In my view it is important that we should accept this amendment or, alternatively, that the minister should place some other provision in the bill which would satisfy the objections I have raised—objections which I believe to be legitimate.

Mr. Schreyer: I rise to ask whether the hon. member would entertain a question. He began by proposing the establishment of regional advisory groups or councils. From his last few remarks I understood they are to be composed, at least in part of representatives from occupational groups. Is he proposing some new hydrid?

Mr. Watson (Châteauguay-Huntingdon-Laprairie): I indicated that if this amendment were passed it would be necessary to bring in an additional amendment later, probably to clause 21, setting out details of the regional councils to be established. I would propose that the members should be appointed for a period not exceeding two years, that the appointments should be non-remunerative, that the councils should be based on regional areas and that their members should include representation from labour unions, educational groups, agriculture, religious groups and so on, the commission having discretion to allow persons to be appointed from any other groups which they felt were adequately representative of Canadian opinion.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I wanted to support the amendment moved by the hon. member for Châteauguay-Huntingdon-Laprairie (Mr. Watson), and I still do.

An advisory council such as that one is obviously justified. The programs of the C.B.C. and of private television stations enter our homes every day, sometimes up to 15 or 16 hours a day. They bring ideas, opinions, information, entertainment and all sorts of things into every home.

It is noted, at the same time, that C.B.C. programs, as one might expect, cause reactions, as evidenced by the number of letters to newspapers about such or such a program. One can see that television in general causes reactions, judging by the comments being made. One can also see it in this house by the many members who are interested in this problem.

Therefore I think there should be a body which could feel the pulse of the people, so to speak, or to which people could go to express their views. If in the province of Quebec, as the hon. member for Châteauguay-Huntingdon-Laprairie has said, a regional council is set up which will hold public meetings where anyone could go and say what he thinks, this will allow people to let off steam and the taxpayers whose money finances the C.B.C. to voice their opinions. The advisory council would not have to accept all suggestions as if they were binding; these would be merely voiced as advice or suggestions. These advisory regional councils would take the pulse of the public and receive its opinions.

I recall, for instance, that a few years ago and perhaps less, the C.B.C. was in the habit of showing us almost every day programs with ballet in it, so much so that we were sick of it. I even saw classical ballet danced on ladders and the next day people would say: We turned the television off last night, it was ballet again. If there had been an agency to which the people as a whole could have expressed publicly what they thought of the C.B.C. the situation could have been changed. That is democratic, and I feel that is would also give the taxpayers a chance to speak their minds.

It does not mean that the C.B.C. or the Canadian radio-television council should accept everything, but at least they would know what the public thinks.

Earlier, I heard the hon. members for Burnaby-Richmond (Mr. Prittie) and Hochelaga (Mr. Pelletier) say that that would make for a very dense and unwieldly superstructure, I do not recall the exact term—

Mr. Pelletier: Heavy.

Mr. Grégoire: —heavy, very heavy. That would not fit in the structure or superstructure of the Canadian radio-television council. Those local advisory councils would merely take decisions and submit them to the C.R.T.C. That would in no way make the structure of the council heavier. On the contrary, it would relieve the council of additional work and of the necessity of consulting the public. It would be the function of a more impartial and independent agency to attend to this public consultation.

This is why I more or less see it as a kind of valve enabling Canadians who sometimes have much to say on various matters to express themselves. Nowadays, we are unable to do so. The only way available to people is to send letters to newspapers. As the hon. member for Red Deer mentioned earlier, they can write to the C.B.C., but they receive vague answers which often do not provide any answer. No obligation would be laid upon the C.B.C. or the council, but it would at least enable the public to say what they have on their mind. This is why I am supporting the amendment.

• (4:50 p.m.)

[*English*]

Amendment (Mr. Watson, Châteauguay-Huntingdon-Laprairie): negatived: Yeas, 11; nays, 32.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Peters: I think the Secretary of State should take a look at how dull this debate has been in the last few days and then examine subclause (1)(iv) allowing the council to make restrictions on dramatization of political programs, and announcements of a partisan political character. This is as stupid a regulation as the C.B.C. ever dreamed up. When a politician is competing with "Bonanza" he has sufficient handicap without being restricted in his efforts to liven his broadcasts.

In the past the C.B.C., and later the B.B.G., turned down applications to dramatize political broadcasts. I remember a number of years ago in Timmins, before the local station found out it was breaking the regulations, there was a monthly political broadcast which started out with the playing of the Swedish Rhapsody. Possibly due to the popularity of the program in Timmins, that tune later rated on the hit parade. I do not think there is anything wrong with politics, but by allowing this clause to remain in the bill the minister is saying politics is a dirty business which must be dealt with by a Sunday school type of program. Anything that will enliven a political broadcast will improve it.

I know that each time the format of the program in Timmins was changed the local Liberal party was willing to try the change suggested. I will be darned if I will leave it up to a board such as this to decide what kind of political broadcast should be carried. Expenditures will take care of too much overdramatization of political broadcasting.

To date, political broadcasts have not been very acceptable to the public, judging by their reception of "The Nation's Business" and "Provincial Affairs." The change made by the Ontario Liberal party in the "Provincial Affairs" series was a step in the right direction, yet it was not allowed. We are not living

in the dark days of 20 years ago. Nowadays there is enlightened thought about broadcasting. If politicians can dramatize their political programs to a small degree I do not think the council should be able to forbid them. If a politician is wrong in his dramatization the public will know and we will not have to worry about him any more. The public will have some say in that respect, something which is not true with regard to other programs. The minister, who is very progressive, and who has had a lot to do with dramatizing politics in her own party, should consider removing this silly restriction which is being carried over from the early days of the C.B.C. and the latter days of the B.B.G.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I wish to say that I strongly support the views of the hon. member for Timiskaming (Mr. Peters) regarding the dramatization of political programs.

I think we are unacceptably restricting our freedom of expression. In his newly published book, the Minister of Justice (Mr. Trudeau), defines freedom of expression as complete freedom except that it prohibits obscenity and sedition.

However, I do not see how the dramatization of a political program can be obscene, or seditious. We are far from doing that. But I feel it is unacceptably restricting our freedom of speech.

How come we suddenly have become so touchy about political programs and forbid any dramatization? Why forbid a staging which would show the ill-effects of unemployment by filming all those who come to the Unemployment Insurance Office to get their benefits? Nothing should prevent it; that is what is called freedom of expression.

If, for instance, a film had been shot about the hon. Secretary of State (Miss LaMarsh), when she was heading the "Truth Squad", it could not have been shown on television. Why not? Because it would have involved dramatization or staging on a political subject.

Mr. Chairman, may I call it five o'clock?

[*English*]

Mr. McIlraith: I wonder if we could carry this clause first before we rise, Mr. Chairman.

The Assistant Deputy Chairman: Does the committee agree we should carry clause 16 before seeing the clock?

Mr. Grégoire: No, Mr. Chairman.

Progress reported.

[Mr. Peters.]

MESSAGES FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill S-32, an act to amend the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act to which the concurrence of this house is desired.

I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate do unite with the House of Commons in the appointment of a joint committee to consider the state of penitentiaries under the control of the government of Canada and the plans of the government in relation thereto, and that certain honourable Senators have been appointed to act on the said committee.

BUSINESS OF THE HOUSE

• (5:00 p.m.)

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I wonder whether this would be a convenient time to announce the business of the house proposed for Monday. We will begin with item No. 36, the measure which has been occupying the time of the house today. After that we will consider items 53, 54 and 55 standing in the name of the Minister of Finance.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely public bills and private bills.

CRIMINAL CODE

AMENDMENT RESPECTING THE OFFENCE OF IMPAIRED DRIVING

On the order:

Second reading of Bill C-21, an act to amend the Criminal Code (impaired driving)—Mr. Mather.

Mr. Barry Mather (New Westminster): Mr. Speaker, with consent I wish to withdraw Bill C-21. Last year the subject matter of this bill was referred to the standing committee on justice and legal affairs where it formed the basis for the discussion in respect of the breathalizer legislation which is now being brought forward in the amendments to the Criminal Code. I think my bill in its way has served some purpose, and does not now need to remain on the order paper. So with the

consent of the house I would ask that the bill be withdrawn.

Mr. Deputy Speaker: Does the hon. member have the unanimous consent of the house to have the bill withdrawn?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

SENATE AND HOUSE OF COMMONS ACT

FEES FOR PROFESSIONAL SERVICES OF BARRISTER AND SOLICITOR MEMBERS IN PARLIAMENTARY MATTERS

On the order:

Second reading of Bill C-22, an act to amend the Senate and House of Commons Act (St. Luke 11;46) —Mr. Herridge.

Mr. Deputy Speaker: Mr. Herridge, seconded by Mr. Howard, moves the second reading of Bill C-22, to amend the Senate and House of Commons Act (St. Luke 11;46).

Mr. Frank Howard (Skeena): On a point of order, Mr. Speaker, I believe you selected the wrong person. I had no intention of seconding the motion.

Mr. Deputy Speaker: Mr. Herridge, seconded by Mr. Peters, moves the second reading of Bill C-22, to amend the Senate and House of Commons Act (St. Luke 11;46).

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I appreciate the fact that the hon. member for Timiskaming (Mr. Peters) has seconded this motion, because I know that at the same time it is seconded by the majority of the members of this house. This is a bill to amend the Senate and House of Commons Act, with the subtitle "St. Luke 11;46". I should like to explain this reference to St. Luke 11;46 which reads as follows:

And he said, Woe unto you also, ye lawyers! for ye lade men with burdens grievous to be borne, and ye yourselves touch not the burdens with one of your fingers.

It is not usual for a subtitle to be taken from the scriptures, but this statement of our Lord is the first recorded opinion with respect to the gentlemen of the legal profession in the Christian era. I mention this only because of its historical significance to indicate that this problem has been with us for nearly 2,000 years. However, members of the legal profession, like untold millions, have responded to the teachings of the gospel since that time.

My attention was first directed to this question when I first discovered that a few members of parliament, who are also lawyers, were accepting fees from constituents and clients for representations made on their behalf to the ministry on immigration matters or for other services rendered in representations made to other ministries or agencies of the federal government.

In fairness to members of the legal profession, I must say that over a long period of years I have had a very happy relationship with the majority of lawyers I have known in British Columbia, and with a number of the justices of the supreme or county courts of British Columbia, who have all been men of honour and integrity, regardless of the party which appointed them to their high offices.

A code of ethics for the legal profession has concerned the law societies of Canada, various other organizations and the press. For instance, in the *Globe and Mail* of February 7, 1966, it is reported that the Law Society of Upper Canada has paid over a million and a half dollars as compensation to clients of disbarred lawyers in the past 12 years, according to treasurer John D. Arnup. Included in this report is a list of lawyers who have been disbarred for unethical practices.

I have also been informed of persons who have paid members of parliament, who are also lawyers, for representations made to the ministry of immigration on their behalf. However, these persons naturally do not wish to be identified. In this regard I should like to relate briefly the experience of the hon. member for Danforth (Mr. Scott). Three days after I introduced this bill last year one of his constituents phoned him requesting information as to whether a certain relative of his in Europe could be sponsored. The hon. member for Danforth said that he would get in touch with the immigration office. He did so and was told that the case would be examined on the basis of the information given. Later the hon. member received a phone call from the immigration office advising him that the person in question was entitled to come to Canada. They suggested that he advise his constituent to apply at a certain immigration office. When he so advised his constituent the constituent said to him, "I am quite willing to pay you the $500 which is usually charged by members of parliament for this service." The hon. member for Danforth, being the upright member he is, turned this down, with a snort.

Mr. Stewart: Did he do that because he was a member of the New Democratic party?

Mr. Herridge: Also because of his high principles.

This problem has also been of some concern to the Congress of the United States and various state legislatures. I am sure many members of parliament have read of the scandal surrounding senator Tom Dodd, a lawyer who used his influence for corrupt purposes. This senator's activities caused the Senate of the United States to pass a censure resolution which is of such interest that I should like to quote it:

> Resolved, that it is the judgment of the Senate that the senator from Connecticut, Thomas J. Dodd...deserves the censure of the Senate; and he is so censured for his conduct, which is contrary to accepted morals, derogates from the public trust expected of a senator, and tends to bring the Senate into dishonour and disrepute.

I think the Senate acted wisely on that occasion. This problem is of increasing concern to Congress and to state legislatures, as evidenced by the introduction of bills that would deal with conflict of interest and provide for a state ethics commission.

This bill proposes to remedy the grievance that arises when the public relationship between a member of parliament and a citizen is subverted to the private relationship between lawyer and client, to the financial hurt of the citizen. For example, the citizen asks his member to make inquiries of the ministry in an immigration matter and is often dismayed to find that, his member being a lawyer, he is billed for fees on a solicitor-client basis. This grievance is an ancient one, and the remedy proposed is to revive and modernize an order of the United Kingdom that is 300 years old.

Parliament has delegated to the executive the power to grant or refuse in its discretion many matters that once were entrusted to the House of Lords to investigate, hear, and grant or refuse. They were classed as "personal" petitions. The commons delegated the airing and adjudication of these private grievances to the upper chamber by making no rules whereby the petitions could be initiated in the commons.

The commons, on account of the conflict of interest activities of its lawyer-members in intermeddling as lawyers in these private petitions, successively passed orders which placed the activities of these lawyer-members within the control of the commons. I do not have time to deal with the various orders that were passed in the commons of Great Britain to meet this question.

• (5:10 p.m.)

In considering such a bill it is interesting to look into foreign legislation to discover the kind of provisions which have been adopted in other countries. I have read as widely as I could under the circumstances, but this did not permit of much serious reading. I may confess that it is difficult to find legislation of this kind which is more or less analogous with the purposes of this bill, and for two reasons. On the one hand it has been impossible for me to review all foreign acts and regulations, due to the fact that they are not available. On the other hand, according to the documents I have examined, it seems that the subject matters are yet to be considered.

Undoubtedly the concern to ensure the independence of members of parliament in the face of financial, economic and social pressure has become more marked over the years. This is a matter of status seeking, as you will understand. Nevertheless one can find in other countries some provisions regarding the incompatibility of occupation, by which a member of parliament is debarred from following certain occupations during his term of office.

The purpose of this bill is more limited. It does not provide for disqualification from membership of parliament by virtue of occupation. It only contains a suggestion to limit a lawyer's privilege to accept any fee or benefit for acting in certain government affairs. Problems of conflicts of interest, undue influence, and other violations of duty by legislators or other members of the government are being raised in Canada as well as in other countries. We have heard of several cases raised recently in the United States.

In continental Europe the problem of conflicts of interests of the lawyer do not appear clearly solved. This can be understood in Scandinavian countries where parliament does not include a great number of lawyers. As is written by Professor Elis Hastad in "The Parliament of Sweden":

> The practice of drawing the representatives of the people from the ranks of their social equals, because they are "the representatives of the brethren at home", is not peculiar to the parliament of Sweden. Much the same occurs in all the other Scandinavian countries. The Swedish Riksdag is no "parliament of lawyers" of the type found in several other European lands, and above all, in the Congress of the United States where at times almost two thirds of the members have been jurists..."

Also in the Australian parliament, lawyers are not in great number. As written by J. D. B. Miller in "Australian Government and Politics":

> The candidates elected from the various parties are less easy to distinguish from one another than might be expected: in speech, dress and standard of education, they mirror the general conditions of Australians. Only a minority has had a tertiary education...

That means an education of sort of third degree level.

The situation is different in some European parliaments which are made up in good part of lawyers. Nevertheless in continental Europe the question of the lawyer-legislator conflict of interest does not seem systematically under control.

There is no doubt that the problems of the professional role of lawyer-members of the Senate and House of Commons in certain government affairs is one of ethics. When the lawyer has a seat in the Commons or in the Senate he does not cease to be a lawyer. In that field his conduct should be governed by the positive rules of legal ethics.

Of course every bar association is governed by its own rules, and it is quite impossible to frame a satisfactory definition of ethics as applied to the legal profession. The sense of honour and fairness should be the same from coast to coast. Although it is hard to limit the exact duties of the lawyer, the Canadian Bar Association approved a statement of some of the ethical principles which should be observed by members of the legal profession.

In February of 1956 the council of the city of Toronto resolved:

> That the government of Ontario be requested to enact the necessary legislation to make it clear that a lawyer who is a member of metropolitan council or of any municipal council, shall not be entitled to accept a fee for acting for any person in a matter in which the council of which he is a member may act by resolution or by law—

This resolution was considered as one of legal ethics. The discipline committee brought this matter to the attention of the profession, reminding them that no lawyer can serve two conflicting interests, and if a member of the profession holds any elected or appointed office he should not accept any retainer through which his duty to his client and his duty to such office may conflict.

The British House of Commons has not confined itself to the repression of direct pecuniary corruption. To guard against indirect influence it has forbidden the acceptance of fees by its members for professional services connected with proceedings in parliament. Thus a member is not permitted to practise as counsel before the house or any committee thereof, and it is not consistent with parliamentary usage for members to advise, as counsel, upon any private bill or other proceeding in parliament, or matters related to the jurisdiction of parliament.

It has also been declared contrary to the law and usage of parliament for any member to be engaged, either by himself or any partner, in the management of private bills before either house of parliament for pecuniary reward and, upon the same grounds, it was ordered on November 6, 1666:

> That such members of this house as are of the Long-Robe shall not be counsel on either side, in any bill depending in the Lords' House, before such bill shall come down from the Lords' House to this house.

The acceptance, in my opinion, by a member of either house of a fee, compensation, gift or reward for drafting, advising upon or revising any bill, petition or other document submitted or intended to be submitted to either house or any committee thereof would appear to be a breach of privilege.

I have referred to the things I have gathered together in respect of this bill because I am serious in this regard, and I have strong support. Several members of the cabinet endorse the principle outlined in this bill, including the Minister of Manpower and Immigration (Mr. Marchand), who has stated strongly that he considers it immoral for any member of parliament to receive any payment for acting as a lawyer in any matter he should undertake as his responsibility as a member of parliament. I also have the strong support of the Secretary of State (Miss LaMarsh) in this regard, and I know of several other members of the cabinet who agree with the principles of this bill. Surely it is necessary at this time to indicate to the Canadian people that we are men of integrity in this house and intend to stand in favour of a code of ethics, so far as our practice is concerned.

In addition I have a letter from Right Hon. John Diefenbaker which I wish to place on record. I give him credit for the fact that when he was first elected he told me he informed his firm that while he was a member of parliament no member of his firm was to deal with a matter that was within the jurisdiction of parliament or its elected representatives, because he was elected by the people to serve that purpose. That has been his practice and the practice of his firm since.

Senate and House of Commons Act

This is what Mr. Diefenbaker said in his letter of April 16, 1966:

Dear Bert:

Your report from parliament hill for April 20th is a very interesting one. I commend you for the stand taken that any law firms with members of parliament therein, ought not to receive fees for work which ordinarily should be done by the member in the discharge of his duties.

I know there are members of all parties in parliament who support the principle of this bill. I have received a good number of letters from members of the legal profession in the country informing me of their support. I have also had conversations with many of these people and know they are behind this principle. It is my belief from the letters I have received from members of my constituency, numbering possibly close to 100, that there has been excellent response from the public. Among these letters I received one from His worship Mayor William Dennison of Toronto.

I look forward to hearing the opinions of other members on this matter.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to say a few words about this bill. At the outset let me say I entirely support the principle expressed by the hon. member. I agree that a lawyer should not become involved in any matter which may bring about a conflict of interest betwen his duties as a member of parliament and his position as a lawyer. But having said that, I must go on to the next matter, and that is that with the increasing involvement of the federal government in the everyday business of people, an involvement which did not exist in previous years, it is becoming more and more difficult for a lawyer who works in a firm, or who practises at all, to disengage himself completely from some involvement with the federal government.

• (5:20 p.m.)

I myself practise law on week ends, on holidays, when the house recesses, on an occasional day off, or when my hard working partner wishes to go on a holiday, and I find this involvement is becoming more and more difficult for me. Of course, as parliament sits for longer and longer periods, the opportunity for me to practise law is decreasing. Nevertheless the same difficulty applies as regards my firm, and I feel that it is just as much bound by this bill as I am, myself. We have come to a definite agreement in our firm that we will handle nothing having to do with the federal government in any way.

[Mr. Herridge.]

However, what do we do when we handle the estate of a deceased person? This is the backbone of the practice of rural lawyers and a good many urban ones also. There are three things to be done when a person dies: We have to probate his will, which involves a circuit court; we have to file provincial succession duty returns in most provinces, which involves filing a provincial return; and we have to file an estate tax return. This is where the problem lies. Are we barred completely as a law firm from acting on the estate of any deceased person? To what extent are we permitted, according to legal ethics, to file estate tax returns, and to what point are we entitled to press a disputed claim?

We have applied a rule of thumb to it and—and I say this badly—I think most other firms do as well. We feel we are not in any way disqualified from acting on any estate which involves a routine filing of an estate tax return to the federal government, or a routine assessment or even reassessment of property, because no conflict arises in such cases. Nevertheless this lurking problem is at the back of our minds all the time.

There is another problem also. In many small law practices assistance is given in preparing income tax returns. In most cases it is a routine matter, but sometimes a dispute arises and one's client may come back and say "You helped me fill the forms out, and you filled them out wrong". If returns are filled out in our office and a dispute arises, we may have to appear before a federal board of some kind. In such a situation we hand the matter over to someone else.

These are two examples of the difficulties which are brought about by the gradual intrusion of the federal government into the life of the average citizen, and in spite of my absolute agreement with the principle of the bill, I say it is not easy to define the dual role which may be played by a member of parliament; and I am not sure the bill deals adequately with it.

I note that at the end of the bill the hon. member for Kootenay West (Mr. Herridge) assigns to Mr. Speaker a discretionary power to set down rules within which the legal profession may act. Perhaps this may be a way out. Speaking for myself, I go home on many week ends and I find my appointment book filled with the names of people who have made inquiries during the week. I have no idea whether they wish to see me on legal

or on political business. When they start telling me their story and they reach a point at which there seems to be something involving the federal government, I ask them whether they wish to consult me as a lawyer or as a member of parliament. They ask me what the difference is, and I tell them that if they are consulting me as a member of parliament I cannot charge them anything. They say then "That's for me; I will consult you in that capacity". This may often lead such people into traps, because if they have become involved in some family matter in which they may require assistance, which I cannot give because of my position as member of parliament, I merely send them to someone else.

I point these matters out to indicate the difficulties faced by members of parliament who are practicing lawyers. I think that the purpose of the bill is good, and I would have no hesitation in supporting it, but I am sure that all hon. members who are practising lawyers would very much like to have some of these problems cleared up.

In conclusion I should like to say one thing. I think there should be no difficulty in the open and shut cases, when a lawyer is consulted and attempts to advise a client on a matter dealing directly with the federal government, such as immigration matters in which there is a direct appeal to a government body. In such cases the government body dealing with it is placed in a difficult position because the member of parliament-lawyer may harass the department as a solicitor, and also worry it as a member of parliament. In this event the poor official gets knocked on both sides. In such cases I believe the proposal in the bill can easily be applied. I think that the other matters can work themselves out, and certainly if the bill comes to a vote I will support it.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I enter this debate as a lawyer and as a member of parliament, and I support the bill. When I first came here two years ago I gave up my practice in law because I felt I could not carry on my duties as a member of parliament and as a lawyer at the same time. I was surprised to hear after I became a member of parliament that there were some lawyers in the house who acted on behalf of their constituents, before either labour or immigration boards, or made representations to ministers, and billed their clients for the work they had done as members of parliament. I must say I found this rather shocking and I wondered how this had remained so quiet for so long. I would have thought that the people who received bills for this work would have complained to parliament or to bar associations, or else that these complaints would have been brought up by opposition parties in the house.

Before I speak in support of the bill before us I should like to say a word or two on behalf of lawyers, because when the sponsor of the bill quoted the scriptures from St. Luke and made other remarks, he contributed to the myth—and I call it a myth advisedly—that lawyers in general are scoundrels, and if they are in politics they are even worse scoundrels. I say this is a myth because some of our most outstanding political figures over the centuries have been lawyers. I could refer to Abraham Lincoln, Mahatma Gandhi, Thomas More, and in Canada both Sir Wilfrid Laurier and Sir John A. Macdonald were lawyers. There are many others. As I say, some of those men who were lawyers also made great contributions to politics and justice.

• (5:30 p.m.)

I know that most bar associations, especially the bar association of the province of Quebec, are quite conscious of the fact some lawyers have done things which are not in accordance with good ethics. The lawyers themselves have set up discipline councils and codes of ethics. The lawyers have even set up officials whom they pay to investigate complaints made by clients and to hear complaints in public. In Quebec we call this official the "Syndic" of the bar. If a lawyer is found to have violated the ethics of his profession he can be suspended temporarily or permanently. Each year there are a number of lawyers who are suspended on this basis.

In addition we, as members of the bar in the province of Quebec and I suspect in other jurisdictions, contribute so much money each year to a fund to reimburse clients who have been robbed, gypped or defrauded in one way or another. There have been many clients who have received bad treatment from lawyers and who have been reimbursed. The vast percentage of lawyers willingly contribute to this fund to keep the good name of their profession before the public and to guarantee the public that they will be properly treated.

With respect to this bill to improve the role of lawyers in politics, I would say it is important that we enact legislation such as this, because we must do everything possible to convince the public we are here to serve them and the public interest alone. We must

convince the public we are not using politics as a means of earning money in the private sense, or outside of our position as politicians. In this day and age being a member of parliament has become a full time job. I understand that some years ago before I was here parliament used to sit for a small part of the year. As we all know, parliament now sits at least nine months of the year. Even in the three months of recess we have to work with our constituents doing the many things to which the hon. member for Kootenay West (Mr. Herridge) referred. Even when this house is not sitting we must act generally as ombudsmen for our constituents.

When I go home on the week ends I spend the time answering the phone calls of constituents and consulting with them. This is quite easy for a member who lives in Montreal, as I do, and may return to Montreal each week end to deal with this business. Members who come from the far reaches of the country and who get home only every third or fourth week end, have a lot more work of this type to do. Those outside parliament often do not realize how much work we have to do. Members have to attend to immigration matters, matters with the Minister of National Revenue (Mr. Chrétien), matters dealing with customs, with the Minister of National Health and Welfare (Mr. MacEachen), with the dairy commission and so on. All members have a great deal of work of this type and they have to spend a lot of time dealing with it.

Now, one might ask why, since parliament is sitting so often now and since members received a pay increase several years ago, members would want to charge their constituents for the work they are doing with government boards, and so on. I have referred to the fact that a few years ago the salaries of members of parliament were increased. Although I was not here at that time and had no intention of coming here, I supported the policy of increasing the salaries of members of parliament. I thought such a move would prevent these abuses. I thought if members were paid a decent salary, and expenses, they would not be tempted to work outside the house on other matters. I thought, too, that if you paid members low salaries you favoured the wealthier class in society who would be able to run for parliament, whereas those on lower incomes with large families could not afford to maintain a residence in Ottawa and a residence in their constituency. My main reason for supporting a salary increase for members was that if you wanted these men to do the job full time you had to pay them a decent salary, so they would do the job on a full time basis.

According to the hon. member for Kootenay West, however, there are some members who are charging their constituents for doing work for them. As a matter of fact, I think even without considering this provision of the law, we should try to find out who they are, and they should be brought before the appropriate committee. I am not suggesting we should again review the salaries of members of parliament. At the time, I thought it was too bad that the salaries of members were not tied to something which would take them out of the arena of politics. These salaries should be tied to a certain level of civil servant or a judge.

Every time it was thought appropriate to increase the salary of this level of civil servant or judge, you would automatically increase the salaries of members of parliament. This would take members' salaries out of the controversial area in which they have been. I am not suggesting that this be done now. The things you have to do for a constituent often involve legal or quasi legal procedures. Perhaps a lawyer has some advantage over any other type of person in doing these things because he has been dealing with boards and courts before he came to parliament. However, I believe a member should make it clear to his constituent that he does not receive payment for his work.

However, sometimes constituents come to you and want something done quickly. They want you to spend money. If you have to spend money to get something done, perhaps draft procedures for them or make long distance phone calls, then I believe you should make it clear to them that if there are expenses involved which cannot be covered by your parliamentary expenses the client would have to pay the expenses. Members should discourage clients from giving any fee.

All this involves the member of parliament functioning as some sort of ombudsman for his constituents. He should be able to do this in a much more efficient way than he does now. Really, the member of parliament has two functions. His first function is as a legislator, that is the preparation of government programs for the people. His other function is to act as a representative of the people in his constituency vis-à-vis the government and government agencies.

• (5:40 p.m.)

I submit that right now there are some inconsistencies in connection with the help given to members in doing this work. The member who represents the constituency of York-Scarborough, which is the largest constituency in Canada from the point of view of population, has only one secretary, as has the hon. member who, without casting any reflections upon him, represents Îles-de-la Madeleine which has about 14,000 constituents. Both members have the same office help and one secretary apiece, as have other members with the exception of ministers. It is a well known fact that members with large constituencies sometimes handle three or four times the correspondence of other members, in their second function as a member of parliament, and to do this work well they should have more help.

In the province of Quebec the provincial members are now given an additional expense account to maintain a secretary in their constituency. This is also the practice in the United States. Some members of the house have suggested from time to time that members of parliament should have offices in their constituency situate in a federal building, such as a post office or other building. A secretary based at this office could assist the constituents of the member and help do a better job to represent them in parliament. Right now this job is not always done as well as it should be.

Only last year, Mr. Speaker, members were given the right to charge for telephone calls made to their constituency. Previously members who lived in the far reaches of Canada had been receiving bills for $60 or $70 a month for telephone calls to their constituency. This has now been changed and members may phone their constituency at government expense.

Mr. Walker: Would the hon. member accept a question?

Mr. Allmand: Yes.

Mr. Walker: I am wondering whether the hon. member, who is obviously in agreement with the general principles of the bill, would agree that it is discriminatory to members of the House of Commons. Would he also agree with the elimination of the words in the second line, following the word "Commons", "who is admitted as a barrister or enrolled as a solicitor under the laws of a province"? In other words, the bill should refer to every member of parliament, not just to this particular group.

Mr. Allmand: Mr. Speaker, this is not my bill, but the bill of the hon. member for Kootenay West. However, I certainly support that suggestion and it was my intention to raise that point. Not only lawyers could charge for their time in dealing with other matters; the same applies to accountants and other professions. Accountants have a lot of experience with income tax and revenue matters and in this respect are in the same position as lawyers. I do not know whether the hon. member for Kootenay West has found that other professions have abused their role as members of parliament by charging their constituents for services rendered, but I think everyone should be included in this measure of reform.

There are members of other professions who take advantage of their position as members of the House of Commons to make money in one way or another. The clause should also be amended to put these persons in the same position as notaries, barristers and solicitors. I do not think it is fair just to limit it to lawyers, though perhaps they have been the chief violators or abusers of their role. I think this is unfortunate because lawyers have been the leaders of reform in this area as well. They have been very conscious that their position as lawyers often leaves them open to situations where they could enter into dishonest or questionable activity. Because many lawyers are aware of this they have gone a long way to discipline the members of their profession and to take care of situations like this.

In conclusion, I support this bill, though I do not think it is a complete remedy of the evil that the hon. member attempts to eliminate.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I should say at the outset that frankly I do not think very much of this bill. Perhaps no member of the house handles more immigration matters than I, as the representative of the metropolitan riding of Toronto Spadina.

Personally I have never made a charge for any assistance that I have rendered in immigration cases, and I hope that this will continue to be the case. I agree with the apparent attitude toward the bill taken by the hon. member for York Centre (Mr. Walker). In my opinion the bill is certainly discriminatory and I think this should be the opinion of all hon members. Why, for example, should it

specify a barrister or an enrolled solicitor under the laws of a province, rather than simply a senator or a member of the House of Commons?

Mr. Walker: Because they were mentioned in St. Luke.

Mr. Ryan: Let me take the case of an engineer who is a sitting member. Let us say he is asked to deal with the Department of Energy, Mines and Resources. Is not his position on all fours with the position of the barrister or solicitor?

However, I do agree that the bill sponsored by the hon. member for Kootenay West (Mr. Herridge) is useful in that it brings this matter forward for discussion. I agree with the statement in the explanatory notes that a grievance does arise if a member of parliament makes a charge in an immigration case when he is doing nothing more than giving assistance as a politician. Many immigration cases require a great deal of legal assistance. I encounter this all the time in connection with the admission of people from the Orient. Many problems arise that often require long and detailed research. Birth certificates, marriage certificates and death certificates are required.

In China there is a custom that if a mother loses her child she replaces it with the child of another woman, even concealing the fact from her husband. There are all kinds of permutations and combinations that arise in immigration matters. Blood tests are taken by the department that often indicate that the child in question could not be the child of the parents. Radiological tests sometimes show that the bones of a child indicate that the child is too old to be the one referred to in the application. A member has to advise and assist a constituent who seeks to bring in such a person. Such constituent may have been making monthly payments for the support of the child for years, and he then discovers that the blood test shows that the child is not his.

• (5:50 p.m.)

A member of parliament does not have time, particularly if he is a full time member, to be of assistance in hard immigration cases; so it is only right and proper to call in the assistance of a solicitor, preferably from the constituent's own community. You have to call in a lawyer in many cases, if you are wise, to communicate with the constituents clearly.

[Mr. Ryan.]

I am out of sympathy with this bill and I agree with the hon. member for Muskoka-Ontario (Mr. Aiken) when he says that this bill is far too all embracing. It covers the waterfront. A lawyer, if this bill becomes law, will no longer be able to wind up his legal practice properly. I have been elected for six years and I am still executor for some estates. There are still accounts to pass, payments to look after and investments to take care of. I still have some commitments to companies and only gradually am I able to divest myself of them. This bill would bar a solicitor in my position from accepting any fee, directly or indirectly, or any benefit, as the result of acting in his professional capacity in respect of any matter, wheresoever originating, that is or is intended to be a private or public proceeding in the Senate or House of Commons or in committee of either house or that is, under an act of parliament, within the discretion of a minister of the crown or the governor in council to determine.

How far does that go? In many cases this bill would create grave anxiety and worry to a practising solicitor. I have continued to be a member of the Law Society of Upper Canada; I still have to pay $130 a year, so long as I am doing anything by way of legal practice. It is necessary to keep up a library and to pay the various law association dues. Generally, in the case of a partnership, it is necessary to play ball with your partners.

I have never heard it suggested that we should stop farmers from farming, car dealers from selling cars, consulting engineers from charging, doctors, who are hon. members, from practising medicine—

Mr. Aiken: Or from collecting subsidies.

Mr. Ryan: That is right. We do not try to stop professors from teaching or economists from practising economy. I suspect that the mover of the bill, who is often referred to as the Baron of the Kootenays, garners in the harvest from his vast holdings in the Columbia river basin, despite his being a highly honourable and respected member of parliament. I was shocked to learn that in the past there were a few cases where members of parliament, who were only part time members at that time, were charging exorbitant and unconscionable fees for the exercise of their political influence. That did not happen often and I do not think it is happening today at all.

As I say, in most cases I have made it a practice not to charge anything. I simply write to the minister or his parliamentary secretary or to an admissions officer, ask them to note my interest in the case and to keep me advised, and if something develops I advise the constituent. Perhaps I might give him a little advice or turn him over to a lawyer if I think it necessary. I do not think that this measure is needed at this time, in this country.

Mr. D. W. Groos (Victoria (B.C.)): Having read this interesting bill put forward by the hon. member for Kootenay West, who is not a lawyer, and having listened to two or three other hon. members in this house who are lawyers, I am more than ever impressed by the incisive interjection which was made in this debate by the hon. member for York Centre (Mr. Walker), who suggested something which I think ought to be incorporated in the bill, if it comes before the house again.

Mr. Herridge: It is in the bill already, surely.

Mr. Groos: I strongly support the suggestion that we delete from the bill that it is only solicitors or barristers who are liable. I support the suggestion that we remove from the bill the words which read, "who is admitted as a barrister or enrolled as a solicitor under the laws of a province", as suggested by the hon. member for York Centre and, two lines lower down, after the word "acting", the four words "in his professional capacity".

I suggest that to remove all chance—

An hon. Member: To misunderstand?

Mr. Groos: —of indiscretions in this regard, we should also remove the last three lines of the bill.

Mr. Knowles: What is left?

Mr. Groos: What is left is very good.

Mr. Deputy Speaker: Order, please. The hour for consideration of private members business has expired.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, February 5, 1968

The house met at 2.30 p.m.

NORTHERN AFFAIRS

SIMPLIFIED PROCEDURE FOR GRANTING TERRITORIAL LANDS

Hon. C. M. Drury (for the Minister of Indian Affairs and Northern Development) moved the first reading of Bill No. S-32 (from the Senate), to amend the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

REFERENCE TO COMMITTEE OF REGULATIONS AND ORDERS IN COUNCIL

On the order: Government Notices of Motions:

February 2, 1968—The Minister of National Defence—That certain Regulations and Orders in Council relating to the unification of the Canadian Armed Forces laid before the House on Thursday, February 1, 1968, be referred to the Standing Committee on National Defence.

[*Translation*]

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VANCOUVER—FEDERAL ASSISTANCE IN BRIDGE CONSTRUCTION

Question No. 536—**Mr. McCleave:**

1. Is the federal government or any department or agency thereof proposing to help in the building of a bridge in the Vancouver area?

2. If so, under what authority, on what formula will the contribution be based, and how much will it be?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. On March 15th, 1967, in a press release, the federal government announced that a third crossing of Burrard Inlet was under consideration and that the government of Canada was prepared to make a contribution to the project which would reflect obligations which are essentially national rather than local in character. On October 4, 1967, Hon. Paul Hellyer, Minister of Transport, announced the formation of a federal technical committee to work with technical representatives of Vancouver and the North Shore municipalities toward the determination of the location and type of a new crossing of Burrard Inlet. Information as to the cost, amount of federal contribution, location, and other particulars, will not be known until the technical committee complete their work.

C.N. TELECOMMUNICATIONS OPERATIONS IN YUKON

Question No. 822—**Mr. Nielsen:**

1. For each of the years 1957 to 1967 inclusive, what was the total cost of the operations of Canadian National Telecommunications in the Yukon?

2. For each of the years 1965 and 1966, how many employees were employed by Canadian National Telecommunications in the Yukon and what was the total amount of salaries and/or wages paid to such employees, including any allowances similar to isolated post allowances?

3. For each of the years 1960 to 1967 inclusive, what was the cost of (a) the operation of the telephone system in the Yukon (b) the telegraph and telex systems in the Yukon?

4. For each of the years 1960 to 1967 inclusive, what was the total revenue to Canadian National Telecommunications from its operation within the Yukon?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1, 3 and 4. Because of the nature and extent of the telecommunications business, financial results of operations, including revenues and expenses by services, are not maintained on a provincial or territorial basis. To attempt to break out the information requested would involve arbitrary allocations of revenues and expenses in many cases

and would entail a considerable amount of work and expense.

2. Average number of employees	1965	1966
	133	138
Total salaries, etc.	$834,202	$898,547

Difference in total salaries reflects wage awards granted employees as well as additional staff.

ACQUISITION OF HEAVY TRANSPORT AIRCRAFT

Question No. 841—**Mr. Lambert:**

1. Has the government on the recommendation of the Minister of National Defence decided to acquire a number of heavy transport aircraft known as the C-141 Lockheed Starlifter?

2. If so, how many such aircraft are to be bought, what is the schedule of delivery, and what was the date of the decision and that of the agreement to purchase?

3. What is the cost of each including spares normally associated with such a purchase?

4. Are any of these aircraft to be assigned the role of air refuelling for the CF-5 and what is the difference in cost of such an aircraft?

5. In order to complete this order, is the manufacturer faced with reopening its production line for this type and, if so, has the government been advised of any increase in the per copy price as the result of such production problems?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of National Defence and Defence Production as follows: 1. Yes, subject to negotiation of a satisfactory contract.

2. (a) Four aircraft are to be bought. (b) Delivery schedule: 2 aircraft, November 1970; 1 aircraft, December 1970; 1 aircraft, January 1971. (c) Treasury Board approval of the DND project was granted July 6, 1967 and Treasury Board authority to place a contract was granted July 11, 1967. (d) The United States air force offer to provide these aircraft was accepted July 14, 1967. This offer was conditional upon USAF being able to place a contract for manufacture of the aircraft with the United States contractor.

3. The estimated cost of each aircraft, including spares as provided by the USAF offer, was $10.3 million Canadian.

4. Yes, the specifications include a removable inflight refuelling installation.

5. The manufacturer would have to reopen many portions of the production line to fill this order. The United States government has advised the Canadian government that it is unable to make arrangements to provide the four aircraft and has offered an alternative proposal, which is now under consideration.

[Mr. Byrne.]

BLUE WATER BRIDGE COMMISSION

Question No. 858—**Mr. Bell (Saint John-Albert):**

With reference to the Blue Water Bridge Commission (a) what were the total reimbursements paid to each of the four directors of the said Blue Water Bridge Commission (b) what benefits do the regular employees enjoy and with what companies (c) does the said commission have legal counsel and, if so, who and what have been the fees?

Hon. Paul Martin (Secretary of State for External Affairs): (a) The reimbursements to each of the four Canadian commissioners for the calendar year ending December 31, 1967 for their expenses while travelling for the Blue Water Bridge Authority are as follows: Mr. John S. Blunt, $200.00; Mr. Thomas Milway, $1,339.70; Mr. Jack D. George, $1,194.40; Mr. Gregory A. Hogan, $287.71. (b) The benefits enjoyed by the regular employees and their dependants are as follows: i. hospitalization benefits with the Ontario Hospital Services Commission; ii. surgical-medical-obstetrical benefits with the Ontario Medical Services Insurance Plan; iii. group life and group health insurance with the London Life Insurance Company; iv. group retirement annuity plan with the London Life Insurance Company; (c) Yes. The legal counsel of the Blue Water Bridge Authority is the Sarnia firm of McCart, McEachran, George and Curran. The total fees for the calendar year ending December 31, 1967 were $308.50.

CANADIAN LOANS TO ENGLAND

Question No. 863—**Mr. Grégoire:**

1. Has Canada granted any loans to England since 1938?

2. What was the amount of each of these loans?

3. What was the interest rate on each of these loans?

4. What was the date of maturity of each of these loans?

5. What amounts were not paid back at the date of maturity?

Hon. Mitchell Sharp (Minister of Finance): 1. Yes.

2, 3, 4 and 5. The Public Accounts of Canada reflect the information shown on the attached schedules, which also show details as to interest rates and repayments.

Schedule I

Loan to United Kingdom under the War Appropriation (United Kingdom Financing) Act, 1942 (non-Interest-Bearing) to be fully repaid by December 31, 1958

Fiscal year ended March 31	Loans	Repayments	Balance
	(in millions of dollars)		
1943	700.0		700.0
1944		42.4	657.6
1945		55.1	602.5
1946		63.9	538.6
1947		95.8	442.8
1948		111.3	331.5
1949		29.5	302.0
1950		9.9	292.1
1951		40.6	251.5
1952		31.1	220.4
1953		24.3	196.1
1954		53.6	142.5
1955		30.0	112.5
1956		30.0	82.5
1957		30.0	52.5
1958		30.0	22.5
1959		22.5	
	700.0	700.0	

Schedule II

Loan to the United Kingdom under The United Kingdom Financial Agreement Act, 1946

(Interest rate 2%)

Fiscal year ended March 31	To be repaid in 50 annual instalments beginning December 31, 1951	Loans	Repayments	Balance
		(in millions of dollars)		
1947		640.0		640.0
1948		368.0		1,008.0
1949		37.0		1,045.0
1950		120.0		1,165.0
1951		20.0		1,185.0
1952			14.0	1,171.0
1953			14.3	1,156.7
1954			14.6	1,142.1
1955			14.9	1,127.2
1956			15.1	1,112.1
1957			15.5	1,096.6
1958	Repayment of principal deferred			1,096.6
1959			16.1	1,080.5
1960			16.4	1,064.1
1961			16.7	1,047.4
1962			17.1	1,030.3
1963			17.4	1,012.9
1964			17.8	995.1
1965	Repayment of principal deferred			995.1
1966	Repayment of principal deferred			995.1
1967			18.9	976.2
		1,185.0	208.8	976.2
	Deferred Interest			
	(Interest at 2% being paid on this account)			
1957	Interest due Dec. 31, 1956 deferred	22.3		22.3
1958	Interest due Dec. 31, 1957 deferred	21.9		44.2
1965	Interest due Dec. 31, 1964 deferred	19.6		67.8
1966	Interest due Dec. 31, 1965 deferred	19.2		83.0

27053—400½

Questions

RESTORATION OF SALMON SPAWNING BEDS

Question No. 898—**Mr. MacLean (Queens):**

1. Has the Department of Fisheries or the Fisheries Research Board studied the possibilities for Canadian use of a specially designed machine called a "rifflesifter", which is being used in Alaska to clean silt out of natural salmon spawning beds, thereby making them again productive?

2. Are there any plans to test such a machine for restoring natural salmon spawning beds in British Columbia?

Hon. H.-J. Robichaud (Minister of Fisheries): 1. The Department of Fisheries' technical section in the Pacific region has followed the development in Alaska of the "rifflesifter".

2. The device in its present form is not suitable for use in British Columbia streams. Proposed modifications to the "rifflesifter" are being followed with interest.

FISHERIES STATISTICS

Question No. 904—**Mr. Crouse:**

1. What was the total cost to the people of Canada of administering, in its entirety, the federal Department of Fisheries for 1965-66?

2. What was the total landed value to the fishermen for all species of fish landed in Canada during the same period?

3. What are the corresponding figures for the current year?

Hon. H.-J. Robichaud (Minister of Fisheries): 1. $34,525,757.

2. This information is not available on a fiscal year basis as part of it is collected on a calendar year basis only. For the calendar year 1965 the total landed value was $160.6 million.

3. Total expenditures April 1 to December 31, 1967, $33,770,827. Total landed value for 1967 is estimated at approximately $165 million.

FEDERAL BUILDING, AMHERST, N.S.

Question No. 910—**Mr. Coates:**

1. On what date will tenders be called for the construction of a new federal building at Amherst, Nova Scotia, and on what date is completion anticipated?

2. What is the estimated cost of this new building?

3. What is the estimated size of the lot, the building, and how many floors will be constructed?

4. What departments will make use of the building and how much space will be allocated to each of the departments?

[Mr. Sharp.]

Hon. G. J. McIlraith (Minister of Public Works): 1. A precise date cannot be stated at this time; however, if construction can be started during the summer of 1968 it is possible that the building may be completed during the autumn of 1969.

2. It is not usual to publish the estimated cost of proposed construction before tenders have been received.

3. The lot is 31,405 square feet in size. The building as now conceived will be 152 feet long and 38 feet wide, with a basement, seven floors above grade, and a penthouse.

4. Indian Affairs and Northern Development, 3,730 square feet; the Unemployment Insurance Commission, 200 square feet; Manpower and Immigration, 1,875 square feet; Forestry and Rural Development, 12,470 square feet; and National Revenue, 690 square feet.

FAMILY ALLOWANCE PAYMENTS

Question No. 914—**Mr. Mather:**

What in dollars was the amount of Family Allowances paid to recipients in each province during 1966 and 1967?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): In the fiscal years 1965-66 and 1966-67 the following amounts of family allowances were paid to recipients in each of the provinces and territories.

Province	1965-66	1966-67
Nfld.	$ 16,945,059	$ 16,960,053
P.E.I.	3,231,716	3,190,484
N.S.	21,636,528	21,507,992
N.B.	18,982,908	18,752,034
Que.	164,972,052	165,095,827
Ont.	182,377,587	185,309,485
Man.	25,925,991	25,651,443
Sask.	26,988,369	26,870,934
Alta.	42,345,742	42,563,978
B.C.	47,006,572	48,525,782
N.W.T.	897,627	941,310
Yukon	424,673	425,625
Total	$551,734,824	$555,794,947

OUTSTANDING PERPETUAL BONDS

Question No. 924—**Mrs. MacInnis (Vancouver-Kingsway):**

1. (a) What is the total number of outstanding Perpetual Bonds registered in the names of corporations, societies or other organizations (b) what is their total value (c) what percentage is this of (i) the total number of such bonds (ii) the total value?

2. (a) What is the total number of outstanding Perpetual Bonds registered in the names of individuals (b) what is their total value (c) what percentage is this of (i) the total number of such bonds (ii) the total value?

3. (a) What is the total number of outstanding Perpetual Bonds unregistered or in the hands of bearers (b) what is their total value (c) what percentage is this of (i) the total number of such bonds (ii) the total value?

Hon. Mitchell Sharp (Minister of Finance): As of December 31st, 1967, the answers are: 1. (a) 4,779; (b) $20,127,800; (c) (i) 9.8 per cent; (c) (ii) 36.6 per cent.

2. (a) 11,059; (b) $12,859,100; (c) (i) 23.0 per cent; (c) (ii) 23.4 per cent.

3. (a) 32,362; (b) $22,013,100; (c) (i) 67.2 per cent; (c) (ii) 40.0 per cent.

CONTRACTS FOR POST OFFICE WINDOW WASHING, QUEBEC

Question No. 940—**Mr. Laprise:**

1. When and for what period were tenders last called for the washing of windows at the following post offices (a) La Sarre (b) Amos (c) Normetal (d) Senneterre (e) Macamic?

2. In what newspapers and on what dates did the said calls for tenders appear?

3. Under the contract, how often must the windows in these buildings be washed?

4. To whom were the contracts let and in what amount?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1, 2, 3, and 4: (a) La Sarre: Tender call for the washing of windows in the post office was advertised in *Journal L'Echo d'Abitibi Ouest* on May 26, 1967. A contract was awarded to Henri Tousignant at $2,600. for a two-year period for four washings per year. (b) Amos: Window washing done by D.P.W. employees. (c) Normetal: Window washing included in the general cleaning contract. (d) Senneterre: Window washing included in the general cleaning contract. (e) Macamic: Window washing included in the general cleaning contract.

[*English*]

GOVERNMENT SPACE IN PROPOSED NEW BUILDING, OTTAWA

Question No. 953—**Mr. McCutcheon:**

1. Does the government propose to lease space in the new twin towers to be constructed by Campeau Construction and bounded by Queen, Lyon, Sparks and Kent Streets in the City of Ottawa?

2. If so, what agreements have been signed or undertakings given?

Hon. G. J. McIlraith (Minister of Public Works): 1. There is no such proposal at this time.

2. No agreement has been made; and there have been no negotiations. No request for discussions has been received.

*MALVERN LAND DEVELOPMENT, TORONTO

Question No. 964—**Mr. Stanbury:**

1. How long have the Government of Canada and the Government of Ontario owned the Malvern lands which they hold in partnership, and what has delayed development of these lands?

2. What progress has been made toward their development?

3. How many housing units in this project will be available for occupancy in 1968?

Hon. E. J. Benson (President of the Treasury Board): 1. The Malvern lands were acquired in 1953. The development of the lands is dependent upon the provision of primary services—water, trunk sewers, roads—by metropolitan Toronto. Arrangements were made recently with metro for the provision of primary services to the western half of the area.

2. An engineering feasibility study was completed in 1967. Federal government approval was given in December 1967 to the appointment of consultants to plan the development. It is anticipated that the planning and engineering design can be completed and site work commenced before the end of 1968.

3. It is not expected that serviced land will be available for construction of housing prior to 1969.

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, in the absence of the Prime Minister and the minister of external affairs I wish to address a question to the Acting Prime Minister. My question is in relation to the momentous and critical developments now under way in Viet Nam.

Has the government of Canada received any fresh information from the government of the United States as to the progress of the conflict? Has Canada been consulted by the United States in the last 24 hours as to Canada's continuing role in Viet Nam, either on the control commission or otherwise; and has

Canada been asked to make any contribution, either diplomatically or otherwise, in the light of the tremendous conflict now taking place in Viet Nam?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think diplomatically I will refer this question to the acting minister, who is the Minister of Industry.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, this is a long and rather complicated question, which I should like to take as notice and provide an answer tomorrow.

Mr. Starr: Mr. Speaker, if the acting minister of external affairs is going to take that question as notice, would he also ascertain whether the government continues to feel there is any basis in reality for any useful role for Canada at the present time on the international control commission. Has that body not been overtaken by events, thus necessitating a reassessment of Canada's position and policy in Viet Nam by this government?

Mr. Speaker: Order, please. I am sure that the minister will want to consider the second question, but I should add that in my view this is more a statement of policy than a question.

COAL

REPRESENTATIONS AS TO DELIVERIES UNDER JAPANESE CONTRACT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Transport regarding his recent announcement of a $650 million contract for the sale of British Columbia coal to certain interests in Japan. Has the minister had any telegrams or communications from trade unions claiming that the information they have is that half this coal will be shipped over the Great Northern through the United States? Has the minister received such complaints, and has he been able to assure the unions, and can he assure the house, that this information is inaccurate and that the coal will be shipped over an all-Canadian route?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have not received any formal communication that I know of, except that this morning I think there was a telephone inquiry to my office to determine whether there was to be a meeting between myself and officials of the railroad, and I was able to reply to that in the negative. However, I have assured everyone I have talked to that the position of the federal government is that this coal should be carried over an all-Canadian route. If one examines the statistics and economics of the position it is impossible to come to any conclusion other than the one I reached and the one the government subscribes to, that it is in the best interest of Canadians for the coal to move over an all-Canadian route. The economic benefits to Canada are not sufficiently great unless that is the case.

Mr. Harold E. Winch (Vancouver East): A supplementary question, Mr. Speaker. This matter is most important to British Columbia. In view of the statement the minister just made may I ask him whether a press report is correct, that on a recent visit to Vancouver the minister said the federal government would not agree to exporting coal from the Crowsnest area unless that coal was carried over an all-Canadian route.

Mr. Speaker: Order. I doubt if that question can be asked in this form. I realize the importance of the matter, but the hon. member knows he cannot ask questions about statements made outside the house, and he cannot ask the minister to verify the accuracy of press reports. Perhaps the hon. member might ask the question directly.

Mr. Winch: Thank you, Mr. Speaker, and I appreciate your advice. May I ask the Minister of Transport if it is the position of his department and the government that coal exported from the Crowsnest area to Japan must be carried over an all-Canadian route.

Mr. Hellyer: Mr. Speaker, I have not seen the press clipping the hon. member referred to but, as I indicated, the government thinks the coal should be carried over an all-Canadian route, and it is the government's intention for the coal to be carried on an all-Canadian route; because only in that way is there sufficient economic benefit to the citizens of this country who must undertake certain expenditures to facilitate the export.

Mr. Winch: A further supplementary question, Mr. Speaker. May I ask the minister to explain what he means by the term "should" or "must" be carried on an all-Canadian route?

Mr. Speaker: Order, please. The hon. member is entering into debate. I think the supplementary question is not acceptable.

Mr. Douglas: I thank the minister for his reply, and I think the house will agree that the coal should be carried on an all-Canadian route. Is the minister taking any steps to see that Kaiser Mines Limited, the corporation which negotiated the contract, will ship this coal over an all-Canadian route?

Mr. Hellyer: Officials of the company are coming to see me at the end of the week, I think, or at the beginning of next week to give me an opportunity to underline for them the government's position, which is that the company ought to make sure that the coal is shipped over an all-Canadian route.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. Would the minister inform the house whether it is correct to say that the government undertook various expenditures at Roberts Bank, British Columbia, in order to facilitate the export of this coal over an all-Canadian route?

Mr. Speaker: Order, please. This question suggests its own answer.

Mr. Howard Johnston (Okanagan-Revelstoke): My question is supplementary to one previously asked of the Minister of Transport. There seems to be some doubt about when the minister will be conferring with representatives of the British Columbia government on the development of new port facilities in British Columbia to facilitate the shipment of coal to Japan. Can the minister inform the house whether such a meeting has been scheduled for the near future?

Mr. Hellyer: Mr. Speaker, I expect to be meeting with the premier of British Columbia tomorrow or Wednesday to discuss this situation.

[*Later:*]

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. I believe that role is being taken today by the Minister of Transport. My question arises from an earlier answer by the minister to the effect that the government is embarking on the laudable policy of transporting Canadian coal via a Canadian route. Will the minister use his influence with the Minister of Energy, Mines and Resources to see whether the same laudable policy can be followed to transport Canadian gas to Canadian customers?

Inquiries of the Ministry

NATIONAL DEFENCE

PROPOSED NEW SYSTEM OF CONTINENTAL AIR DEFENCE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I should like to address a question to the minister of defence. What proposals have been made by the United States government for Canadian participation in the new system of air defence which is contemplated for the North American continent?

Hon. Léo Cadieux (Minister of National Defence): No proposals as yet, Mr. Speaker.

Mr. Harkness: A supplementary question. Who are the Canadian representatives on the joint continental defence system integration planning staff which Mr. McNamara, United States secretary for defence, announced had been established?

Mr. Cadieux (Terrebonne): We have appointed a group of people from the Department of National Defence consisting of specialists in research and development and including of course, representatives from the Defence Research Board. The Department of External Affairs is also represented, I believe. An announcement was made on this subject last week.

Mr. Harkness: May I ask the minister how many Canadian officials both civil and military are included on this joint planning group?

Mr. Cadieux (Terrebonne): Offhand I would say about ten; some figure like that.

Mr. Ed. Schreyer (Springfield): Can the minister give some indication as to the date by which the government must make a policy announcement with respect to the new proposals for Canadian-United States air defence?

Mr. Cadieux (Terrebonne): There is no firm date set, Mr. Speaker. We are talking here about technological developments which afford many options to the governments of Canada and the United States. This is a development which is envisaged for the early seventies and I do not know that we have to make any immediate decision. It is necessary to study the problem, consider the options, determine what kind of part Canada can take and, after that, negotiate. It would then be up to the Canadian government to make a decision on the proposals we submit.

Inquiries of the Ministry

DOWNSVIEW, ONT.—INVESTIGATION INTO PLANE CRASH

On the orders of the day:

Mr. J. E. Walker (York Centre): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Can the minister assure the house that every avenue of investigation is being undertaken in connection with the unfortunate plane crash at Downsview airport in my constituency last Friday night?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the most regrettable accident at Downsview is being investigated by an accident investigation team. The pilot was a qualified Tracker aircraft captain and was engaged in keeping his flying qualifications up to date. Accidents of this nature emphasize the problem of air fields near built up areas. In the case of Downsview there were over 50,000 landings and take-offs at the airfield last year, and I am informed that 55 per cent of these were by civilian aircraft. We are examining these problems very closely, and this was a subject for discussion at defence council this morning. In addition we have undertaken a review of all flying activities at Downsview.

I would like, Mr. Speaker, to pay tribute to those servicemen who lost their lives in this unfortunate accident. It is a tragic loss, but we can be very thankful that others did not lose their lives.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to direct a supplementary question to the minister. Why was the naval Tracker aircraft, which crashed at Downsview, on that particular flight on which no training for its particular function could be secured?

Mr. Cadieux (Terrebonne): As I said, Mr. Speaker, it was practising flying. There is no particular requirement for a naval plane to practise only over the sea. This was just a routine flying and operational trip.

Mr. Harkness: As a supplementary question, does the minister not think trips of this sort are really unnecessary, in that the flying training required can be secured from the base at which these aircraft are normally found?

Mr. Speaker: Order. The hon. member is asking for an expression of views from the minister, and I do not think this is in order.

[Mr. Cadieux (Terrebonne).]

[*Translation*]

SHIPPING

MAINTENANCE OF OPERATION OF PORT OF MONTREAL

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to put a question to the hon. Minister of Transport.

What steps does the government intend to take so as to prevent Montreal harbour from closing down?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Instructions are standing that every effort should be made to keep the channel open so the ice can flow to the sea, and to provide whatever facilities are available for entrance to the port of Montreal. Our icebreakers are busily engaged in this undertaking.

Mr. Thomas M. Bell (Saint John-Albert): Has the minister any information with regard to the charges by mayors of municipalities in this area that before the icebreaking there was no flooding?

Mr. Hellyer: If the hon. member means that before we began icebreaking there was no flooding, that is not correct. If he would get a copy of the information I made available to the house last week he would find that flooding was much more serious in the area before icebreaking was undertaken on the river than it is at the present time, and I think he would be convinced that keeping the ice broken and a channel through to the sea is essential to the interests of the people who live alongside the river.

Mr. Bell (Saint John-Albert): Is the minister not aware that we are talking about indiscriminate icebreaking?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question to the hon. Minister of Transport.

Can he tell us whether the government has reached a decision concerning indemnities to the victims of the floods which, this year, have hit worse than in past years? Does the government intend to do something in that direction?

[*English*]

Mr. Hellyer: I would not care to be too dogmatic in this area without consulting my

officials, but since the flooding was really due to the severity of the winter it would, I believe, in the normal way be called an act of God, and I doubt whether any liability would be attached to the federal government with respect to it. But I say this without prejudice to any rights which may exist.

MONTREAL—REQUEST FOR REPORT ON LABOUR DISPUTE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the parliamentary secretary to the Minister of Labour. While the Minister of Transport is looking after icebreaking and flooding in the St. Lawrence, could he tell us what is the present situation regarding the Montreal dock problem, and whether the government has any plans to bring about a settlement?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the hon. member for Ontario, who is a former minister of labour, knows that at the present moment the I.L.A. and the shipping federation are in the midst of negotiating a new collective agreement, and a conciliator has been placed at the disposal of both parties to facilitate communication. We can only assume that the talks are going along in a very orderly fashion.

AGRICULTURE

SUGAR BEETS—INQUIRY AS TO CONTRACT NEGOTIATIONS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, may I direct a question to the Minister of Agriculture. The minister is aware that it is only a few days until the normal time arrives for negotiating sugar beet contracts in Ontario. Can he state whether the government is initiating any plans in an attempt to reopen the Chatham sugar refinery?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, we have not yet had any negotiations with the growers. I would think from press reports that some consideration is being given at the provincial level in this regard, and we will be pleased to discuss any suggestions with the province or with the growers.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

INTRODUCTION OF AMENDMENTS TO JUVENILE DELINQUENTS ACT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Solicitor General. In the light of the importance of the federal-provincial conference taking place at the moment does the minister have anything to report to the house about the progress of the conversations he is having with the provinces relating to the Juvenile Delinquents Act?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the officials in my department met with the officials of the provinces, and we are now in the process of contacting voluntary associations throughout the country asking them for their views on this important matter. We will then proceed to draft a new bill.

Mr. Howard: Can the minister give any timetable indication of when this might be ready?

Mr. Pennell: I hope that very early in the spring the drafting will have been completed.

FINANCE

INVESTMENT IN U.S. SECURITIES BY CANADIAN MUTUAL FUNDS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of Finance so perhaps I may direct it to whoever is acting minister. It arises from recently published figures indicating that Canadian mutual funds are holding 45 per cent of their investments in United States securities as compared to 16 per cent in 1965.

I should like to ask whether the government is satisfied that everything possible is being done to encourage the investment of Canadian mutual funds in Canadian securities and to restore confidence in Canadian securities.

Mr. Speaker: Order. I suggest that the hon. member is asking the question in such a way that it is argumentative. He is asking whether the government is satisfied that certain action is satisfactory. That is not in order.

Mr. Aiken: I wish to raise a point of order, Mr. Speaker. I did not intend to do this, but I should like to point out that the form of my

question is a form commonly used in Westminster; that is, whether the government is satisfied that everything possible is being done. I would not like to have the question ruled out of order on the basis that it is improper.

Mr. Speaker: That is the only basis on which I can rule it out of order.

Mr. Aiken: Then, Mr. Speaker, with all deference may I ask that you consider whether the form of the question in the way I directed it is in fact proper.

Mr. Speaker: The hon. member may wish to place that problem in the hands of the committee which is to visit Westminster very soon.

[*Later:*]

Mr. Aiken: Mr. Speaker, perhaps you will allow me to rephrase my earlier question to the Acting Minister of Finance. What action is the government taking to remedy the situation concerning investment by Canadian mutual funds in United States securities?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, we will have to look at the figures presented by my hon. friend. I should like therefore to take his question as notice.

POST OFFICE DEPARTMENT

CANCELLATION STAMP PROMOTING ANTI-SMOKING CAMPAIGN

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I should like to direct this question to the Postmaster General. I wish to apologize for not having given him notice ahead of time, but I just received the information as I came into the house. I should like to ask the Postmaster General whether the same courtesy and consideration in respect of advertising by means of a cancellation stamp which has been extended to the Department of National Health and Welfare in its campaign against smoking will be extended to industry by his department.

Mr. Speaker: Order. I would think the question might very well be placed on the order paper.

Mr. Roxburgh: Mr. Speaker, I should like to pursue the question at ten o'clock.

[Mr. Aiken.]

CANADA PENSION PLAN

REQUESTS FOR EXCLUSION ON RELIGIOUS GROUNDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct this question to the charming parliamentary secretary to the Minister of National Health and Welfare, about which I gave her notice three days ago. Has the minister or any person in his department received any representations from certain groups in Canada which wish to be excluded from the provisions of the Canada Pension Plan on religious grounds? If so, what action has been taken to date?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to bring this important question to the attention of the minister.

TRANSPORT

INQUIRY INTO RAILWAY COSTING METHODS IN PROPOSED LINE ABANDONMENTS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Transport. Will information and studies be presented to the hearing on railway costing which is getting under way today, other than the costing analysis put forward by the railways under the old order 123994 of the now defunct board of transport commissioners?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am advised that there certainly will be additional information placed before the board and that this is the purpose of the hearing.

Mr. Dinsdale: Will this include the special studies which have been undertaken by several government departments?

Mr. Hellyer: I could not answer that question specifically, Mr. Speaker.

REQUEST FOR STATEMENT ON FERRY SERVICE, SAINT JOHN, N.B.-DIGBY, N.S.

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, my question is also directed to the Minister of Transport. I should like to ask the minister whether he can relieve the anxiety and disappointment of the people of western Nova Scotia over the announcement made

on Friday to the effect that the transport committee will not be journeying to Digby. Could he offset that announcement by a positive announcement that negotiations have been concluded between the C.P.R. and the government? Will an announcement be made in respect of this perennial problem concerning a gap in our transportation system?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am sure everyone is sorry that the committee will not be able to visit that part of western Nova Scotia. For many good reasons it would be a delightful journey, but I understand this is not possible due to the time available.

However, I can tell him that negotiations are continuing at a pace which is, if anything, accelerating. There is a level of rising expectation in so far as these negotiations are concerned, and I sincerely hope to be able to make an announcement much sooner than my hon. friend might think.

Mr. Nowlan: Will the minister use his energy and enthusiasm to prevail upon the chairman of the transport committee to reconsider the retrograde step that committee has taken in respect of the transportation problems of half the province?

Mr. Speaker: Order, please. The hon. member has made a suggestion to the minister which I assume has been noted.

UNITED NATIONS

REQUEST FOR CANADIAN REPRESENTATION ON COMMISSION ON STATUS OF WOMEN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to either the Acting Prime Minister or the Acting Secretary of State for External Affairs. In view of the fact that the question of studies regarding the status of women in member countries is on the agenda of the United Nations commission on the status of women, will the Canadian government appoint a Canadian to represent this country at the meetings of that which are now in progress?

Hon. C. M. Drury (Minister of Industry): I will make inquiries in that regard, Mr. Speaker.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

LACK OF BILINGUAL CONDUCTORS ON MONTREAL-OTTAWA TRAIN

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the hon. Minister of Transport.

Can the hon. minister tell us why none of the three conductors on board the trains of the C.N.R. between Montreal and Ottawa can speak a single word of French, on the eve of the federal-provincial conference on bilingualism?

Mr. Speaker: I suggest that this question is not necessarily urgent. If, in the opinion of the hon. member it is an urgent matter, because of certain circumstances, he can always give notice according to the provisions of standing orders.

Mr. Grégoire: Mr. Speaker, it is a question which has been asked for five years and to which we have always received answers reflecting the same good faith without correcting the situation in any way. I wanted to take this opportunity to ask the question.

Mr. Speaker: That is what I understood.

Mr. Grégoire: Mr. Speaker, under the circumstances, I wonder if the minister could not be asked to answer in such a way that the situation may be corrected as soon as possible.

[*English*]

TRADE

PROPOSED U.S. RESTRICTIONS ON WOOD PRODUCTS IMPORTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, as a member from British Columbia which has a great forestry industry I assure you that my question is important and urgent. I had hoped to direct my question to the Minister of Trade and Commerce, but in view of his absence and the urgency of this matter I should like to direct the question to the parliamentary secretary or to the Acting Prime Minister. There have been recent reports to the effect that a United States government committee is recommending a reduction in imports of wood products from Canada. Has this been noted by the Canadian

government, and is any action being taken to make Canada's position known to the United States regarding this reduction of log, lumber and pulp exports to that country?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I had replies to six questions concerning the Department of Trade and Commerce but not to that one. I will answer it tomorrow.

[*English*]

AIR CANADA

WINNIPEG—TRANSFER OF EMPLOYEES FROM BASE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Transport whether his discussions with officials of Air Canada have yet resulted in an agreement by Air Canada to discontinue transfers of employees from the Winnipeg base to Montreal for the coming year?

Hon. Paul Hellyer (Minister of Transport): I am afraid the answer is no, Mr. Speaker. I have had some discussions with those officials during which they pointed out that there is an agreement with the unions under which they are operating. I think there will be negotiations between the unions and the company, and I hope this situation can be resolved to the satisfaction of everyone involved.

Mr. Orlikow: I should like to ask the minister what happened to the government policy which he enunciated in Winnipeg some time ago to the effect that if transfers are made—

Mr. Speaker: Order, please. The hon. member is asking for a statement of policy, and I suggest that cannot be asked at this time.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

SHORTAGE OF BILINGUAL OFFICERS ON PARLIAMENT HILL

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would have an important and quite urgent question to ask, in the circumstances, to the Solicitor General, since he is responsible to the house for the R.C.M.P.

Can he tell us how it is that while the federal-provincial conference on bilingualism is in progress, the delegates are greeted on parliament hill by R.C.M.P. constables who do not know a single word of French?

Mr. Speaker: The hon. member's question is left unanswered; he knows that he cannot press for an answer.

Mr. Grégoire: Mr. Speaker, I rise on a point of order.

I think the Solicitor General was ready to answer, but he had not yet heard the complete interpretation. I am convinced that if the interpreter were allowed enough time to translate my question, the Solicitor General would answer.

[*English*]

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, it is a well known fact that the force is not up to strength in bilingual officers. We have been conducting an extensive recruiting campaign, and as soon as members are available they will be assigned to the hill.

CANADIAN CONSTITUTION

OBSERVERS FROM TERRITORIAL GOVERNMENTS AT CURRENT CONFERENCE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the importance of the Canadian territory north of the sixtieth parallel will the minister inform the house whether representatives of the Yukon and Northwest territorial governments were invited to sit in as observers at the constitutional conference?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker, I understand there are representatives in attendance.

INDUSTRY

REPORTED PRESSURE TO LOCATE IN ONTARIO RATHER THAN QUEBEC

On the orders of the day:

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, on January 31 in my absence the hon. member for Villeneuve asked the Prime Minister whether officials of the Department of Industry had applied pressure on a firm to locate in Ontario rather than in the province of Quebec. I have had extensive

inquiries made and am satisfied that no pressure has been exerted on any company, and in particular on the company referred to by the mayor of Hull, namely the Société Française d'Optique et de Mécanique to locate in Ontario rather than Quebec.

I may note in passing that the company did indicate through the news media that its reasons for locating in Ontario rather than Quebec were reasons other than those alleged by Mayor D'Amour.

BUSINESS OF THE HOUSE

REQUEST FOR JOINT MEETING OF EXTERNAL AFFAIRS AND DEFENCE COMMITTEES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask the Minister of National Defence why, when there has been an agreement in respect of a joint meeting of the external affairs and defence committees in reference to NATO and NORAD, as well as an agreement in respect of Q.R. and O's, no resolution has yet appeared on the order paper.

Hon. Léo Cadieux (Minister of National Defence): The agreement was not unanimous, Mr. Speaker.

Mr. Winch: I understood a decision was made that there should be such a reference to both committees. Are we now being told that these committees will not meet?

Mr. Cadieux (Terrebonne): Mr. Speaker, I hope the hon. member does not expect me to refer to military matters or things committed to the defence committee at this time to the committee on external affairs. My predecessor undertook to refer to the defence committee the Q.R. and O's which would be changed as a result of unification. I was only complying with this commitment when I referred those to the committee.

VETERANS AFFAIRS

QUEEN MARY HOSPITAL, MONTREAL—STATEMENT ON BEEF SUPPLIED

On the orders of the day:

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, on Friday last the hon. member for Vancouver-Kingsway asked a question with reference to low grade meat supplied to the Queen Mary veterans hospital in Montreal. I now have that information. On or about December 1, I am informed, the Queen Mary veterans hospital received a consignment of approximately 1,500 lbs. of beef bought through the Department of Defence Production from recognized meat retailers. This meat was stamped as high grade and subsequently turned out to be very tough although quite fit for human consumption.

On December 16 the next consignment of beef was received. Miss Kitty Freeman, chief dietitian, considered it was low grade in spite of the fact that it was marked "blue brand" and called in the agriculture inspector and the Department of Defence Production representative, who agreed. The meat was impounded and a new consignment of good, high grade beef was supplied. I believe the action of Miss Freeman should be commended.

TRADE

NICKEL—REQUEST FOR BAN ON EXPORT FOR USE IN VIET NAM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, another question came to mind during my period of meditation. I would like to address a question to the Minister of Industry. Has he received any representations from the Voice of Women or similar organizations urging the government to prohibit the export of Canadian nickel to be used in the war in Viet Nam?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, to my knowledge, and certainly personally, I have not received any such representations. I do know that the Voice of Women organization has been very active in trying to bring a halt to hostilities in Viet Nam, but I have not heard of this particular démarche in respect of nickel.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Friday, February 2, consideration in committee of Bill No. C-153, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: Order. When the committee rose on Friday last clause 16 as amended was under discussion. Shall clause 16 as amended carry?

Clause agreed to.

Canadian Policy on Broadcasting

On clause 17—*Powers exercisable by executive committee after consultation.*

Mr. Cowan: Mr. Chairman, I wish to speak to clause 17. I was not one of the members of the committee who asked that this clause be stood—clause 19 is the first one I asked to have stood after clause 3—and I am indebted to the committee for having stood it. The marginal note of clause 17 reads "Powers exercisable by executive committee after consultation" and subclause (1) provides as follows:

In furtherance of the objects of the council, the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may

(a) issue broadcasting licences for such terms not exceeding five years and subject to such conditions related to the circumstances of the licensee

(i) as the executive committee deems appropriate for the implementation of the broadcasting policy enunciated in section 2 of this act—

However, paragraph (b) also says:

—the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may

(b) upon application by a licensee, amend any conditions of a broadcasting licence issued to him;

I am the member for a Toronto riding, and it is only a few short months ago that quite an uproar developed in the Toronto-Barrie area over this very question of amending a licence for a broadcasting station. This involved the efforts being made by the owners of a television station in Barrie to move the station from Barrie to roughly the area of Palgrave, about 20 miles to the southwest of Barrie, which would have given them access to the Toronto market. When I say "Toronto market" I am speaking as a businessman and not as a viewer in the Toronto area of programs that are now available in that centre.

Such an uproar developed that the then minister of transport did not sign the paper which would have given them the right to move their station from Barrie to Palgrave and thus interfere with the reception of two very popular television broadcasting stations in the Niagara peninsula, in Niagara Falls and the city of Toronto.

The question I have to ask, and I am looking for a direct answer, concerns clause 17 in this new bill, which says that in furtherance of the objects of the council the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may upon application by a licensee amend any conditions of a broadcasting licence issued to him. One of the conditions, surely, of a licence is that the licensee shall erect his broadcasting station in a certain area in order to service a certain district, because if he is not limited in his licence to the district he is going to serve he will be interfering with the electromagnetic waves that have been assigned to other broadcasters somewhat distant from him.

[The Chairman.]

It is quite evident to people in the Toronto-Barrie area—and I emphasize both Barrie and Toronto—that under this clause the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may upon application by a licensee amend any conditions of a broadcasting licence issued to him, without any public hearing of any kind. You may just wake up in the morning and find that the executive committee, after consultation with the part-time members in attendance at a meeting of the council, have amended a broadcasting licence upon the application of a licensee.

In Barrie there is a licensee. He has a licence to operate a broadcasting station in Barrie, with a satellite in Parry Sound and I believe a second satellite in either the village of Haliburton or the village of Minden, but in any event in the district of Haliburton.

Is there to be no public hearing on such a thing as this? It has been said that the Bourbons never remember, and they never forget. Surely to heaven this cabinet must have a little recollection of the situation that developed some months ago. It was rough enough that a sure shoo-in for a ministerial post did not get it because of the uproar that developed. Surely the Bourbons on the front benches have not forgotten that episode, or should I remind them of it?

• (3:20 p.m.)

Clause 17 reads:

In furtherance of the objects of the council, the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may,

(b) upon application by a licensee, amend any conditions of a broadcasting licence issued to him;

There is more I wish to say in connection with clause 17, but I should like to ask the Secretary of State if our interpretation of these words is not correct, that the operator of a station can move it anywhere upon making application, provided he is able to convince the executive committee which will consult with the part-time members—and they can do that on the quiet, in star chamber

proceedings—or would such an amendment not be possible except after a public hearing?

Miss LaMarsh: I refer the hon. gentleman to clause 19, subclause (2).

Mr. Cowan: Mr. Chairman, I thank the hon. lady for that fast answer. I am very much aware of clause 19. This is one clause that I asked be stood. Since we are now discussing clause 17 and the hon. lady has referred me to clause 19, I presume I can also discuss clause 19. I was going to discuss it anyway, and I feel the two should be discussed coincidentally rather than seriatim because there is a direct connection between them. Clause 19 is one to which I would be speaking at length, and it reads in part as follows:

A public hearing shall be held by the council—

Now, there is a forthright statement if you ever heard one.

The Chairman: Order, please. I point out to the hon. member for York-Humber that the clause before the committee now is clause 17. I hope he will confine his remarks to that clause.

Mr. Cowan: Mr. Chairman, I tried to draw your attention to the fact that the Secretary of State referred me to clause 19 when I asked her a question about clause 17. Did you not hear her? I was discussing the application of clause 19 to clause 17 after the Secretary of State referred me to clause 19 when I aked her a question about clause 17. I was discussing clause 17 under the umbrella provided by clause 19, and in response the Secretary of State gave this fast reply, for which I want to thank her, referring me to clause 19 which has a direct bearing on clause 17. Clause 19 says that a public hearing shall be held by the council. Did you ever hear a more forthright, flat-footed statement than that? But then in subclause (2) to which the Secretary of State referred me, there is that little two letter word "if". The subclause reads:

(2) A public hearing shall be held by the council—

There you have that forthright statement.

—if the executive committee is satisfied that it would be in the public interest to hold such a hearing—

If they are not satisfied it would be in the public interest to hold such a hearing, then a public hearing is not held. There are the critical words. In the first part of clause 19 we find that a public hearing shall be held by the council. If you read that part quickly you do not find the little two letter word "if". There are a lot of people in the Toronto-Barrie area who are interested in the Toronto-Barrie situation. We have seen this word "if" for a considerable period of time. I must presume the Secretary of State has read clause 19, subclause (2), because the answer she gave me was "Please read clause 19(2)". This is the same authority that referred me to the decision of the supreme court of British Columbia. After that I did refer to the decision of the supreme court of British Columbia, to which my attention had been called by the Secretary of State, who is a lawyer. I am quite prepared now to talk on clause 19(2), having been referred to it again by the Secretary of State, who is a lawyer. You will notice that clause 19(1) provides that a public hearing shall be held.

The Chairman: Order, please. Again I must remind the hon. member for York-Humber that clause 17 is the one before the committee at the moment.

Mr. Aiken: Mr. Chairman—

Mr. Cowan: Then I ask—

Mr. Aiken: Mr. Chairman, I wonder if I might interject at this point. I am interested in this particular matter, and I am also interested in clause 17 which gives the council the absolute right to hold a hearing or not to hold a hearing, in its discretion. I do believe that clauses 17 and 19 should be considered together; otherwise we will pass clause 17 and be met with this situation in clause 19. I would ask for a little leniency in this situation and I too ask to have the matter clarified.

The Chairman: The problem, of course, is that the standing order says we must consider the clauses in order. If it is the wish of the committee to consider clauses 17 and 19 together, then of course the Chair has no objection.

Miss LaMarsh: No; follow the rules.

The Chairman: There would have to be unanimous consent to that procedure. We are considering clause 17.

Mr. Cowan: In connection with clause 17 I ask the Secretary of State if it is not correct that under this wording a public meeting does not have to be held to make an amendment to the conditions of a broadcasting licence issued to the holder of a licence; and I refer to 17(1) (a) and (b). Is there not going to be any

answer from the treasury benches? I make the flat-footed statement that the Bourbons never remember and the Bourbons never forget. The cabinet is going to have the situation develop again in the Toronto-Barrie area that developed in that area a short time ago. No wonder the people ask who paid the Liberal party's debts after the last election when they see this consideration for business interests. Then we read—

Miss LaMarsh: I rise on a matter of privilege, which does not apply to me so much as to members in good standing in the Liberal party of Canada. I find, Mr. Chairman, that the hon. member who makes great efforts to be offensive has really overreached himself today. He has impugned individuals who have been appointed by the government of Canada; he has impugned the whole process by which many individuals—most of them happen to have Conservative leanings, but that is not really very important—obtain licences in this country.

He has suggested that there was some sort of a pay-off in respect of what happened in connection with channel 3. I am sure the hon. member's memory goes back to the fact that nothing happened and, in fact, channel 3 is where it was originally licensed, in Barrie. On behalf of every Liberal in Canada and the Liberal party of Canada, who have nothing but contempt for this man, I believe he must now be required to withdraw the slur he has cast upon the honour of every one of them.

Mr. Cowan: I have impugned nothing. I reported what is publicly said in the Toronto-Barrie area. If you look at *Hansard* when it comes down tomorrow, Mr. Chairman, you will find that is the way I phrased it.

In this clause 17 we read:

(1) In furtherance of the objects of the council, the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may,

(a) issue broadcasting licences for such terms not exceeding five years and subject to such conditions related to the circumstances of the licensee.

(i) as the executive committee deems appropriate for the implementation of the broadcasting policy enunciated in section 2 of this act—

Then subclause (b) reads:

(b) upon application by a licensee, amend any conditions of a broadcasting licence issued to him—

This clause simply continues the situation which now exists whereby a licensee can have his licence amended without any public hearing, without any evidence being heard from those who may be opposed to such a move, without any evidence being heard from those who may be in favour of such a move. Why does the cabinet, in bringing in a brand new radio or television bill setting up a brand new broadcasting policy for Canada, continue in a rut? Why do they continue a provision whereby upon his mere signature, until this bill is passed, the Minister of Transport can amend the terms of a licence that has been granted to a person who applied for a television station or a radio station in one centre and may want to move it to another?

• (3:30 p.m.)

Under the provisions set out elsewhere in this bill—if I refer to them I will be told we are not on that clause, but I shall refer to them later—we are told that a public hearing shall be held. But I want to refer to that little word "if". I understand I cannot quote from other parts of the bill when talking on clause 17, but if my recollection is correct there is a clause that provides that a public hearing shall be held by the council if it is satisfied that it would be in the public interest. I ask, what is a public hearing that is not held? I was complaining a little while ago about the fact that although broadcasters are given the right to express themselves the people of Canada will be forbidden to hear them. It appears that the council is going to hold a public hearing, but only if it decides that it is in the public interest so to do.

Clause 17 simply continues the provision that it may be possible—and I would not doubt for one moment that this right will be exercised by present licensees—to have the executive committee, after consultation with the part time members in attendance at a meeting of the council, amend licences without any public hearing being held, without even consultation with all the part time members. The council has only to be in consultation with members who are in attendance at a meeting of the council.

How in the name of heaven can this committee pass clause 17, which allows these changes to be made in secret, when it will be asked to move on to and pass another clause which ostensibly calls for public hearings but which has that little word "if" in the clause that could kill the public hearing? I believe that clause 17 should definitely state that a public hearing must be held upon the amendment of a licence.

I have been talking about the Barrie situation because this is a lively subject in the

Toronto-Barrie area, but let us consider further clause 17 (1) (a). It reads:

17. (1) In furtherance of the objects of the council, the executive committee, after consultation with the part time members in attendance at a meeting of the council, may

(a) issue broadcasting licences—

What is the use? No public hearing will be held, or it is not necessary to have a public hearing. The council might well say that in furtherance of the objects of the council, which is not the public's concern, the executive committee, after consultation with the part time members in attendance at a meeting of the council held a couple of weeks ago, issued a broadcasting licence for such term, not exceeding five years, as the executive committee deemed appropriate for the implementation of the broadcasting policy that is enunciated in clause 2 of the bill. I suggest that clause 17 makes a complete shambles of any effort to convince the public that public hearings are going to be held with regard to the issuance of broadcasting licences or for the amendment of broadcasting licences already in the hands of licensees. I do not agree with the terms of this clause at all. Public hearings should be held. This clause is a nefarious one.

Clause agreed to.

Clause 18 agreed to.

On clause 19—*Hearings.*

Mr. Cowan: Mr. Chairman, this is one of the four clauses that I asked to be stood when you were proceeding through the bill to see what unanimity there was on the clauses as a whole, many of which were passed. My original purpose in asking that clause 19 be stood had to do with C.A.T.V. matters.

I referred to C.A.T.V. in connection with clause 3. I also referred to clause 19, pointing out that it was possible that the council would not hold public hearings in regard to applications for C.A.T.V. licences. In discussing the previous clause I stated, and I now repeat, that it is going to be possible for the board of broadcast governors to issue licences to C.A.T.V. stations, a fact that the C.A.T.V. operators would welcome were they going to be issued after a public hearing.

Up to now, Mr. Chairman, a C.A.T.V. application has been nice and private. Even the applicants do not know the discussion that is held following which they are pitched on to the ash heap with their application. These applicants felt that if they were given a public hearing under this new bill, then compared to the Star Chamber methods of handling their applications up to now and as at this date it would be an improvement.

Clause 19 provides that a public hearing shall be held by the council. Boys, this is really something. The wording is "shall be held". In other words, it must be held, it has to be held. That is the meaning of the word "shall". That is why the word is to be found in a lot of our laws. However, Mr. Chairman, we find that the whole heart of the meaning of that wording is cut out when we come down to subclause 2 of clause 19, which provides:

A public hearing shall be held by the council, if the executive committee is satisfied that it would be in the public interest to hold such a hearing, in connection with

(a) the amendment of a broadcasting licence;

If I cannot refer forward from clause 17 to clause 19 when I am talking on clause 17, then I wonder whether I can refer back to clause 17 when I am talking on clause 19. I was told I could not refer forward and perhaps I will be told that because clause 17 has been passed I cannot refer to a matter that has already been decided by a committee of the whole house. However, I am going to refer back unless somebody wants to cut me off. As I say, Mr. Chairman, clause 19 provides that a public hearing shall be held by the council. Then according to subelause 2:

A public hearing shall be held by the council, if the executive committee is satisfied that it would be in the public interest to hold such a hearing, in connection with

(a) the amendment of a broadcasting licence;

That, Mr. Chairman, is just what the owners of the Barrie licence want, an amendment to their broadcasting licence, which now permits them to broadcast in Barrie with satellites in the Haliburton district and Parry Sound.

Reference back to clause 17, which was carried a moment ago, discloses the use of the same phrase:

In furtherance of the objects of the council, the executive committee, after consultation with the part-time members in attendance at a meeting of the council, may—

Again, in quiet.

(b) upon application by a licensee, amend any conditions of a broadcasting licence issued to him;

That is confirmed in clause 19. To prove they mean it, they are willing to put in black and white twice the statement that a licence can be amended in private by the council, this new organization that is going to be set

up, if the executive committee is satisfied that it would be in the public interest not to hold a public hearing.

I suggest that this is a denial of the democratic process. These T.V. licences are worth a great deal of money. Lord Thomson, who is one of the business brains produced by this country, has stated that a television licence is the same as a licence to print money. So the cabinet is going to make it possible to issue in secret licences to print money. If an operator thinks he is not making enough money in the little area for which he has been granted a licence, then he can apply for an amendment and his application can be dealt with privately by this new broadcasting council.

Although my references have been to the Barrie-Toronto situation they apply also to C.A.T.V. applications in that the C.A.T.V. operators will be quite happy if they can be assured that there will be public hearings on their applications. They are not too certain there will be in view of the fact that a C.A.T.V. installation has now been defined as a broadcasting undertaking. While we have been told that a public hearing shall be held by the council in connection with the issuance of a broadcasting licence, under subclause 2 a public hearing shall be held only if the executive committee of the council is satisfied that it will be in the public interest. If they are not satisfied that it will be in the public interest, the C.A.T.V. application will be knifed, just as it is being knifed now in meetings that are being held informally between the Department of Transport and the Board of Broadcast Governors.

Since we are discussing clause 19 and not discussing the subclauses seriatim, I wish to refer specifically to clause 19 (7). Subclause 7 reads:

• (3:40 p.m.)

The council has, in respect of any public hearing under this section, as regards the attendance, swearing and examination of witnesses thereat, the production and inspection of documents, the enforcement of its orders, the entry of and inspection of property and other matters necessary or proper in relation to such hearing, all such powers, rights and privileges as are vested in a superior court of record.

It was brought out at the hearings of the broadcasting, films and assistance to the arts committee of the House of Commons that if these powers are granted to the new radio and television council they will have the right to enter property or to send people in to look for documents. They will have the right to enforce the calling of witnesses and the production of evidence as they may demand.

I ask you, is it necessary to enshrine this new radio and television council on such a basis that we may never be able to question anything they may do? Mr. Chairman and members of the committee, in looking at subclause 7 please notice the final words, "in a superior court of record". I asked some lawyer members of this House of Commons, inasmuch as I am not a lawyer, what a superior court of record is and they informed me that a superior court of record is the same as a supreme court. Well, this absolutely flabbergasted me, if I may use such a term. Why should the new body which is to control radio and television be given powers equal to those of the supreme courts of the ten provinces? Somebody is going to tell me: This is only in respect of a public hearing. Bear in mind that everything a superior court does is done at a public hearing. This would mean that the radio and television council would have the same authority as the superior court, and I for one cannot see why they should be put in that position.

To carry it further, Mr. Chairman and members of the House of Commons, it is absolutely unbelievable that sane people should put such a clause into the radio and television legislation in light of the meaning of citation 251 of Beauchesne's Parliamentary Rules and Forms, third edition, 1943. Citation 251 reads:

The Board of Railway Commissioners is a court of record and therefore may not be attacked except by way of impeachment.

The authority for that is given in House of Commons debates for 1928, page 3106.

I have gone to the trouble of looking up page 3106 of the Canadian House of Commons debates for 1928. You will find, if you look it up for yourself, that on that day there was a discussion on third reading of a private bill respecting the Bell Telephone Company of Canada which was seeking at that time to raise its capital from $75 million to $150 million. One of the speakers on that private bill on May 16, 1928 was Mr. T. L. Church, an ex-mayor of Toronto and at that time the member for Toronto Northwest.

Notice the mild comments that Mr. Church made on the Bell Telephone Company bill. We people from Toronto are more accustomed to calling him Tommy than Mr. Church. I will read to the committee some

remarks found on pages 3105 and 3106 of the debates for May 16, 1928. Tommy said:

> It would be interesting to know what regulations the Board of Railway Commissioners have over the issue of stock by this company. I fail to see any regulations regarding the sale of this $75,000,000, or any regulations providing for subscription to this stock.

You will notice that he is referring to the Board of Railway Commissioners there. A little farther on Tommy said:

> This company—

He is talking about the Bell Telephone Company.

> —is under the control of the railway commission, who have failed in their duty by not making some regulations to cover the disposal of this stock.

And immediately there arose a Liberal cabinet minister from the front benches of 1928, Mr. Cannon, who said:

> I rise to a point of order. The hon. gentleman may say whatever he wishes so long as he observes the rules of the house, but under the rules he cannot criticize the Board of Railway Commissioners as he has been doing.

And then up rose that Gaspé salmon, Hon. Rodolphe Lemieux, Speaker of the House of Commons, who said:

> The Board of Railway Commissioners is a court of record, and therefore may not be attacked except by way of impeachment. This has been decided twice by this house within my knowledge.

As I said previously, citation 251 of Beauchesne, third edition, says that we cannot attack the Board of Railway Commissioners because the Speaker of the House of Commons as far back as 1928 ruled that the Board of Railway Commissioners is a court of record, "and therefore may not be attacked except by way of impeachment". Well, if the Board of Railway Commissioners cannot be attacked because it is a court of record, do you realize that this subclause of clause 19 of this new bill will put the Canadian radio and television council or commission, or whatever you are going to call it, beyond the criticism of the House of Commons, beyond the criticism of the parliament of Canada? The Speaker or somebody in his place will stand up and say: "Hon. Rodolphe Lemieux in 1928 said that a court of record cannot be attacked in the House of Commons".

Look at the attack that Tommy Church made on the railway commission. He said:

> It would be interesting to know what regulations the Board of Railway Commissioners have over the issue of stock by this company.

Later on he said:

> This company is under the control of the railway commission, who have failed in their duty by not making some regulations to cover the disposal of this stock.

And then Mr. Cannon said that Tommy was attacking the board. If Tommy Church was forbidden by Hon. Rodolphe Lemieux, the Speaker at that time, from making such remarks about the Board of Railway Commissioners, which the Speaker said was a court of record, we will not be able to stand up and ask about a single, solitary program of the C.B.C., because we will be told that it is a court of record under subclause 7 of clause 19 and that the council has all the powers, rights and privileges that are normally vested in a superior court of record.

The lawyers are asking why the word "superior" is in there. "Court of record", they tell me, is equal to a superior court. But for some reason or other we are going to make doubly certain that this council is enshrined in the law of the land and we are going to make them a superior court of record. I wonder whether that will make them superior to the Board of Railway Commissioners which we are told is a court of record. But bear in mind that this is going to be a superior court of record. Rodolphe Lemieux simply said that the Board of Railway Commissioners is a court of record, but this council is to be exalted as a superior court of record. If we are going to enshrine the television authority in such a way that they can never be attacked I see no reason for having parliament. We can simply enshrine all our subsidiaries such as the C.B.C. and other crown corporations, and activities of government by making them a court of record and, as the hon. Rodolphe Lemieux said, we cannot attack them.

It is getting to the point, Mr. Chairman and members of the House of Commons, that the C.B.C. is getting to be the same as the Ark of the Covenant. You cannot even touch it. And as for criticizing it, well, the Speaker will make his ruling on the basis of Mr. Lemieux's statement.

I wish to tell the chairman and other members of the House of Commons that I initiated an inquiry this morning about the two previous occasions on which, as the Speaker, Mr. Rodolphe Lemieux had said, this matter was decided by the house. When one bears in mind that Beauchesne makes his flatfooted statement based simply on this ruling in May of 1928 it is evident that he did not think it necessary to refer to what Mr. Lemieux spoke

of as having been decided twice in the house within his knowledge.

• (3:50 p.m.)

The C.B.C. appears to be beyond our reach now. Is it really the wish of hon. members that we should enshrine this council so that it becomes a court of record whose officials may enter private property, take whatever documents or papers they wish to take as evidence and subpoena witnesses to appear before it? These people are being given the same status as a superior court and I for one can see no reason for putting them so far beyond the reach of the parliament of Canada that the only thing we shall be able to do in future is send money over to them whenever they ask for it. Remember, Mr. Chairman, it will not be possible to attack them in the House of Commons by making such a wild statement as Mr. Church made, the statement Mr. Cannon jumped on:

> It would be interesting to know what regulations the Board of Railway Commissioners have over the issue of stock by this company. I fail to see any regulations regarding the sale of this $75 million, or any regulations providing for subscription to this stock.

Mr. Cannon then rose to say that the hon. member "cannot criticize the Board of Railway Commissioners as he has been doing."

Clause 19 is absolutely rotten. First of all, the commission can amend a licence without holding a public hearing despite all the high-sounding verbiage about "a public hearing shall be held". The situation, in fact, is that a public hearing shall be held provided the executive committee is satisfied that it would in the public interest to hold such a hearing. But, of course, if the executive committee were to decide, as it might, 95 times out of 100 that it was not in the public interest to do so, the hearing would be held in camera. This clause makes it possible to move licences like the Barrie one into the Toronto area simply on the O.K. of a group of men meeting in private. I almost hesitate to refer to clause 22, because it has not yet reached, but it has a bearing on clause 19 and clause 17 and I would certainly like to hear some comments by members of parliament who are interested in this Barrie-Toronto situation which is not changed one iota as a result of this supposedly brand new radio and television policy for Canada.

Mr. Aiken: Mr. Chairman, I recognize that the hon. member for York-Humber has been somewhat irritating to the minister at various times and that she has not answered this particular inquiry, but I think some of us would like an assurance that under the guise of amending a licence the commission could not in fact so substantially alter it that it would really amount to the issuance of a new one without holding a public hearing. The executive committee is a small body and a quorum of that committee is expressed as being three full-time members of the commission.

Since this point has been raised, I am concerned about whether or not by amending a licence, by altering the place at which it may be used, the frequency, the output power and the channel, the action of the board might not in fact amount to the issuance of a new licence. Would it be possible for the executive committee to do this without holding a public hearing and, if so, can the minister give us any assurance that in fact this would not be done?

Miss LaMarsh: Well, I expect that the people we appoint to the new commission as full-time members will be first-rate people with some knowledge of the field. What the hon. member is suggesting is something rather underhanded; I do not think I should even dignify it by protesting that people who are appointed in good faith would not act in an underhand way.

It is entirely possible that for some reason which does not now come to my mind a public hearing would be dispensed with. I cannot fetter the commission by anything I say. I would imagine that in the ordinary course there would be a hearing. It would only be in rare instances that members of the board, none of them subject to partisan pressures, might decide that because of an error which had been made, or because of the very modest change which was asked for, a public hearing should not be held. I would remind hon. members that the whole purpose of appointing the commission is to increase public knowledge of these affairs, to enable the public to have more information than was available from the Board of Broadcast Governors, not less.

Mr. Cowan: I thank the Secretary of State for having answered the hon. member for Parry Sound-Muskoka. I asked the question, too. I do not know whether the hon. member for Parry Sound-Muskoka is a Liberal in good standing and thus entitled to an answer. But I should like to know whether applications for C.A.T.V. licences will be heard in public in future or whether the new board will simply

decide that it would not be in the public interest to hear these applications in public and deal with them as they wish in the privacy of their offices.

This is an important matter to the business community who up to now have had to be satisfied with hole in the corner treatment. They were sincerely pleased with the proposal to hold public hearings under the new council whenever new broadcasting licences were applied for, and I say "broadcasting licences" because, although C.A.T.V. does not really involve broadcasting, this is the definition adopted in the legislation before us. The C.A.T.V people, as they see things today, would like all these applications to be processed in public. Can the Secretary of State advise us whether this is going to happen or whether, in fact, applicants will have to be content with the same hole in the corner treatment as in the past?

Miss LaMarsh: It is very clear under 19(1)(a) that public hearings shall be heard in connection with these licences. The hon. member can read; he has been reading to us with great expression.

Mr. Cowan: I thank the minister for that answer in which she says that public hearings will be held in connection with C.A.T.V. applications.

I would now ask whether in view of citation 251 of Beauchesne parliament proposes that the commission should be a court of record, with the consequence that it may not be attacked except by way of impeachment. If it is to be given the same rights as those vested in a superior court of record, will we be hamstrung in this chamber with regard to comments which may be made concerning this crown organization also and the manner in which it is spending public funds?

Miss LaMarsh: I have never seen a hamstrung in this chamber.

• (4:00 p.m.)

Mr. Aiken: I do not like merely to echo the hon. member for York-Humber, but having accepted the assurance of the minister that in effect no commission would dare do anything underhanded or against the public interest, first, because the standing of the members would be such that they would not try it and, second, on account of the fact that they would not get away with it, I assume that if the commission makes an unpopular decision the matter will be raised in the House of Commons. I would like the minister to assure me that this clause, giving the commission the rights and privileges vested in a superior court of record, does not exempt the commission from having a question about it raised in the house.

I saw the particular reference mentioned by the hon. member for York-Humber with respect to the Board of Railway Commissioners. It stated that that board was a court of record and therefore could not be attacked. From examining this clause it seems to me it does not make the new commission a court of record but merely gives it the same rights and privileges as a court of record.

Miss LaMarsh: I am not a law officer of the crown but I agree with the hon. member's interpretation.

Mr. Prittie: Mr. Chairman, it seems to me there is another important difference. The ordinary courts do not report to parliament, or at least their reports are not debated, but the new commission will report to parliament annually. Its report can be debated, and of course its budget will have to be voted by parliament. It does not seem to be totally exempt from parliamentary scrutiny.

Clause agreed to.

On clause 22—*Directions of the Governor in Council.*

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to direct a question to the hon. minister concerning clause 22(1)(a) which states:

(1) No broadcasting licence shall be issued, amended or renewed pursuant to this Part (a) in contravention of any direction to the Commission by the Governor in Council under the authority of this Act—

I should like to ask the hon. minister whether the provisions stated in clause 2 are included in "the directions given to the commission by the governor in council under the authority of this act".

[*English*]

Miss LaMarsh: I am afraid I cannot answer because the interpretation was so confused that I do not know what the hon. member was asking.

[*Translation*]

Mr. Grégoire: Mr. Chairman, clause 22(1)(a) states the following:

(1) No broadcasting licence shall be issued, amended or renewed pursuant to this Part (a) in contravention of any direction to the Commission under the authority of this Act—

I wonder whether the provisions of clause 22 are part of the instructions given to the commission by the governor in council.

Mr. Béchard: Mr. Chairman, clause 2, that is, paragraph 2—

Mr. Grégoire: Clause 2 of the bill.

[*English*]

Miss LaMarsh: If I understand correctly, clause 2 is not intended to be the kind of direction issued by the governor in council referred to in clause 22. Clause 2 is a part of this bill to which parliament has agreed. Clause 22 deals with directions that may be made from time to time by order in council, which of course will have to be published in due course and which will deal with matters referred to in paragraphs (a) (i), (ii) and (iii).

[*Translation*]

Mr. Grégoire: Then, Mr. Chairman, I should like to put a direct question to the hon. Secretary of State.

When issuing a licence can the Canadian radio-television commission ignore clause 2(b) where it is stipulated:

> the Canadian broadcasting system should be effectively owned and controlled by Canadians—

Notwithstanding that statement which parliament has accepted, can the commission ignore it and issue licences to corporations which are not in fact controlled by Canadian citizens?

[*English*]

Miss LaMarsh: Under this clause the governor in council will have to give directions and set out its policy with respect to such ownership. Clause 2 uses the word "should," not "shall" or "must" or "only Canadians may own." We went into this matter at some length when we were discussing that particular part of the bill. The policy to be established by the government shall be set out in a direction by order in council to the new commission, and it will have to say whether or not it is to be 70 per cent Canadian ownership, 66 per cent, 60 per cent, 55 per cent or 50 per cent, according to whatever the government of the day may make its policy.

[*Translation*]

Mr. Grégoire: Mr. Chairman, may I ask one last question?

Does the hon. Secretary of State or the governor in council intend to instruct the Canadian radio-television commission to see to it that television stations are really controlled by Canadians and Canadian corporations? Will retroactive measures be taken concerning stations which are not effectively controlled by Canadians?

[*English*]

Miss LaMarsh: Certainly the Secretary of State will be advising the governor in council as to the details of the policy, and since it is parliament's will that there should be effective Canadian ownership and control that is what will govern the instructions which are given. There is no question of retroactivity because each broadcasting enterprise, it is understood, will have to get a new licence. It is on application for renewal of a licence that the direction by cabinet to the new commission will take effect.

[*Translation*]

Mr. Grégoire: One last question, Mr. Chairman.

Does the hon. Secretary of State mean to say that every station should have a new power as soon as the new act comes into force? Is that it? Did I understand correctly?

[*English*]

Miss LaMarsh: No, not all at once. All of the licences were extended. I do not know the last date exactly, but they were extended once or twice during the last few years until the new act came into effect. But when each licence has expired the operators will have to make a new application to the commission. I do not mean that the day after this bill receives royal assent all the licences will lapse.

[*Translation*]

Mr. Grégoire: Will licences be renewed according to the rules and regulations set out under the new act? Will the new act provide for public hearings for the renewal of licences?

[*English*]

Miss LaMarsh: I would expect so, and it will be covered by clause 19(2).

Mr. Cowan: Mr. Chairman, there is a question I would like to ask the Secretary of State in connection with clause 22. Her references to me make me wonder whether I will be able to use my credentials at the forthcoming leadership convention, which give me a vote for a new leader. I would not want the boys to be influenced by one whom the Secretary of State does not like.

• (4:10 p.m.)

With regard to clause 22, most members of the committee have before them Bill C-163 with the black-face type reading, "Reprinted as amended and reported by the standing committee on broadcasting, films and assistance to the arts". I have in my right hand a copy of Bill C-163 as originally introduced in the house and which received first reading on October 17, 1967. One of the changes that has been made by the broadcasting committee and incorporated in the bill that we now have is that a new section has been added to subclause (1)(a)(iii) of clause 22. This subclause as it appeared in the original bill which was given first reading read as follows:

No broadcasting licence shall be issued, amended or renewed pursuant to this Part (a) in contravention of any direction to the Commission issued by the Governor in Council under the authority of this Act respecting...

(iii) the classes of applicants to whom broadcasting licences may not be issued or to whom amendments or renewals thereof may not be granted;

That subclause as brought forward on first reading seemed to cover the ground. But we have this part added to subclause (1)(a)(iii) of clause 22:

—and any such class may, notwithstanding section 2, be limited so as not to preclude the amendment or renewal of a broadcasting licence that is outstanding at the time this Act comes into force;

In the copy of the bill which should be before you those words are underlined in black. I should like to ask the Secretary of State what outstanding broadcasting licences there are at the moment which are being protected by this addition to the bill as brought in for first reading? It is evident that somebody was to be excluded from coming under the board's authority in the original bill which received first reading, but now an exemption is being granted which reads:

—and any such class may, notwithstanding section 2, be limited so as not to preclude the amendment or renewal of a broadcasting licence that is outstanding at the time this Act comes into force;

What class of people is this provision being made for?

Miss LaMarsh: I have just been checking. It is not our recollection that this has reference to any specific licence holder but rather that the committee felt that without the addition of these words there would be an immediate chop-off in respect of those who held licences but perhaps did not qualify under the new legislation. It was felt that this would be an unfair thing to have happen, that is, where large investments had been made that they be put out of business without any warning. It was without any specific case in mind, to my recollection, that the committee decided that the cabinet should have an opportunity to review these under the new legislation.

Mr. Cowan: Mr. Chairman, I should like to thank the Secretary of State for her very civil answer.

Clause agreed to.

On clause 23—*Setting aside or reference back to Council.*

Mr. Stanbury: Mr. Chairman, I asked that this clause be stood because I wished to raise a question concerning the adequacy of subclause 2 of clause 23. It appears to me that this subclause would restrict the opportunity for a reference back to the council to a situation where the council had failed to consider a particular matter at all. There would be no opportunity for reference back in a situation where a matter had been touched upon by the council but had been given no weight or insufficient weight in the estimation of the governor in council. It seems to me that if the provision for a reference back has any merit at all it would be quite inadequate to limit that opportunity to a situation where a matter was completely neglected by the council. In a case where the council had considered the matter only in passing and had not given it the weight of consideration which it deserved it would seem that such a reference would be necessary. Therefore, Mr. Chairman, I move:

That subclause (2) of clause 23 be amended by adding thereto the words:

"or to consider adequately"

[*Translation*]

That subclause (2) of clause 23 be amended by adding thereto the words:

"or to consider adequately"

[*English*]

The Assistant Deputy Chairman: Is the committee in favour of the amendment?

Some hon. Members: Agreed.

Amendment agreed to.

Mr. Cowan: Mr. Chairman, subclause 4 of clause 23 reads as follows:

The issue, amendment or renewal by the Council of any broadcasting licence that has been referred back to the Council pursuant to subsection (1) and confirmed pursuant to paragraph (d) of subsection (3) may be set aside by order of the Governor in Council made within sixty days after such confirmation.

I should like to refer to this provision because in my previous references to the Barrie-Toronto situation, which could be duplicated elsewhere in Canada, I emphasized as we have moved from clause to clause that it will be possible to change—the word "amend" is used—a licence already in the hands of a licensee in private without any public hearing under clauses 17 and 19. At the time of the uproar over the Barrie T.V. application to have its broadcasting station moved there was a big fuss and feathers about this matter being referred back to the Board of Broadcast Governors. Then the Board of Broadcast Governors reconsidered the matter. You will remember that a new appointment was made to the board. This appointment was made on the day of the vote. Of course, it was just on the basis of straight Canadian common sense that they made their recommendation in respect of the Barrie situation. This went back to the Minister of Transport and because of the uproar which arose no action was taken.

I should like to bring to the attention of the chairman and members of the committee that under this new clause, if the report from the new council should not meet the desires of the cabinet we have this provision:

> The issue, amendment or renewal by the Council of any broadcasting licence that has been referred back to the Council pursuant to subsection (1) and confirmed pursuant to paragraph (d) of subsection (3) may be set aside by order of the Governor in Council made within sixty days after such confirmation.

• (4:20 p.m.)

We presume that after it has been set aside the governor in council—we do not want to say the cabinet, of course, because the governor in council sounds much more important—can ask this new radio and television council to reconsider this application for a television licence. Then we find these words:

> The issue, amendment or renewal by the Council of any broadcasting licence that has been referred back to the Council pursuant to subsection (1) and confirmed pursuant to paragraph (d) of subsection (3) may be set aside by order of the Governor in Council made within sixty days after such confirmation.

If the new council does not give the answer the governor in council wants the application can again be set aside as long as it is done within 60 days, to be sent back again for reconsideration. Perhaps there might even be more appointments made to the board, but finally when the desired decision has been made the application will not be set aside. What kind of control is this over broadcasting and television? We are trying to make out that this board is to be supreme. It will be supreme to the point that it can make a decision in private or a hole in the corner decision without a public hearing if it decides it is not in the public interest to hold such a hearing. In any event, if the governor in council does not like such a decision made in private he may set it aside within 60 days. This can be done if the council does not want to conform, so you may still have political control so far as the issuance of broadcasting and T.V. licences is concerned. I just want to make this situation clear because there is no use asking the cabinet to change it.

[Mr. Cowan.]

Miss LaMarsh: Mr. Chairman, I think I should say something in this regard. If hon. members look at the white paper they will see that this was not the original intention of the government. This particular clause was added because of this problem. My hon. friend has been confusing two clauses, one dealing with the executive committee which may make a decision in camera or otherwise. This involves full time people who should not be subject at any time to political pressure. Obviously when you have a part time board there is always the possibility of some pressure. What is even more important, it may look as though there has been pressure even though there has not.

It seems to me that since the cabinet is always responsible in the eyes of the public, or always held responsible one way or the other, even though the law does not give the right to move in respect of these matters it should be given the responsibility. For example, if the move of channel 3 from Barrie to Toronto had come as a recommendation from the commission or council, that recommendation could have been sent back for further consideration, perhaps because of something they had failed to consider or failed to consider adequately. After such reconsideration the matter would come back to the cabinet. The cabinet knows what the public reaction is and how the people feel about these things. It has to accept the ultimate responsibility and therefore it might set such a recommendation aside. This is for the protection of the people and for no other reason.

If hon. members look back at the legislation they will realize that specific public issues, such as the one to which I have referred, sometimes disappear during the course of the preparation of legislation such as that now

before us. They will then realize how this clause came about and what it is designed to cure.

Clause as amended agreed to.

Clauses 24, 26 and 28 agreed to.

On clause 29—*Punishment.*

Mr. McCleave: Mr. Chairman, I should like to propose an amendment which I understand is acceptable to the minister.

Miss LaMarsh: I should like to see it first.

Mr. McCleave: I discussed it with the hon. lady the other day. I should like to move:

That subclause (1) of clause 29 be amended by deleting all the words after "exceeding" in line eight on page 16 and substituting the words "twenty-five thousand dollars for the first offence and not exceeding fifty thousand dollars for each subsequent offence."

Mr. Prittie: Mr. Chairman, we do not intend to oppose this amendment but I think it would be useful if the minister put on record why the amount of $100,000 was included in the bill in the first place. I know a great many people objected to this and the minister did give a reason for this sum being chosen when she was before the committee. Would she do so again now?

Miss LaMarsh: Yes. I quoted some figures we had which indicated that by moving the clock a station that wanted to make more income, or wanted to be a little sharp so far as the regulations were concerned, could make something in the order of $10,000 a week by using just one extra minute of prime time to shave the regulations.

Large amounts can be made in this way and in order to prohibit this practice we felt that very large penalties should be authorized. Indeed, I was handed a page from *Time* Canada, for January 26, 1968, having regard to sportscasting. On page 51 of that issue appears a discussion about C.B.S. coverage of the superbowl game and N.B.C. coverage of another bowl game. They refer to the C.B.S. coverage compared with the N.B.C. coverage and point out that one commercial during the C.B.S. superbowl coverage ran right through a kickoff. That is not the kind of thing people like to see. This article suggests that commercials on the superbowl telecast sold for an unprecedented $150,000 per minute. It is quite clear that if this kind of money can be made as a result of these small aberrations from time they can only be impeded by very substantial fines.

This clause makes it known that parliament intends there should not be any breach of the regulations in this regard. It is my information that as yet our Canadian networks do not have hourly rates for advertising comparable with those of the United States networks. It seems that by comparison with fines existing in other public statutes $25,000 for the first offence and $50,000 for subsequent offences would be ample, even in respect of those stations which have a licence to print money, to dissuade them from breaking or bending the regulations.

Mr. Orlikow: I have news for the Secretary of State. I have seen commercials during football coverage in Canada which ran while the game was in progress, so the United States networks are not the only offenders. I am not going to vote against the amendment as I cannot envisage any Canadian court assessing a fine of $100,000. I am not very hopeful that any Canadian court will assess a fine of $25,000 or $50,000. In any event the amendment would indicate that fines would not exceed these amounts. I am wondering whether there is any way to prevent fines of $50 or $100 being assessed. This is the kind of fine which magistrates in various parts of the country have assessed in respect of pretty serious cases. For instance, they sometimes impose a $500 fine on a driver who has had too much to drink and has caused an accident killing someone. Would it be possible to put a minimum fine in this clause so that the courts would know we take this matter seriously and do not want imposed, when there is a violation of the regulations, the kind of fine which might lead stations to say: It is good business to break the law, take in the kind of money the Secretary of State has talked about and pay only a very minimal fine?

• (4:30 p.m.)

Miss LaMarsh: I would say two things in this connection, Mr. Chairman. First, the law officers indicate to us that this is the language currently in use in most statutes, because minimums become maximums. If you put in "not less than $100", that is what attracts the magistrate's eye all too often and that is the fine he imposes.

However, something came to my notice about which I told the committee. A very reputable broadcaster in Canada came to see me and confessed that he was a criminal to the extent of about 25 breaches of the act. He had suffered penalties about 25 different times. I was shocked to discover this. These

breaches were committed because of what is called the clock hour and the Board of Broadcast Governors checking on how many minutes of commercial time there were within a clock hour. Sometimes he had less in one hour and more in another. He had paid these penalties. They were small penalties, I think in the nature of $10 or $25. It is quite surprising to me that this would happen 25 times, but what is really astonishing to me is that anyone would take him to court for having committed breaches of the law which they were satisfied were committed inadvertently. It seems to me that laws are not in existence to be prosecuted in a ruthless, merciless manner when, as sometimes happens, there has in error been a breach of the law.

Without anything else, to make the provision "not exceeding $25,000" does give the magistrate trying the case some idea of the gravity of the offence, but if there is someone before him who has had one of these clock hour difficulties and should pay a fine of only $10 the magistrate can impose a fine of only $10. I should think there would not be too many broadcasters who would be able to come into the office of the Secretary of State in future and say: I have had 25 $25,000 fines, or one $25,000 and 24 $50,000 fines, at least not until broadcasting is in a somewhat healthier state in Canada.

The Assistant Deputy Chairman: The question is on the amendment. Shall the amendment carry?

Amendment agreed to.

The Assistant Deputy Chairman: Shall clause 29 as amended carry?

Some hon. Members: Carried.

Mr. Cowan: Mr. Chairman, we have just carried clause 29. I voted for the amendment to the clause, but the record will show that I asked that clause 28 be stood and was on my feet when you called clause 29. However, you recognized the hon. member for Halifax who wanted to speak to clause 29.

With regard to clause 28, which you have stated has carried, frankly clause 28 should be stood for a while, maybe a couple of hours, while it is rewritten because there are provisions in it that cannot be enforced. This matter was mentioned in the committee on broadcasting, films and assistance to the arts. Clause 28 reads:

No broadcaster shall broadcast—

Those broadcasters are in Canada and subject to Canadian law. The clause goes on to say:

—and no licensee—

The Assistant Deputy Chairman: Order, please. When the Chair called for the vote on clause 28 it did not do so with any haste. Certainly nobody objected when the Chair said "Carried" and the clause was carried at that time. Therefore clause 28 has been carried by the committee.

Mr. Cowan: I do not wish to get into an argument with the Chair but I ask the Secretary of State, how are you going to enforce these words:

No broadcaster shall broadcast, and no licensee of a broadcasting receiving undertaking shall receive a broadcast of a program, advertisement or announcement of a partisan character ... on the day of any such referendum or election or on the one day immediately preceding—

How will that provision be enforced if the program is being picked up from American stations which are not under Canadian control? They are not broadcasting; they are only receiving. They have no control over what they are going to receive. I mean it, sir, that to have this—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but clause 28 has been carried. We are now dealing with clause 29 as amended. Shall clause 29 as amended carry?

Clause as amended agreed to.

The Assistant Deputy Chairman: Shall clause 31 as amended carry?

Some hon. Members: Carried.

The Assistant Deputy Chairman: Shall clause 33 carry?

Mr. Mackasey: Mr. Chairman—

Mr. Prittie: On clause—

The Assistant Deputy Chairman: The hon. member for Verdun.

Mr. Prittie: I wanted to speak to clause 31, Mr. Chairman. I wonder to which clause the hon. member wishes to speak.

The Assistant Deputy Chairman: The hon. member for Burnaby-Richmond on clause 31.

On clause 31—*Report to parliament.*

Mr. Prittie: I have no amendment, Mr. Chairman, but this is the clause which

requires the council to submit each year a report which is to be tabled in parliament. I would hope the practice would be that this report of the broadcasting commission, as well as the report of the C.B.C., would be referred each year to the standing committee on broadcasting. We have heard a great deal about parliamentary control over these matters. I think it would be very useful if that practice were regularly followed.

There is nothing in the clause requiring that to be done. I appreciate that it might be difficult to write such a provision into the legislation but I would certainly hope the report of this authority would go to the committee each year and that the members of the authority could be called before the committee each year to answer questions.

The Assistant Deputy Chairman: Shall clause 31 carry?

Clause agreed to.

On clause 33—*Definitions.*

Mr. Mackasey: Mr. Chairman, I have a few brief remarks to make in connection with this clause. Perhaps I am not entirely in order in referring to clause 33 but I am at a loss to know precisely where to raise the point I have in mind. Hon. members will note that this clause is the beginning of part III of the bill under the general heading "Canadian Broadcasting Corporation."

This raises a problem that was discussed at some length in the committee and outside. I refer to the possibility of changing the name of the Canadian Broadcasting Corporation to words common to both the two official languages of this country. I do not pretend to be an expert in this field. However, I remember the debate that was carried on at the time of changing the name of Trans-Canada Air Lines to Air Canada. I think that change has worked out very well for this country. It has created a tremendous image for our air transportation system across the world. Air Canada is now very much in the minds of people.

I was hoping that something of a similar nature could be introduced at this time so far as "Canadian Broadcasting Corporation" is concerned. I am sure that hon. members are aware of the fact that the French equivalent of "Canadian Broadcasting Corporation" is "Société Radio-Canada" and it is known generally throughout Canada, particularly to those who watch or listen to the French section of the Canadian Broadcasting Corporation, simply "Radio-Canada".

I should like to propose an amendment in this connection. Before doing so I might say that if someone wants to move a subamendment and change it further I would have no particular objection. I will read the proposed amendment so that hon. members may more easily follow what I am about to say. I move:

That Bill C-163 be amended as follows:

That in part III the name "Canadian Broadcasting Corporation" be changed to "Radio-Television Canada".

That wherever the name "Canadian Broadcasting Corporation" appears in the said bill, it be changed to "Radio-Television Canada".

I draw to the attention of hon. members that "Radio-Television Canada" would be acceptable and identical in both languages. There are some purists who would point out, I think with a degree of logic, that in a sense radio does include television. I would have no particular objection if, in order to have this amendment accepted, the word "television" were eliminated and we simply referred to the corporation as Radio Canada in English and in French. However, if we include the word "television" we draw to the attention of the public that this public service includes television as well as radio.

• (4:40 p.m.)

I bring this amendment before the committee for discussion. I point out once again that Radio-Television Canada in English and Radio-Télévision Canada in French are precisely the same thing. This would simplify tremendously the identity of the corporation. It would facilitate advertising, printing and activities in other fields connected with broadcasting just as the title "Air Canada" has simplified the operations of Trans-Canada Air Lines. So, Mr. Chairman, I hope the amendment will carry with the word "television" included. At the same time, I have no particular objection to the elimination of the word "television", leaving the designation Radio-Canada.

Mr. Prittie: Mr. Chairman, I would not be in favour of this amendment and I think I should tell you why. I am certainly no francophobe, as most members know. I feel there are several reasons why we should not make this change. First of all, the matter should have been considered in committee and reported upon before we make a change of this type. I do not quite know how to put this. Whatever senses I have as a politician tell me that this would not be a wise move to make at the time. We should leave English speaking Canada some of its traditions and

the name, "Canadian Broadcasting Corporation", should remain.

Mr. Aiken: In so far as the proposal is concerned, Mr. Chairman, I feel there has been insufficient public as well as private discussion to warrant a major change from the name "Canadian Broadcasting Corporation" in English and "Radio-Canada" in French. These names are fairly easy to handle and there is no misunderstanding of what is meant. "Radio-Canada" is brief and appears to be acceptable. "Canadian Broadcasting Corporation" is certainly well known. Fundamentally, I believe that the suggested change has been thrown at the committee perhaps too quickly. I understand there was some discussion in a general way in the standing committee but no decision was made. I feel the introduction of the amendment at this time would not be expedient.

Mr. MacDonald (Prince): Mr. Chairman, perhaps I could add an additional word. First of all, I should like to say that I feel these changes we make from time to time are admirable. I refer to those attempts we make to see that the public designations used for our various corporations are compatible in both languages so they are easily understood either through the use of initials or the actual words. However, I believe we should not forget that we are all extremely sensitive today about creating as much understanding, as much communication, between our two major language groups as we can. I believe we may be bending too far backwards in these attempts. It strikes me that, while we are very anxious that we shall sufficiently accommodate each other, we should not forget the advantages we have in having two different language groups. It is because of that I feel we want to retain some of the unique flavour that situation creates.

There is a certain sense of diversification now for French speaking Canadians when they talk about Radio-Canada and for English speaking Canadians when they talk about the C.B.C. I think that as more and more Canadians, hopefully, will have the facility to communicate in both of our major languages it will become more important that we be able to refer easily to what is happening on Radio-Canada or what is happening on the C.B.C. There may be some advantage, therefore, in retaining some distinction for Canadians between these two parts of our national communications system. We might be creating more confusion in future years as people wish to have made available to them, in the terms of the bill, full communications services in both networks. I can see that we may be creating some confusion in the future if we simply designate the Canadian Broadcasting Corporation by the new term Radio-Television Canada. On the other hand, if we retain these traditional terms I think we will make it easier for Canadians to recognize the unique flavour embodied in what is a totally Canadian experience.

Mr. Mackasey: I have listened to the short but very impressive contributions made by the hon. member from the New Democratic party and the expert on broadcasting fom Prince. I feel that the points which have been raised are very important, though perhaps they are less impressive for me since I have lived so long in the French milieu. Perhaps we are not ready for this type of amendment, so in order to expedite the passage of the bill and not introduce a new element of controversy at this late stage, at the same time recognizing that there was no preparation for this type of amendment, I request permission to withdraw it.

The Assistant Deputy Chairman: Does the committee give the hon. member permission to withdraw the amendment?

Mr. Aiken: Before the amendment is withdrawn, I hoped to get some indication from the minister as to her feelings about this amendment.

Miss LaMarsh: I do not want to slow down the passage of the bill either. I have a number of names for the C.B.C., but it is the people's network and I would be happy with whatever the committee wants to call it.

The Assistant Deputy Chairman: The amendment is dropped.

Clause agreed to.

Clauses 34 and 35 agreed to.

On clause 36—*Management vested in president.*

Miss LaMarsh: Clause 36 was stood at my request in order that I might bring forward a short amendment. It will be followed by an amendment to clause 38. Clause 36 deals very briefly with the responsibilities of the president of the corporation and clause 38 deals with the responsibilities of the executive vice president. It has always been the intent of the government that the new legislation should make the clearest possible distinction between

the responsibilities of the two offices. We have been having a number of discussions since the meetings of the standing committee and it appears that some of the words in clause 36 are redundant. They may lead to ambiguity. I do not want any uncertainty about the fact that the president is the chief executive officer. Therefore I have asked my colleague, the Minister of Fisheries, to move an amendment.

Mr. Robichaud: I move:

That paragraph (1) of clause 36 be amended by deleting the words "has supervision over and direction of the work and staff of the corporation and the president."

• (4:50 p.m.)

Miss LaMarsh: Mr. Chairman, the effect of that amendment will be that the clause will simply state that the president is the chief executive officer of the corporation and shall preside at meetings of the corporation.

Mr. McCleave: Mr. Chairman, may I ask a question?

The Assistant Deputy Chairman: Order. May I put the amendment first.

[*Translation*]

It is moved by Mr. Robichaud:

That paragraph (1) of clause 36 be amended by deleting the words "has supervision over and direction of the work and staff of the corporation and the president."

[*English*]

Mr. McCleave: Mr. Chairman, I assume that under the second amendment this particular portion of the duties will devolve upon the vice president. Am I correct in that assumption?

Miss LaMarsh: Yes, Mr. Chairman. The amendment in regard to the vice president makes him responsible for his present duties plus such other duties as the president may lay upon his shoulders. That further phrase is added to the bill. I should like to have that amendment moved, though I do not think I can properly ask for that now.

Mr. McCleave: Mr. Chairman, I was going to ask whether we could have both amendments before us; that would make it much easier.

The Assistant Deputy Chairman: Does the committee give leave to have the amendment moved?

Some hon. Members: Agreed.

Mr. Aiken: Mr. Chairman, might the amendment be read rather than put? That will not put us in a bind on the motion.

The Assistant Deputy Chairman: That was the suggestion of the Chair.

Miss LaMarsh: Mr. Chairman, I will just read the proposed amendment; I am not yet moving it. My colleague the Minister of Fisheries will move an amendment to clause 38 (1) in order to add the words "and for such other duties as the president may assign to him from time to time". This will make it clear that the president is not limited in his responsibilities and that any one of those duties may be passed on to the executive vice president in regard to anything he might undertake both to his advantage and to the advantage of the corporation.

Mr. McCleave: Is the hon. lady equating the words "supervision over and direction of", the words she intends to delete in clause 36 (1), with the words "the management of broadcasting operations" to be found in clause 38 (1)? Do the law officers of the crown feel that the words that are going to be deleted in clause 36 (1) are taken care of in clause 38 (1)?

Miss LaMarsh: Mr. Chairman, the law officers have indicated that this point is covered by the words "chief executive officer". They were, of course, consulted when this amendment was being drawn.

Mr. Prittie: I have one comment on this amendment, Mr. Chairman. The idea of the statutory appointment of an executive vice president seems a little odd. The clause provides that he shall be appointed on the recommendation of the president and with the approval of the governor in council. So presumably he is a person in whom the president will have confidence and they will work together, as they should.

I might have had an answer to this question previsouly but I am not sure. What is the purpose of mentioning the executive vice president in the statute? If that phrase were not in the bill presumably the directors of the corporation would determine what subordinate officers the president needed and would make provision for their appointment. Why is an executive vice president provided for by statute?

Miss LaMarsh: Mr. Chairman, generally speaking, when you divide responsibilities legislation does provide for a chief officer and

also for one who is given special direction. I think the situation was much clearer when in draft form they were called the chairman and the general manager. The change of the title to executive vice-president makes the situation look somewhat odd under the circumstances, but his role is still the same. It will be recalled that provision for a vice president was retained because in the structure of the C.B.C. there are a number of vice presidents. It was felt that that title was needed because of the close interchange there is with United States corporations where vice presidents are so much a part of the corporate terminology.

Mr. MacDonald (Prince): Mr. Chairman, I have a couple of points to raise on this question. It seems to me that in trying to clear up some of the difficulties which previously existed in the operation of the corporation we may have created others, partly, I think, because we have had to use the term "executive vice president". I for one was never very enthusiastic about the way in which the upper hierarchy of the C.B.C. was structured. It seems to me that apart from other things this has created part of the problem.

Some of the difficulties have been relieved by separating some functions into these two distinct offices of president and executive vice president, but I think we are still leaving ourselves open to considerable problems. In spite of the fact that it may make some difference in status so far as United States broadcasting corporations are concerned, I really wonder at the validity of perpetuating this kind of terminology as against the very clearcut roles of president and general manager. I do not remember receiving a really satisfactory answer to this problem in committee and neither have I this afternoon from the minister.

Second, I should like some assurance from the minister about the danger that might arise if, for instance, the president found that he would have to resign before the end of his term. The executive vice president would take over his duties, but there might be an undue delay in the appointment of a new president.

Miss LaMarsh: Never.

Mr. MacDonald (Prince): I hope the *Hansard* reporter picked that up because I think this is critical. We did seem to take a long time to respond when Mr. Ouimet submitted his resignation; I believe well over one year elapsed. I think the fact that there was such a long period did a great deal to weaken the whole upper management structure of the C.B.C. The minister has said that this will never happen again, that there will be no undue delay, and I do thank her for that assurance.

Miss LaMarsh: I may not be here to make sure of that though.

Mr. MacDonald (Prince): That is true; the minister may not be able to assure us of that.

The other difficulty I see with the fuzziness that exists in trying clearly to delineate the functions of these two officers disturbs me, and I should like to see a clearcut use of terms such as "president" and "general manager". With regard to the recent appointments I think that even in the minds of the public there is still not a very clearcut idea of what are the functions of Dr. Davidson and Mr. Picard. That is unfortunate for them, I think, and it may be unfortunate in working out the top management structure of the C.B.C.

Amendment (Mr. Robichaud) agreed to.

The Assistant Deputy Chairman: Shall clause 36 as amended carry?

• (5:00 p.m.)

Mr. Stanbury: Mr. Chairman, no provision is made in clause 36 for the president of the corporation to be full time. I believe that somewhere in the bill there is provision for the chairman of the Canadian radio-television commission to be full time. There is no such provision for the executive vice president of the corporation, but the corporation is to set the terms of his employment, and I think we can entrust that decision to the corporation. It is incumbent on parliament to decide whether the president of the corporation shall be a full time president. We have not done so in this bill and I think that that oversight should be remedied. I move:

That clause 36 be amended by inserting therein the following as subclause (2) and renumbering the present subclause (2) as subclause (3):

"The president shall devote the whole of his time to the performance of his duties under this part."

Amendment (Mr. Stanbury) agreed to.

Clause as amended agreed to.

The Chairman: Clause 37 has already been carried.

On clause 38—"*Executive vice president*".

Mr. Robichaud: Mr. Chairman, I wish to move the following amendment to clause 38:

That paragraph (1) of clause 38 be amended by adding the words "and for such other duties as the President may assign to him from time to time".

Amendment (Mr. Robichaud) agreed to.

Clause as amended agreed to.

On clause 39—*Objects and powers.*

Miss LaMarsh: Mr. Chairman, this clause was designed to permit the C.B.C., among other things, to act as agent for any minister of the crown with respect to such broadcasting service as the governor in council may direct. The specific instance which was kept in mind was the international service of the C.B.C. Since the bill defines the objects of the C.B.C. in clauses 2(g) and 2(h), it was considered that for greater certainty it would be advisable to add at the end of the subclause under discussion the words "including the provision of an international service". Clause 39(2) would then read as follows:

The Corporation may, within the conditions of any licence or licences issued to it by the Council and subject to any applicable regulations of the Council, act as agent for or on behalf of any Minister of the Crown or as an agent of Her Majesty in right of Canada or of any province in respect of any broadcasting operations that it may be directed by the Governor in Council to carry out, including the provision of an international service.

I ask my colleague, the Minister of Fisheries, to move that amendment with respect to this clause.

Mr. Robichaud: I so move, Mr. Chairman.

The Chairman: Is it the pleasure of the committee to adopt the said amendment?

Mr. Prittie: This is agreeable, Mr. Chairman. I had prepared an additional subclause which would have served the same purpose as the amendment. What the minister suggests will serve the purpose pretty well. This matter becomes more important now in view of the change which was made recently in the financing of the international service.

The Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Robichaud) agreed to.

The Chairman: Shall clause 39 as amended carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would have something to say about clause 39(1)(m) which is one of those I have particularly at heart. This clause stipulates that the corporation has power to:

—subject to the approval of the Governor in Council, acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation.

Mr. Chairman, I believe, and the Secretary of State will agree, that the C.B.C. is given unlimited powers. The C.B.C. is authorized to become co-owner, shareholder or director of private companies which will become its subsidiaries and from which it will derive the same profits as private enterprise.

Mr. Chairman, clause 39(1)(g) states that the corporation has power to:

—publish and distribute, whether for a consideration or otherwise, such audio-visual material, papers, periodicals and other publications which may seem conducive to the purposes of the Corporation.

One of the purposes of the corporation is to make its programs known, thus the C.B.C. can advertise in the newspapers, and we see some of its advertisements regularly in *La Presse, Le Devoir, Le Journal de Montréal*, to speak only of French newspapers which I know and in which I see C.B.C. advertisements every day.

Now, what would prevent the Canadian Broadcasting Corporation, under clause 39(1)(m)—in order to achieve the purpose referred to in paragraph (1)(g) of the same clause—from buying those newspapers?

• (5:10 p.m.)

What would keep the C.B.C. from buying newspapers such as *La Presse, Le Soleil, Le Droit, Le journal de Montréal*, in short, any paper in which it now puts out advertisements, since clause 39 (1) (m) stipulates that it can:

—subject to the approval of the Governor in Council, acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that, is incidental or conducive to the attainment of the objects of the Corporation;

Moreover, subclause (1) (g) of the same clause allows the C.B.C. to:

—publish and distribute, whether for a consideration or otherwise, such audio-visual material, papers, periodicals and other literary matter as may seem conducive to the purposes of the Corporation;

So, Mr. Chairman, the C.B.C., with the $150 million it gets this year from the government, for very little—it must be recognized that this is just "peanuts"—can buy the newspaper *La Presse*. It would be easy for the C.B.C. to buy *Le Soleil* in Quebec or *Le journal de Montréal*, one after the other, since clause 39 (1) (m) says specifically that the corporation may:

—subject to the approval of the Governor in Council, acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation;

And not only newspapers, Mr. Chairman. What is there to keep the C.B.C., under this provision, from buying out competitive stations, under the pretext that this would be incidental or conducive to the attainment of its objectives. For instance, at the present time, and this has happened many times before, the C.B.C., with its cameras, is retransmitting to the CTV network or private radio stations, programs on the federal-provincial conference.

Then, what could stop the C.B.C. from saying: We shall buy that because it is "incidental or conducive to the attainment of the objects of the corporation", as provided in that clause?

What could prevent the C.B.C. from buying channel 10 in Montreal? What could prevent the C.B.C. from buying all the radio stations here and there, either in Roberval, Dolbeau or in Alma? The C.B.C. only has to say that under clause 39 (1) (m), it can:

—acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation;

Under that clause, the corporation can decide to buy all the small private radio stations anywhere, as well as private television stations. It can take over television stations and newspapers.

In the United States—and it is the hon. member for York-Humber who told me about it the other day—the large television systems are owners of baseball, football and basketball clubs. Now, what could prevent the C.B.C. from saying: "We broadcast two hockey games every week, the Forum has become for us a huge television studio where we have set up our cameras and where we produce a three-hour program each week. As we have to pay dues to the Montreal Forum and to the hockey club "Les Canadiens" of Montreal, we could as well take advantage of clause 39(1)(m) under which we are allowed:

[Mr. Grégoire.]

—to acquire hold and dispose of shares of the capital stock of any company and corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation;

Then, 45, 48, 50 or 60 per cent of the shares in the Forum as well as in the hockey club "Les Canadiens" of Montreal would be purchased. Then, Mr. Chairman, the C.B.C. would be acting like the CBS and the NBC in the United States when they became owners of football, baseball or basketball clubs.

Mr. Chairman, the situation is almost identical. At that point, it could as well buy all the hockey clubs in Canada. The C.B.C. is the only large system in Canada which would have the means to do so. In the United States, at least, there are several large networks, such as NBC, CBS or ABC, which share all this. In Canada, however, there is only one large network which has the means to buy all or the majority of the shares in that sort of organization.

Clause 9(1)(m) did not exist in the old act, but it is to be added today. Once the C.B.C. acquires the right to own shares in private companies such as other radio or television stations, or in large newspapers such as *La Presse* or *Le Soleil* in Quebec, or buy shares in hockey clubs under the pretext that this is incidental to the purpose of the C.B.C., which wants to show the Canadian public the best in sports, or in forums, arenas or coliseums which are now simply huge television studios, what will prevent the corporation from going further and saying: We are buying shares in such a company that produces films.

What will prevent the C.B.C. from reasoning in this way: We show on the air 15 or 20 full-length features; therefore, why not buy Warner Brothers, MGM or Paramount Pictures or else why not buy stocks in those companies? It is the government that is paying behind the C.B.C. and under clause 39 (1) (m) the corporation is granted that privilege and that power.

What would prevent the C.B.C.—it might seem funny in the case of MGM, Warner Brothers or Paramount Pictures—to take over small companies that produce television films in Montreal or Toronto?

It is a known fact, Mr. Chairman, that there are a number of small companies which are producing films and commercials for television only. What would prevent the

C.B.C. from taking over those small companies, those small owners who, not being able to count on the patronage of the C.B.C., would fall through or would be forced to sell their business at a ridiculously low price?

There are companies in Montreal which are producing just enough to subsist. The film industry is slowly starting to develop in Canada, and those small companies greatly rely on the C.B.C. But the C.B.C. would come along and take over a few of these, giving them all its patronage, driving the others to bankruptcy.

Moreover, if the C.B.C. decided to buy one of these film producing companies and become its main customer, that would mean entering into competition with another crown corporation, that is the National Film Board.

Under the bill, the C.B.C. is to be allowed

—to acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation;

Then, how many individuals could set up and promote such a company, rather than any other, because they hold shares in the said company. Furthermore, some farsighted employees—and that could easily occur —would acquire shares in these private companies, at the same time as the C.B.C., thus creating a danger of fraud.

Mr. Chairman, I think that clause 39 (1) (m) opens many avenues to the Canadian Broadcasting Corporation which will enable it to compete unfairly with many private businesses existing at the present time, which contribute their share of profit and which pay taxes out of that share of profit. The corporation will thus infiltrate into private companies, with the people's money, and it will compete unfairly in such a way that it is the government which will compete with private enterprise.

• (5:20 p.m.)

In fact, it is the taxpayers who will make up the deficits of the government agencies.

Mr. Chairman, before carrying on discussion of paragraph (n) it would be useful, I think, to hear from the hon. Secretary of State about the intentions of the Canadian Broadcasting Corporation with regard to that paragraph. It would be well for the hon. Secretary of State to tell us what field the C.B.C. wants to embark on, under this provision. Have projects been made?

I think that the hon. parliamentary secretary to the Secretary of State (Mr. Béchard) will answer the question for the hon. Secretary of State. Could we, at least, have an idea of the purpose to be achieved by that paragraph?

Mr. Béchard: Mr. Chairman, the Canadian Broadcasting Corporation has no purpose other than that referred to in this legislation and I think that we have discussed long enough the objectives and so on of the C.B.C.

If the hon. member will refer to paragraph (m) and (n) of subclause (1) of clause 39 of the present legislation, this is what he will find:

(m) acquire broadcasting undertakings either by leave or by purchase subject to the approval of the governor in council; and

(n) do such other things as the Corporation deems incidental or conducive to the attainment of any of the objects or the exercise of any of the powers of the Corporation.

Therefore, the paragraph (m) and (n) which are the subjects of the remarks of the hon. member for Lapointe are simply intended not to control or to crush private television stations which, as was said by the hon. member, are simply starting in business and do not make as much money as they might wish, contrary to the explanations and statements made by some hon. members of the opposition to the effect that television stations make a lot of money, but to better attain the objects of the corporation.

Nevertheless, as regards acquiring private stations, nothing will be done without the approval of the governor in council. Moreover, amounts of money paid by the corporation are voted by the parliament, as the hon. member knows. In fact, the corporation shall submit its yearly budget to the approval of parliament and if the hon. member has special cases to point out, we could obviously see the evil intentions he seemingly allows to linger as regards the Canadian Broadcasting Corporation. But, in any event, the corporation's powers are established under paragraphs (m) and (n).

Mr. Grégoire: Mr. Chairman, I wish to thank the parliamentary secretary for his explanations. However, it is the old act he was reading.

In the old act, which remains in force till the new act is passed, the section he has been reading to us differs from clause 39(1)(n) of

the new bill in that it is not mentioned that the C.B.C. can:

—acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the object of the Corporation."

Under the terms of the new bill, not only can the C.B.C. "acquire" shares, but it also "hold and dispose" of shares—and this was not in the old act. Thus the C.B.C. can become the co-owner of a private enterprise jointly with other individuals. Sometimes this can be twice as interesting. And it was not in the old act.

Mr. Béchard: Mr. Chairman, I believe section 29 (m) of the former legislation provides the following:

—acquire broadcasting stations either by lease or, subject to the approval of the Governor in Council, by purchase; and

I believe it can buy shares, movables and immovables. I believe this is sufficiently understood by the word "purchase". Paragraph (m) of the new legislation derives from the interpretation of that section.

Mr. Grégoire: Mr. Chairman, under the new clause, the corporation may acquire undertakings "either by lease or by purchase," but it also mentions that the C.B.C. may "acquire, hold and dispose of shares of the capital stock." This does not mean the purchase of a company, but it may very well mean holding 40, 50, 60 per cent of the shares of a company, whereas under the former act, the C.B.C. could buy a existing station. Now we are told that the corporation can become a co-owner. In addition, the former act mentioned "broadcasting stations," whereas the new legislation does not mention anything at all. Provision is merely made for the corporation to:

(m) ... acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation;

The new legislation goes much further than the former act, because it is not restricted to "broadcasting stations", but includes even newspapers and film companies. And, as I mentioned earlier, the corporation could become the owner of a hockey or baseball team as happened in the United States.

Mr. Béchard: Mr. Chairman, there will be only purchases capable of assisting the Canadian Broadcasting Corporation, as stated in the legislation, in the attainment of its purpose.

[*English*]

Mr. Prittie: Mr. Chairman, the hon. member for Lapointe is raising a storm about very little. I do not think there is any danger to the Montreal Canadiens, *La Presse*, Warner Brothers or any private enterprise in this country as a result of clause 39 (1) (m). As the parliamentary secretary has pointed out, this provision has been in the existing act for many years. I have looked at the act which governs the B.B.C. in the United Kingdom and it has a similar section. I would imagine that whatever act governs the O.R.T.F. in France also has a similar provision.

There are many safeguards. One is that the corporation has to satisfy the cabinet that it must spend money for certain purposes. Somehow I do not see the cabinet approving the purchase of Montreal Canadiens, even if they were for sale, or the Toronto Maple Leafs, and the cabinet is not likely to approve the purchase of any newspaper in this country and get away with it. I think this provision is in its right place. The corporation does need approval to do certain ancillary things. This provision has been in the law for many years and no one has managed to build a empire because of it.

[*Translation*]

Mr. Grégoire: Mr. Chairman, the hon. parliamentary secretary to the Secretary of State has just indicated to me that the contents of the new legislation is different from the old one.

The old legislation, as mentioned by the parliamentary secretary to the Secretary of State when he read it, allowed the Canadian Broadcasting Corporation to purchase "broadcasting stations". However, under the new legislation, the C.B.C. has the power to:

—acquire, hold and dispose of shares of the capital stock of any company or corporation authorize to carry on any business that is incidental or conducive to the attainment of the objects of the Corporation;

I have mentioned a hockey team because the large networks have found it an incidental business conducive to the attainment of their objects. Furthermore, they became the owners of the New York Yankees and other large baseball teams of the American League. Why did they deem it advisable to become owners of professional football clubs? That was incidental and conducive to the purposes of the corporation.

The hon. member for Burnaby-Richmond (Mr. Prittie) is right, for it is probably unlikely that the government would buy the Montreal Canadiens. I was just giving an example.

• (5:30 p.m.)

But under that paragraph, what would prevent, for instance, the directors of Warner Brothers from persuading the C.B.C. directors to buy 10 or 12 per cent of their shares? Not because they would need capital, but because through the establishment of tight bonds with the C.B.C., they would be in a more favoured position than other companies. That is where the evil lies.

I was referring to the newspaper *La Presse*, that the C.B.C. could also buy under this legislation, and I referred to paragraph (g), whereby the C.B.C. has power to:

—publish and distribute, whether for a consideration or otherwise, such papers, periodicals and other litterary matters as may be seem conducive to the purposes of the Corporation;

By publishing pages of advertising in *Le Journal de Montréal* or *La Presse*, or in the Quebec *Le Soeil*, could not the C.B.C.—which perhaps would not happen immediately with a newspaper such as *La Presse*, but could be the case with a small weekly or monthly review—suddenly encroach too much upon a field where, in my opinion, there is no reason for it to interfere at all?

The C.B.C. could acquire shares in companies which produce short films and commercials. It is a possibility and, in my opinion, that is the field into which the C.B.C. would find it an advantage to venture. But the C.B.C. will then find itself competing with another crown corporation which is already equipped to produce films, the National Film Board. Many small companies which would not have the competence necessary to give the results expected would disappear, and yet today, since the C.B.C. has not yet entered into this field, there are many small companies producing films for television.

Quietly, those small companies acquire experience, sign agreements with other international companies to acquire the necessary experience, and the Canadian film industry takes shape thanks to those companies which acquire more and more experience and merge for greater efficiency.

In my opinion, clause 39 (1) (m) is trying to interfere because from the day the C.B.C. decides to buy one of those small companies or 50 per cent of the shares, the said company will develop much more than the others, because the patronage of the C.B.C. will make up 80 per cent of its business and the film industry as a whole will suffer. That is why I feel that even if the hon. member for Burnaby-Richmond (Mr. Prittie) says that the C.B.C. does not intend to buy *La Presse* tomorrow or in five years, still that opens the door to the C.B.C. and enables it to buy small monthly or weekly magazines. It also opens the door to the C.B.C. to buy companies that produce films for stations which compete with it in the field of television and perhaps to get into the field of sports as some big American television networks have done.

It may not be a hockey team to start with, but perhaps a gymnasium. Then, gradually, the C.B.C. will deviate from its purposes and instead of realizing its objective, which is the broadcasting of programs, it will have as main function the maintaining of sport teams, newspapers, other television stations or film companies. Thus the C.B.C. would be diverted from its objectives.

That is why I would like to ask the parliamentary secretary, who agreed to answer my questions, whether something is contemplated at the present time, whether the C.B.C. or the Secretary of State want this paragraph to be included for a very definite purpose in the near future. Is something specified?

The parliamentary secretary shakes his head. Then, what is the purpose of that paragraph? Those are questions that should be answered. This is what I object to.

I do not object to clause 39 as a whole, but to paragraph (m).

Since I have not been given any explanation, not knowing where the Secretary of State wants to lead us to, where the C.B.C. wants to go, I think it should be deleted and, all the more so, since the parliamentary secretary tells us that nothing is being contemplated for the time being under that paragraph. Then, if nothing is anticipated, let us drop it.

Miss LaMarsh: Guess.

Mr. Grégoire: The Secretary of State tells me to guess. She knows very well that I do not know any of her secrets. All the same, it might be a good thing if she would give us a few explanations with respect to clause 39 (1) (m) and tell us if anything is contemplated for the near future in this connection.

[*English*]

Mr. MacDonald (Prince): Mr. Chairman, I should like to propose a very slight amendment to subclause (1) (g) of clause 39. During

the many meetings of the broadcasting committee over the past two years one matter was raised which I felt was never sufficiently satisfied. It is something which I think should be important to us in this place inasmuch as we all, I presume, have some sense of history. I have in mind the proper maintenance of documents, not necessarily written documents in most cases but rather recordings, films and videotapes which effectively portray the great events that take place during this period in our history.

I have been shocked to discover that the present facilities the C.B.C. has for the preservation of its various productions, both audio and visual, are very lacking. I have been told by some who are employed by the corporation that no consistent effort has been made to preserve in a systematic way the best materials that are produced from time to time so that they will be available for future generations or even available on a business-like basis for the production of programs relating to earlier films or recordings. Therefore I should like to move the following amendment to subclause (1) (g) of clause 39:

That 39 (1) (g) be amended by striking out the first three words and substituting therefor: "publish, distribute and preserve"

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. MacDonald (Prince)) agreed to.

Mr. Cowan: Mr. Chairman, I have some remarks I should like to make concerning subclause 1 (h) of clause 39. I propose to move an amendment to it. Under clause 39 the C.B.C. is given authority to collect news relating to current events in any part of the world and establish and subscribe to news agencies. When this new bill was being considered by the broadcasting committee I asked why the C.B.C., which is an arm of the Canadian government, had to be engaged in the business of collecting news in any part of the world and establishing a news agency. I was given the usual snappy answer without any background that parliament had so ordered. It simply happened that this bill was before the committee, that parliament had not passed the bill and that parliament had not so ordered.

I made reference to a speech made in Toronto by the newscaster Burke to the Toronto branch of the professional section of the journalistic fraternity, Sigma Delta Chi, in which he said in his new job, following Earl Cameron's move into limbo, that the C.B.C. was going to build up the greatest newsgathering organization in Canada. He said that the C.B.C. would not be satisfied to operate a second rate newsgathering organization but would build up the best newsgathering organization in Canada. That means at the expense of the taxpayers of Canada. Of course, that means nothing to Burke and I am certain it means nothing to the C.B.C.

• (5:40 p.m.)

Why should the taxpayers of Canada be asked to pay taxes in order to collect news relating to current events in any part of the world when such news events are and have been properly, adequately and correctly reported for many generations by members of the fourth estate? The newspapermen of this world have been gathering news since newspapers were first established, and when radio burst on the world in the early 1920's many newspapermen were quick to perceive the way in which it could be used to broadcast the news.

I have mentioned before that I was associated with the Toronto *Star* and radio station CFCA, which was the second radio station on the North American continent. We published news over CFCA which the Toronto *Star* gathered. The question was asked whether the Toronto *Star* could broadcast news over CFCA in the 1920's and 1930's which we were obtaining from co-operative newspapers in Vancouver, Victoria, Halifax and Winnipeg, when the contracts originally were that we could publish news so gathered co-operatively. The term "published" in those days was thought to refer to newspapers only.

The broadcasting of news over radio stations proved to be so popular that the Canadian Press, the granddaddy of all newsgathering organizations in Canada, decided at a publishers' meeting during a regular business session that they would sell the news they gathered primarily for their newspapers to radio stations and later to television stations, and a separate subsidiary company was set up called P.C.—Press Canadian, to distinguish it from Canadian Press—to sell news to the independent radio and television stations.

What in the name of heaven could a Canadian taxpayer, through the medium of the C.B.C., gather or learn about the news in any part of the world that is not now adequately covered by the newsgathering organizations which have been built up during the past 200 years? Why should the Canadian taxpayer be asked to engage in this private

enterprise business, bearing in mind that Canadian Press and Associated Press of the United States are both co-operatively owned? If you want to call these co-operatives private systems I presume there is nothing to stop you, but Associated Press and Canadian Press are co-operatively owned. They are not 100 per cent private enterprises as we now understand a private enterprise.

Why in the name of heaven, when Canadian Press is sending photographers and newspaper reporters to cover such things as the seizure of the Dutch trawler which we dragged into a Canadian port while the North Koreans were dragging a United States ship into one of their ports, should the C.B.C. be going to the expense of sending men down there to make photographs and write stories? I ask this particularly because this incident would be adequately covered by the newspapers in St. John's, Newfoundland, with the assistance sent to them by the district office of Canadian Press in the maritimes. Surely the approach of that Dutch trawler into St. John's, Newfoundland, harbour is going to look just the same to the newspaper reporters of the St. John's newspapers as it would to any C.B.C. type flown down from Halifax, Montreal or Toronto. The same people will be looking at the same scene, and that newspaperman who is going to send his dispatch to the newspaper in St. John's, where in turn it will be dispatched to all newspapers through the Canadian Press, will see exactly the same thing as the C.B.C. man. The C.B.C. picture of the boat coming into St. John's harbour, compared with the picture the local newspaper would take and make available to all newspapers in Canada through the medium of the Canadian Press, and to those television and radio stations that want to subscribe to their services, would be the same.

If the Canadian government, through the medium of the Canadian Broadcasting Corporation, is going to compete with the co-operatively owned Canadian Press news service why don't we compete with Eaton's in the department store field? If Mr. Burke is going to teach the Canadian Press, which means the newspaper publishers of this country, how to suck eggs, why does he not go to Eaton's to teach them how to suck eggs? Why pick on one long established commercial enterprise which has reflected credit on itself and brought the news of the world, the news of far-flung parts of Canada and the news around every corner to all Canada for these many years, to the complete satisfaction of the readers and the viewers?

When this matter was discussed by the broadcasting committee I was given a snappy answer, and I use the word "snappy" on purpose. I was told it was much better to have motion picture films grinding out on C.B.C. television stations than stills. If there was a flood in Dresden, Ontario, I was told it would be much better to have a film showing the water rising and receding in Dresden than simply having a picture flashed on the screen showing the main street of Dresden or showing the flood conditions as they had been in London, Ontario some years ago when there was flooding on the Thames. It is funny, when we are told that the C.B.C. must have an absolutely accurate presentation by films of the present day and present moment situation, that we are still being given coverage by privately owned television stations through the use of still pictures. Of course, those stations are saving money and the saving of money is far, far, from the minds of those in the C.B.C. Apparently the saving of money never enters their minds. The C.T.V. news service is quite satisfactory, and there are many people who watch C.T.V. in preference to C.B.C. because they prefer that news service.

I have mentioned before in this house and at meetings of the committee on broadcasting, films and assistance to the arts that the C.B.C., with the taxpayers' money, is trying to build up an operation in competition with the Canadian Press which is owned by Canadians. That ought to please the hon. member for Lapointe because there is no United States money involved in the Canadian Press. This service is all Canadian and it has a Canadian charter. Here we have the taxpayers of Canada being asked to compete in gathering news; yet the C.B.C. subscribes to the Canadian Press service although Canadian Press does not subscribe to the C.B.C. news service.

Paragraph (h) of subclause (1) of clause 39 gives the authority to this new body to establish news agencies. What right, in the name of heaven, has the Canadian government got to establish news agencies even in Canada when every corner of the country is now covered and the service is satisfactory? I suggest it is satisfactory as shown by the circulation figures of Canadian newspapers. Before somebody starts to scream that circulation is dropping let me point out that Canadian newspapers increase their prices from time to time and as they do so their circulation drops. People who have been buying two or three

newspapers stop getting the extra one. The fact that circulation drops does not indicate that the public has stopped relying on Canadian newspaper news services. This only indicates the play of the market-place, such as we heard about during the dispute about the new department of consumer affairs.

When Canadian newspapers are able to show an increase in circulation and revenue from their readers because the news service they are giving is adequate I see no reason for this government, considering the financial problems we have in the country, to spend hundreds of thousands of dollars in a competitive business such as newsgathering which is more than adequately covered in this country by the Canadian Press.

I have been told that we have to go to all parts of the world to gather news. We do not have to send people to Viet Nam at the taxpayers' expense and enable them to come back here and make off the cuff remarks which antagonize the United States government. I am sure you have never heard any Canadian newspaperman making statements like that. What does the C.B.C. do? All it asks for is money from the taxpayers to pay the expenses of employees travelling to all parts of the world so they can come back here and upset international relations which the Secretary of State for External Affairs has built up over many years. When these individuals shoot off their mouths we are told they are newspapermen and we cannot muzzle them. I am not suggesting that we should muzzle these chaps, but I do suggest the C.B.C. has no right to send these people to every part of the earth in order to obtain news which is made available to newspapers, radio stations and television stations by news services. Are we again going to throw our heads back and say we have to maintain a newsgathering system all over the world with the Canadian taxpayer paying for it, particularly when we compare it with the news service available to the public through the privately owned radio and T.V. networks?

• (5:50 p.m.)

I am not for one moment going to admit that the Canadian Broadcasting Corporation news service is as good, let alone better than, the news services available to those who are willing to look at American stations and listen to the newscasts that they give. Most of the people who listen to the Canadian news services rather than the United States ones do so simply because of the local Canadian news.

[Mr. Cowan.]

In the international field you have to go the American stations to find out what is going on in all corners of the earth because those big networks, having a very wealthy market behind them, are able to keep correspondents throughout the world through the media of the Associated Press, Reuters, Havas and the other news services that have been building up everywhere. Havas and Wolffe—I am mentioning names in the newsgathering world of 30 years ago for you to conjure with—have merged into world organizations like Reuters which today covers the world. The C.B.C. can subscribe to the Reuters service and they will get adequate reporting from any corner of the world, if they will not take the Canadian Press service which is in co-operation with Associated Press.

Reuters, as most of you must know, is in competition with Associated Press throughout the world outside the United States. In the United States they recently opened up a large number of offices, but not to compete with Associated Press. They made the frank statement when they opened these offices that they were doing so to supplement the news service of Associated Press if the radio service, television service and newspapers wished to subscribe. Reuters is privately owned and in the United States competes with the privately owned United Press International and the co-operatively owned private organization, Associated Press. There is no government money being poured down a rat hole just in order to gather news here and there.

The Canadian taxpayer is entitled to a little more say, surely, about the way in which his money is being thrown around by the C.B.C. Why any money should be spent on collecting news relating to current events in any part of the world, and establishing news agencies, is beyond the comprehension of anyone who reads the daily newspapers of Canada and realizes what a marvellous service they give in the collecting, gathering and disseminating of news.

I have an amendment in respect of paragraph (h) but before moving it I would like to refer to paragraph (m) about which the hon. member for Lapointe was talking. Paragraph (m) says:

> Subject to the approval of the Governor in Council, acquire, hold and dispose of shares of the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the corporation;

I have said before, and I say again, that this bill we are being asked to pass is the

finest piece of legislation ever introduced for the television and radio world of the past. Things are changing so fast in the radio and television world that if this bill goes through in its present form the operators in the television and radio world will not recognize it because they will be so far past it. The bill now before the transport committee, under the able chairmanship of the hon. member for Hamilton West—I refer to the Bell Telephone bill—will have a greater impact on the world of radio and T.V. in Canada than this bill when both of them are part of the legislation of this parliament. Some members snickered when the hon. member for Lapointe was referring to the fact that television station owners or television station companies themselves were purporting to own football teams, baseball teams and hockey teams. The classic case in point is the Columbia Broadcasting System which owns the Yankees. When these television systems buy up sporting teams they do it in order to have a built-in program of their own with which they can do as they like. It is some years ago that the Yankees were sold to the C.B.S. The interesting thing is there are teams all over the United States that are owned by local radio or T.V. stations. In fact, there are teams in the United States that are owned by television operators who are not necessarily broadcasting from the town in which the ball team is franchised to play.

Some years ago people were quite interested to learn that the Brooklyn Dodgers and the New York Giants were moving to the west coast. There was quite a bit of excitement also when the Boston Braves were sold to Milwaukee. Of course, the Milwaukee franchise has been moved from Milwaukee to Atlanta. These changes are being made all the time in the sporting world.

There is an influence bearing on these changes in the big pro teams that is not readily recognized by the general public or the sporting public. When the Giants and the Dodgers moved to the west coast there were no big, first rate ball games on the west coast that would hold audiences for the local T.V. stations. By bringing these teams to the west coast two changes were realized. The first was that the teams were on the west coast and could play home games for the benefit of home television stations and viewers. In addition, they added to the intensity of the competition in the United States in that people in San Francisco and Los Angeles, who never had any interest in big league ball on television when it involved nothing but the team from Baltimore playing Boston or Chicago playing Washington, became interested in the sport. People on the west coast yawned at many of the games formerly televised because there was no local interest in them. When teams were moved into these areas the local loyalty that followed added to the interest of the viewers and the audiences of the T.V. stations increased.

On the west coast Jack Kent Cooke not only owns the Los Angeles Kings, which is being operated by a former member of this house, that magnificent hockey player, Red Kelly, but he also owns the Lakers basketball team which has built up a tremendous reputation in the United States and has a tremendous following on television when its games are broadcast. This raises the question of professional baseball—

Some hon. Members: Six o'clock.

Mr. Cowan: Shall I call it six o'clock, Mr. Chairman?

The Assistant Deputy Chairman: Order. It being six o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Greenwood (Mr. Brewin), Education—request for federal assistance in teaching immigrant children, the hon. member for Kootenay West (Mr. Herridge), External Affairs—request for compensation for survivors of German concentration camps.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

• (6:00 p.m.)

WEST INDIES

SUGGESTED CLOSER ECONOMIC AND POLITICAL LINKS WITH ISLANDS

Mr. Heath Macquarrie (Queens) moved:

That, in the opinion of this house, the government should consider the advisability of taking an initiative in seeking to promote closer relations

with the former British possessions in the West Indies which have not yet attained independence and further that, if the residents of these islands so desire it, economic and political union of these islands with the Dominion of Canada be negotiated at an early date at the proper constitutional levels.

He said: Mr. Speaker, this is not a new subject for me. I note that on June 3, 1964, June 21, 1965 and June 22, 1966, I discussed this subject matter although in somewhat different phraseology. I am now discussing it in February, 1968, and I only wish I were discussing the subject on the spot rather than here in the capital of cold Canada. The difficulties of the day have been furthered by the fact I was trying to collect my thoughts against the background of the radio coverage of the conference over in the west block.

It is, I think, appropriate that I, not as a person but as a representative of an island, continue to be interested in the subject of this resolution. We islanders have many peculiarities, some people might say, but I think we have a feeling of special kinship for these residents of the former British West Indies. I have always had a special concern with the area because in my academic years I had many students from that part of the world, and of no group of students did I have a higher opinion than of those young people. I am happy that Canadian universities have established contacts that are worth while and lasting.

The area to which I am making reference in my resolution does not, of course, cover the whole of what we used to describe as the British West Indies but rather a smaller group of islands that are not fully independent and have not followed the path of Trinidad and Tobago, Jamaica and now the Barbados. I refer to the small islands with a total population of about three quarters of a million people and a total area even smaller than the province of Prince Edward Island. I am referring to those very small islands of St. Lucia, St. Vincent, Grenada, Antigua, St. Kitts, Montserrat and Dominica. People who drink either lime juice or rum will know about some of them at least. The area is tiny but the problems are great. There is a shortage of land, a shortage of skilled labour and at the same time a tremendous overpopulation, not to mention one of the great problems, the shortage of fresh water.

In many cases these islands have a sensitive dependence upon a one-product economy, a product which often occupies a precarious position in world markets. Generally, they have a very narrow resource base. The gross national product is low and wages are low but unemployment is high. Perhaps it is some of these latter statistics that make it possible for a maritimer in the Dominion of Canada to understand their problems. In other words, the situation of some of the people of these islands is serious as they press forward in a situation now more precarious because of political developments.

There are many problems facing our world today but one of the great problems is the disparity in the living standards of people. A hundred years ago Abraham Lincoln referred to his own country by saying, "No nation can exist half slave and half free." Can a world exist half affluent and half painfully depressed? The fractions, we know, are not precise because we know the world is not half affluent; the affluent part is a minority. I do not think the world can go on this fashion without repercussions. An enlightened people, an alert and sensitive member of the world community such as Canada is and proclaims itself to be, cannot be unaware of this sort of situation so near to us geographically.

These interesting little islands are, in a political sense, emerging nations. As political entities, of course, they are not new. In a real sense they are old communities. They have interesting traditions of British law and British institutions developed in a unique way in this unique and very beautiful part of the world. I need not, Mr. Speaker, detail the economic needs of these tiny islands. However, it is not exaggeration or condescension to say simply that both the economic and political viability of these small islands is most precarious. Sustained, massive action is required for their future stability, progress and prosperity.

The question which concerns us is, who should help and what help can be given? The United Kingdom has done much. The United States has helped. Canada has done a great deal and I am happy that the level of our assistance is rising. However, I believe that Canada is uniquely qualified to do much more in this area. Perhaps we in this area of the world could become a decisive factor in the efforts of these people for viability, both economic and political. We have close contacts with these people. Recently I read that 40 per cent of the tourist trade of the whole of what we used to call the British West Indies is made up of Canadian people. We have traded with these people over the years. Especially in the maritimes we have had close commercial contacts. We sold them our fish and

bought from them molasses and rum. I think we got the better end of the deal in terms of gustatorial satisfaction, if nothing else.

We are near to these islands. There are many parts of Canada that are closer to these islands than they are to many other parts of this dominion. Improved air service, and this I salute, is bringing us closer. In the field of transportation we are being helpful in providing improvements in air support of this area. There is much more we can do. Transportation facilities both by sea and by air can be vastly improved.

Another reason why I think we are uniquely qualified lies in our commonwealth membership. I am not yet prepared to accept the idea that the commonwealth is nothing more than a subject for effusive after-dinner speakers. I cannot but believe there is some vitality in this interesting commonwealth idea and ideal, to which Canada has given such great leadership since the days of Robert Borden.

• (6:10 p.m.)

In this context I think there is a chance to make a vital and real contribution within the commonwealth structure. It is interesting that in the constitution of the islands to which I have referred there is a reference to them being self-governing states in free association with Great Britain, with the United Kingdom looking after their external affairs and defence. Also in their present document is the indication that the islands may change from a free state in association with Great Britain to free association with any other commonwealth countries. The process by which this change in relationship may be undertaken is a relatively simple one and can be coped with by the local government. I hope that if asked Canada would gladly and generously accept responsibility for this external aspect of sovereignty, namely, conduct of external affairs and defence. Personally, I go as far as the motion goes and say we should be willing to offer, if the peoples of these islands desire it, not only economic union but political union.

I am not unaware of the problems that might be involved here, and I will not be deluded into believing that in some of these difficult problems of race relations our country has been as Simon pure as we would sometimes seem to be when we criticize and castigate others. I am aware of all the potential problems. But surely, if three-quarters of a million people living in so small an area were to reach out for us to help them in a massive way, even to this extent, I think it would be a shame and a disgrace as well as an indignity were we unprepared and unwilling to lend such strength as we have to assist them in their efforts toward a richer and fuller life. In any case, Mr. Speaker, if we do not reach the stage of seeing at an early day political union between Canada and the West Indies, then I hope we will do all we can this side of that development, and do all we can to aid them in the future.

I should like to close with a few words on the question of external aid to these islands. I am one of those who believe tremendously in the importance of our external aid program. When so many other aspects of diplomatic endeavours are running into great difficulty, frustration, anxiety, distress and disappointment, I still hold great hope for an enlightened external aid program.

At the same time, Mr. Speaker, I wonder whether a country such as Canada can carry on a meaningful program of aid to 65 countries scattered all over the world. In my opinion the Canadian external aid program could be described at the present time as offering too little aid to too many. I suggest it would be the better part of wisdom to concentrate on areas where our special kind of aid could be most effective. In this area where we do a job well let us do it thoroughly as well. Let us apply ourselves to aiding those areas of the world where, with well trained personnel, full discussion with the people involved and with the full understanding that is obtained by knowledge and contact with these people, thoughtful and intelligent long-range planning and follow-through can be brought about. Let us devote our finances and energy to this end. I have no patience with those people who say: "Oh, you have troubles enough in your own country, why try to save the world?" If we wait until we solve all our own problems we will sit passive, silent and useless forever in this world of ours.

Therefore, Mr. Speaker, I think we should establish a set of priorities, and for the reasons I have advanced this would be my first priority. I say this because of our history, our propinquity, our Commonwealth association, the indigenous need, and the opportunity for us to meet that need and perform a useful service to people facing great trials and difficulties that are inherent in their economic situation. As I mentioned earlier, Mr. Speaker, I was very happy with the meeting that took place in July, 1966, but much more needs to be done. We would delude ourselves were we to think for one moment that even with the improvements that have been made

in recent years we were measuring up not only to the demands but to our capacity to meet those demands.

There are in the maritimes some experts on the West Indies situation. One of these is Professor Fraser of Acadia University who has studied this question for many years. In an interesting report of a meeting which took place at Dalhousie University in 1966 there was a very pungent paragraph, reading as follows:

> A report carried in the *Financial Post* of June 6, 1964, said that "Ottawa has been slightly discouraged by the snappish tone some West Indian politicians have displayed." The wonder is, of course, that there has not been more of it. West Indian leaders increasingly look to Canada for leadership and material help. It is remarkable to me that they continue to do so. It is astonishing that West Indian leaders still accept Canadian promises of concern for, and interest in, the region. Canada has over the years given the West Indians little reason to take our West Indian policy seriously. Over these years we have promised the West Indies the moon. But so far we have given them only a very little green cheese. It is not nearly enough.

Professor Fraser's remarks are a bit cryptic. Since he has uttered them we have done more. But I say again, Mr. Speaker, there is yet much more to do. I hope we will accept the challenge and move forward with all the energy we can so as to meet generously and fully the calls for aid which come from these people. If that is done I think I can say that we will have rendered on the international scene the kind of service for which we are suited, the kind of service that a country which enunciates the principles that we enunciate should render.

Mr. Winch: Mr. Speaker, may I put a question to the hon. member?

Mr. Macquarrie: If I have time I will be delighted.

Mr. Winch: In view of the remarks of the hon. member about the West Indies I should like to ask him whether he does not agree that the parliamentarians of this House of Commons have already evidenced a keen interest in the West Indies in that the Commonwealth Parliamentary Association of which you, Mr. Speaker, are president, and the hon. member who has just taken his seat is a member, last year made a commitment which will be carried through—and I speak as the House of Commons vice-chairman of the C.P.A.—to invite 12 parliamentarians from the West Indies to visit Canada as our guests this year?

[Mr. Macquarrie.]

Does that not truly express the interest of the parliamentarians of this house and the other place in the West Indies problem and indicate that we seek some understanding of their situation?

Mr. Macquarrie: Mr. Speaker, if I have time to respond I would say most heartily that I think this is just the kind of thing that parliamentarians should be doing. I hope this example will be followed by others and that a greater exchange between our two peoples will ensue. I am happy that the hon. member reminded me of this; I did know about it and I salute it.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, may I personally join in this recommendation of my hon. friend from the maritimes. I think it is appropriate that he renew his plea for the West Indies because, among other reasons, of his long and proud association with Mount Allison University. Over the years Mount Allison, along with Dalhousie, Acadia, the University of New Brunswick—indeed, all the areas of higher learning where this problem is really understood—have shared basically in the thesis that has been so ably and eloquently propounded by the hon. member for Queens (Mr. Macquarrie). I feel that time may be running out, that while our leaders, federal and provincial, are in the confederation block discussing the unity of our own country a responsibility lies on Canada with respect to this sensitive and exotic part of the world.

• (6:20 p.m.)

My hon. friend from Queens spoke specifically of the eastern Caribbean region, and for good reason. I believe he mentioned Montserrat, Antigua, St. Lucia, St. Vincent and St. Kitts. I also wish to refer to the West Indies area generally because I think that as Canadians we have a large and unavoidable responsibility in the entire area.

If we were more conscious of our obligations and responsibilities elsewhere perhaps our problems at home would loom less large and might be more easily and generously resolved. I know it has been contended that we must avoid establishing any constitutional arrangement with any islands which might perhaps smack of colonialism or of a colonial arrangement. The point has sometimes been made that in our relations with the West Indies we should avoid playing favourites. In

my remarks I speak for myself and not necessarily for my party. A responsible representation, I understand, will follow mine. Speaking for myself, I believe that what has been suggested in this motion is wise and sensible and in the long run will benefit Canada at home and abroad.

Does this proposal present such a great challenge, really? The hon. member has put before us two proposals, one being, in effect, union or confederation. With that I concur. If such were accomplished the benefits of our advanced economy and our expertise in many directions would be made available to our close island friends. Is there room in our Canadian thinking and constitution for a province in the Caribbean? We should think about this seriously. The West Indian view has been ably put by H.O.B. Wooding, Q.C., who was called to the Middle Temple in 1927. He reminds us that overtures for closer Canada-West Indies trade relations were first made more than 100 years ago. At that time the West Indies were a chain of wealthy and strategic islands for the possession of which many a battle was waged. Indeed, in the history of the eighteenth century we find that the islands were regarded as more valuable than Canada. There were objections to economic and political movements tending to unite Canada and the islands, including the movement of free trade.

Less than 30 years later Sir John A. Macdonald appointed an adviser to himself on West Indian affairs and chose for the office Sir Francis Hincks, who had been formerly governor of Barbados. From Barbados a letter was sent by Sir Francis urging that Barbados be admitted as a member of our confederation.

The Leeward Islands also were active. Their solicitor-general, Mr. Henry Berkeley, in 1884 felt that the islands were strongly in favour of closer union with Canada. Seventy five years ago economic factors were sufficiently compelling to induce Canada and the West Indies to seek a closer relationship with each other.

I jump over to the Borden era. Professor Kenneth McNaught, in an article entitled "Should Canada 'Adopt' the West Indies", says that Francis Keefer, who was the Canadian parliamentary under secretary of state for external affairs, wrote to Borden as follows:

> Now is the time, it seems to me—

Wrote Keefer to Borden.

> —for the Canadian government to quietly bring up with the Home Government the advisability of suggesting to the West Indian officials the desirability of joining the Canadian Confederation.

He went on to say:

> I would dearly love to see you finish your term of office, in addition to what you have done, by adding to Confederation these British possessions in the West Atlantic.

Sir Robert Borden replied:

> The question of handing over the administration of the British West Indies Island to Canada or of having them formally annexed to Canada has been under discussion with the British government more or less during the past two years.

Of course, we are not now talking about any colonial arrangement. Heaven knows, we have learned too much about the agonies that result from such arrangements. But let us go back to the nuts and bolts of such arrangements. Let us look at the hard facts, and I am referring to what Canada is selling to the West Indies. We sell flour, fish, pickled and salted, motor vehicles and parts, meats, canned fish and fabrics as well as many other commodities, but these are the half dozen most important ones. What is Canada buying from the West Indies? We buy bauxite and aluminum, sugar, crude petroleum, juices, fruit, molasses and rum. It is clear that there is a great natural advantage in a relationship between two such complementary economic areas.

Most of us are familiar with the recent representation of Hon. John Compton, chief minister of St. Lucia. May I refer to an article which appeared in the *Globe and Mail* of March 4, 1967. The article reads in part:

> —the possibility of free trade between Canada and the Windwards was canvassed by John Compton, St. Lucia's chief minister, in Ottawa in 1965, and the idea found a warm response.

Elsewhere Sir John Compton says, "The islands are moving toward a political vacuum in the eastern Caribbean". Surely the people of North America have a great stake in freedom. This is a matter in which Canadians have an important share and a continuing concern. What is to be our contribution to an unstable world? Do we want our friends, who for many reasons cannot now look to Britain with the same confidence as before with respect to economic assistance, to feel that they are unable to rely on any real co-operation from Canada? The United States is too preoccupied to be responsive to the area's needs. Do we want these good people who

have been brought up with a language that is common to ours, whose parliamentary traditions, culture, system of jurisprudence and system of values are common to ours—and many of those in the area who have received higher education have received it in our Canadian universities or in the United Kingdom—to feel that they must now look elsewhere for assistance, as Cuba has done?

• (6:30 p.m.)

Sir, within the last few months we have gone through a very difficult study of our defence responsibilities and trends and we made a deliberate decision, with unification, to develop a highly mobile, elite force. Yet all the experts who talk to us about peace keeping say that such a force in 90 per cent of the occasions which can be foreseen will be used in tropical or semi-tropical conditions between 20 degrees north and 20 degrees south of the equator. How does Canada propose to train in the years ahead a highly mobile defence force? To me it is perfectly logical that we should seek, if not confederation, at least some close association with these neighbours, helping them to develop an infrastructure, helping them to improve communications, building them up, island by island, strengthening their economies and directing, as the hon. member for Queens (Mr. Macquarrie) suggested, far more co-operative attention to this area of the world in order that our aid might show some concrete result.

Could we not regard the British West Indies, as a great sociological workshop, where our country of 20 million people, the second richest in the world, seek to assist its friends, approximately four million people, living in a thoroughly delightful climate—the best, I am told, from the standpoint of human pleasure, in the world. Could we not so combine our affairs, so co-ordinate our enterprise and our efforts that we become, if not one country, of great comfort and assistance to each other?

If more Canadian dollars were diverted to this area—and we have been told that 40 per cent of the tourism in the West Indies is even now Canadian in origin—if we provided for our forces island training for a more effective defence posture, and if our economic assistance became adequate to this truly deserving people, then our aid could result, not in a lost cause but in a great success, simply because we had decided to use whole measures rather than half measures. I have personally every sympathy for what we are doing under the Colombo plan—I have a sister who was there for some time with her husband and children. We know, too, that the Governor General and others in Canada who have had anything to do with India or Pakistan appreciate how vital this program is. And yet, as Dame Barbara Ward has said, there is a great danger of dividing and dispersing our efforts under these aid programs to such an extent that they are less than meaningful. Here is a case where by reason of history, geography and common tradition we have an unmistakable responsibility throughout the Caribbean area.

May I mention another point which is always worthy of consideration? I am turning aside from the obvious advantage of being able to find within our alliance friends whose territories complement our rigorous winter northern climate. We know that the United States has benefited very greatly from its association with St. Thomas and the Virgin Islands. Who could question the great strength which has come to the United States by the accession to the union of the wonderful state of Hawaii. We know that the French islands of Martinique and Guadeloupe have gained greater strength by their common association. I wonder whether Canada is now big enough, as Duncan Fraser and so many other scholars have suggested, to assume her proper role in this area, and to cease taking a superior attitude toward others in the world who find themselves encountering racial problems and responsibilities. Last week I spent two days in Washington wondering how it comes about that we can be so critical of our neighbours who are now trying to do big things in the realm of sociology. Are we in Canada really serious when we talk about living in a country which is strengthened by diversity? I will not easily forget the occasion on which the great Marion Anderson came down to Queen's University to get an honorary degree. Leonard Brockington helped her prepare the message she delivered, but she did it in her own inimitable way. Among other things which were memorable and moving in her words to those young people was a quotation from a poem written by an unknown Jamaican:

> Dark people singing in my veins,
> Fair people singing sweet strains,
> And when I bow my head in prayer,
> I bow with dark hands, blue eyes, red hair.

As we go through these difficult days asking ourselves how we are to make confederation in Canada more viable during the next hundred years, how we are to reconcile conflicting views on these petty differences of

language, it seems to me the suggestion put forward so eloquently by the hon. member for Queens is one which, if followed, would make us a bigger, prouder, more generous and more united people.

Mr. Arnold Peters (Timiskaming): It is one of the idiosyncracies of the Canadian parliament that on one part of our premises we should be considering—probably not too hopefully—the difficulties which are dividing us internally, while at the same time we should be considering in this chamber a suggestion that Canada has now reached a stage at which we should take over some of the duties previously performed by Britain to the extent of assisting other parts of the commonwealth through programs and policies with which we have not been associated in the past.

I have always believed we should have a close relationship with the West Indies. As a Canadian coming from a climate which even here is regarded as northerly, I can see many advantages about having available to us a winter wonderland where our people can enjoy the sunshine and the sea. Tourist revenue is nowadays a significant part of national income. I can recall figures of several years ago showing that Canada was running a trade deficit approaching $400 million on its account with the United States alone. This seems an extremely high figure having in mind the large numbers of tourists from the United States whom we see coming here each year.

The adverse balance of $400 million arises mainly because of the climatic difference between the two countries. Those who go south to the sun are accustomed to taking holidays of longer duration than do their counterparts who visit northern areas at times when our season is favourable. Then again, Americans travelling in the north are accustomed to using our national parks at low rates; they bring their own pop and other supplies to last them during a two-week stay. Canadians travelling south are not so fortunate. For obvious reasons I see a great advantage in establishing a relationship with the islands of the Caribbean which would work out to our mutual advantage.

• (6:40 p.m.)

I am often surprised at the number of things we buy from the United States—items we could just as easily buy from other countries to which we could in turn export Canadian goods. Many of the purchases we make from the United States, if we made them from commonwealth countries with which we have close connections, could make a great difference to their balance of payments and economies. Canadian importation of bananas and citrus fruits from commonwealth countries could be significant to their economies, and yet not make so much difference to California and some of the other traditional supplying markets we have had over the years.

Such a step cannot be brought about merely by the wishes of the Canadian public. It must be by government direction and by close co-operation with these countries, after discovering what materials we have that we can exchange for goods that they can supply; and here I speak specifically of the Caribbean islands. I do not entirely agree with those who say we are now in a position to take in the Caribbean nations as part of the Canadian confederation. We do not know what the future of our confederation will be five years hence. It is quite probable that we will have something in the nature of a Suez canal running through part of Canada, and will have some difficulty servicing the maritime provinces without going through someone else's territory. Knowing this, and knowing that unless we are given more leadership than we have had in the past few years, it is foolish to talk about an economic or political union with islands far removed from the central areas of Canada. For this reason the government may not be willing to give consideration to this motion. However, trade and the exchange of tourists are matters which could be developed to the advantage of both areas.

The sponsor of the motion has discussed our role in the commonwealth, and I am in complete agreement with what he said on that topic. When I attended the recent Commonwealth Parliamentary Association meeting in Uganda I was surprised to learn how many commonwealth countries looked to Great Britain for aid when difficulties arose. It is true that Canada gives a small amount of money for such aid. I do not suggest that we can increase this amount at the moment. The reason that we cannot is that the average Canadian suffers from a lack of knowledge about external aid and its purposes.

I was also surprised to find out that aid given by the commonwealth, particularly by Great Britain, to newly developing countries was given with no strings attached. This contrasts with the American concept where you "don't give nothin' for nothin' ", where you want $2 returned for every dollar you spend,

and you want to see that $2 now. The Americans have never given aid to any country without telling that country how much it was indebted to the United States. Yet with all the aid they have given to Korea and Viet Nam they have been unable to win many friends or accomplish much in those countries. We, living in the North American environment, will have to steer a course between the British concept of aid and the American concept.

Each time the Canadian government makes a donation to a newly developing country I get four or five letters from constituents asking, "Why in hell should we be giving money to a country we never heard of, when our old age pensions are not high enough and our other benefits are not sufficient? Why not do something for us at home before starting to give money away?" These people do not realize that the money given to other countries will bring them a return, if the proper arrangements are made. These arrangements have not been made. We have never made trade arrangements with many of the countries that we assist.

When I was in Uganda I had the opportunity, if one wishes to call it so to spend some time in a hospital. The sheets on my bed were made in England. The medicines that were supplied were made in England. The bed cover was made in Scotland. The glucose, which came in a can, was made in Ireland. In other words Britain received some benefit from the aid it provided by developing trade with Uganda.

I am sure the sponsor of this motion is not unmindful of the fact that when we may give assistance we will also expect something in return. It is not enough to supply one doctor to a newly developing country. We should be able to supply a number of doctors, establish a hospital, and thus be able to say that the Canadian people are doing something in a particular locality. No missionary sent out to the mission field can expect support without being able to show to the church sponsoring him pictures of the church he has built, the people he is helping, and the concrete results of the contributions sent to him. The average individual Canadian on the street is unable to see any results from our foreign aid.

I do not see us giving the people of the Caribbean anything more than we are likely to receive from them. But I do see more trade being developed with the entire area, including Jamaica, Trinidad, Barbados and other places which were part of the West Indies. If they joined with us they could supply us with products that, because of climatic conditions, we cannot produce ourselves. In turn we could supply them with many goods they are unable to produce.

Obviously there will be problems ahead. At the moment we cannot even get along with the province of Quebec on two simple problems, one being the language problem, and the other the much more important one, that the province of Quebec has never really grown up and played its role in confederation. It is like an adolescent child which has reached the stage that it is able to go out and make a few bucks, and so says, "To heck with the family that raised me. I won't contribute to the pot. I want all this for myself." Obviously Quebec is not interested in becoming a "have" province within confederation, yet for a long time as a "have not" province it has been assisted greatly in a number of fields. This is a problem that we have not been able to solve.

In the circumstances we will not be able to take on the problem of the Caribbean for quite some time. Until we are able to solve the first problem we will not be able to solve the second. In Canada we have been Simon pure so far as racial problems are concerned, simply because they have not arisen. When there are only a very few people involved it is easy to say, "There will be no discrimination." All of us have known a few people of other races in various communities, and when they are few in number it is very easy to say of one of them, "Yes, I know Joe, and he is a pretty good guy". We can look at him as an individual and not as a representative of a class of people.

• (6:50 p.m.)

We have not had a problem similar to the Puerto Rican problem of New York, the Harlem problem or the ghetto problem of Detroit, but I believe Great Britain now is experiencing some of these problems and has not been able to solve them. This is something which must be considered if we are to extend full partnership to these islands, because this would mean that there would be an exchange of persons from the West Indies on a permanent basis who may be of a race and colour different from that of the majority of the general Canadian public. This is not an insurmountable problem; but we must reach a fairly high degree of sophistication before this partnership can take place, particularly with the political ramifications which to-date we do not seem to have been able to handle.

I believe the stature of Canada among the nations of the commonwealth would increase vastly if the government should accept this motion or give some study immediately to the feasibility of a very limited union of an economic nature. The government should consider the future implications of an economic and political union leading eventually to provincial status for the West Indies. I of course have not been to these areas. I have not spoken to many people from the smaller islands who might be interested in the type of proposal we are suggesting. However, since the Commonwealth Parliamentary Association has moved to bring a number of these delegates to Canada this year, I think the government would be well advised to consider discussing with them the possibility of at least this limited co-operation in an economic sense, and the feasibility of discussing political and provincial status arrangements.

In closing I should like to congratulate the hon. member for Queens (Mr. Macquarrie) for having raised this matter. I find it disconcerting that this type of motion should come from those of a conservative bent, when obviously it is something which is very progressive in outlook. I therefore doubly congratulate him. I am aware of the fact that the people in the maritime provinces have been much more interested in the expansion of Canada and have in many ways made a greater contribution to the stature of the discussions which take place in respect of the development of our nation, than those in other parts of Canada, including my province, who have always been more interested in what they can get out of the association than what they put in.

I hope arrangements will be made immediately for the expansion of export aid, and that this will be done in a meaningful way so that the people who receive it will be aware of the friendliness of the Canadian public behind the gesture. Those people in turn will be able to bring to the attention of the Canadian public, through their acceptance of the aid, the fact that this type of aid is mutual. While we may be in the position of supplying the dollars now, the benefits of the dollars in helping other countries to develop will bring greater rewards to the Canadian public as the years go by, through trade and co-operation in the commonwealth arrangement.

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I should like to say a few words on the motion of the hon. member for Queens. Last year and in previous years the hon. member has had a motion of a similar nature promoting closer relations with the West Indies. Last year I seized the occasion to discuss the Patrick proposal for a better Canada-West Indies relationship. Since that time some of the islands have reached independence and the Canada-West Indies conference has taken place in Ottawa.

Barbados, Trinidad and Jamaica now are full fledged independent commonwealth nations. Antigua, Dominica, St. Lucia, Grenada and others are independent states in association with Great Britain. However, as the hon. member for Queens pointed out, the constitution of these associated states permits the islands to change from a free state in association with Great Britain to a free state in association with another commonwealth country. This could be done by a very simple procedure. Some of the other islands such as Montserrat and St. Vincent are still possessions of Great Britain, having an administrator who is appointed, not elected.

As a result of last year's conference Canadian external aid to this area of the world has been greatly increased. The Canadian government will spend a minimum of $65 million in the next five years. There will be special assistance to the local university, aid in radio communications and aid in airport extension. The premiers and leaders of the islands consult and co-operate in the promotion of these projects.

The proposal for a new Canada-West Indies relationship deals mainly with the so-called little eight islands of Barbados, Antigua, St. Kitts, Montserrat, Dominica, St. Lucia, St. Vincent and Grenada with a total population of about 700,000. Under the proposal Canada would assume the role of senior partner and would invite the islands to join us in a monetary and customs union. Canada would provide for their defence and external affairs representation.

Mr. Speaker: The hour for the consideration of private members business has now expired. I do now leave the chair. It being seven o'clock the house will resume the business which was interrupted at six o'clock.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to

enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: It being seven o'clock I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of the whole on Bill C-163, an act to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions.

Mr. Cowan: Mr. Chairman, when the committee moved into private members business at six o'clock I was discussing clause 39 of the bill with particular reference to paragraphs (h) and (m). I have an amendment to paragraph (h) which I shall move in a moment, because if I should move it now I would be unable to comment on paragraph (m).

Earlier I pointed out that financial interests acquire sporting organizations such as hockey, football, baseball and basketball teams, because of the cost of obtaining rights to cover programs on television and radio stations, if they have such stations under their control. Many people may think that this is unbelievable, but it is the fact. Many of these teams we follow through our newspapers, radio and television stations, are owned outright by radio and television personalities, for the reason I have mentioned.

As I have said before, this act is the greatest radio and television act one could imagine for the benefit of investors in radio and television, and if it is accepted it will have the greatest effect on sporting activities the world has ever seen. Teams are being bought up by these organizations. I should not like the public to think that for the rest of time we are going to be able to sit in our living rooms anywhere in North America and watch first class hockey games and first class world series ball games without having to pay. Many people can get hot and bothered about a C.B.C. installation forming a network to put these games into the homes of people throughout the country, but it is ridiculous to think we can force the people who have money to make all these big professional sports events available through an open broadcasting system without the viewers having to pay for the privilege of watching. Whenever money can be made in this way, the viewers must pay for the service.

We cannot continue for ever and a day to broadcast over the open airwaves the work of professional athletes such as the hockey players, football players and baseball players without compensating them for the entertainment they bring into the homes of the nation. It is all right for people to scream that these athletes are making more money now than they ever made before, because of television, but we must remember that the participants in those leagues below the top are still being paid peanuts. We all know of the Dallas player who was suspended for seven weeks because he looked cross-eyed at a coach. These professional players today use their sinew and muscle, and unless they share in the profits being made through television they will not go along with the distribution of these programs across the nation, as is the case in respect of the C.B.C. system.

Certainly the C.B.C. does not receive full compensation for the amount of money it spends to put these sports activities over the air. I could go on with this subject at some length, but I know my time is limited. Perhaps I will have something else to say following the remarks of another hon. member who may speak. In any event I should like at this time to move an amendment to paragraph (h) of subclause (1) of clause 39. I move:

That the words "collect news relating to current events in any part of the world and establish and" be deleted from paragraph (h) of subclause (1) of clause 39.

This would mean that the Canadian Broadcasting Corporation would have to get its news from newsgathering services available to them, including Reuters, Associated Press and Canadian Press. This will provide a little surcease for the Canadian taxpayer. Why should he be forced into this competitive newsgathering game when other newsgathering organizations are now providing this service? In any event I should like to move this amendment.

Mr. Winch: Mr. Chairman, before the dinner recess, and since, I have listened very carefully to the hon. member for York-Humber.

An hon. Member: Have you understood him any better than the rest of us?

Mr. Winch: I understand that he has a long and distinguished record in the journalistic

world, but for the life of me I cannot understand his half hour discourse on paragraphs (h) and (m) of subclause (1) of clause 39. His amendment is completely out of this world.

Mr. Walker: I rise on a point of order. Would it be possible to have the Chair read the original amendment moved by the hon. member for York-Humber so we will all know the relation of the hon. member's remarks?

The Chairman: It has been moved by Mr. Cowan:

That the words "collect news relating to current events in any part of the world and establish and" be deleted from sub-clause (h) of section 1 of clause 39.

Perhaps I should read again the words to be deleted. They are, "collect news relating to current events in any part of the world and establish and".

• (8:10 p.m.)

Mr. Winch: Mr. Chairman, if the amendment moved by the hon. member were to carry, it would strike out, as you have already read:

—collect news relating to current events in any part of the world and establish and—

If this were done, paragraph (h) would then read:

—subscribe to news agencies;

Just what kind of a C.B.C. would we have if that were the case? If this amendment were in effect now, it would mean that my hon. friend could not be interviewed out in the corridor on the stupidity or otherwise of his remarks in this house. It would mean that no member of the House of Commons or the Senate, or anybody who knows anything about what is happening in Canada that is of importance to the public, could be televised or recorded as to his views on the situation, because in the terms of the amendment the corporation could use only the news it obtains by subscribing to news agencies.

Mr. Cowan: You should see them on the private stations.

Mr. Winch: The hon. member says, "You should see them on the private stations", so he wants to completely discriminate between the public corporation and private stations. He would allow private stations to interview members of parliament, himself included, and gather news across Canada or anywhere else in the world, but not the corporation.

Mr. Cowan: Not at the taxpayers' expense.

Mr. Winch: For just how long would the public corporation maintain any audience, on that basis, Mr. Chairman? I am afraid that my hon. friend, with all his journalistic experience, has got himself into the narrow position of a straight, linotype, punch-board operation, not realizing—and I listened very carefully when he spoke prior to the dinner recess—that if his amendment were passed the corporation could obtain only still pictures from the news agencies. Or perhaps the hon. member does realize this.

I ask you, Mr. Chairman, and members of this House of Commons who watch the news on private stations or the C.B.C., is there not a fantastic difference between seeing a still picture on television and seeing a moving picture of what is taking place? Yet the hon. member for York-Humber wants this house to pass an amendment that will say that as far as the public corporation is concerned, in the reporting of news they shall only use a still picture supplied to them by reason of a subscription to a news agency. His amendment, if passed, would mean that we would not be allowed to see the motion, the activity, the emotion of what is going on.

The hon. member just now interpolated that the restriction he wishes to place on the corporation shall not be applied to private radio or television stations. He wants free enterprise in this area to use motion, emotion and the travelling scene. Private radio and television stations will be able to interview the hon. member and members of parliament, if this amendment is passed, but the public corporation shall not have that right. I see, Mr. Chairman, that my hon. friend is nodding his head, indicating that I am saying exactly what he has in mind.

Mr. Cowan: That is right.

Mr. Winch: This is the most retrograde, despicable proposition ever made in this House of Commons. There is no question whatsoever that this man is so far back in respect of current publicity and public relations giving the complete picture of what is going on, that I say that journalisticwise his views even pre-date those to which I referred a moment ago in respect of the installation of the linotype.

This amendment is so retrograde, so reprehensible, that any member of a progressive nature would be repudiated by the Conservative party, let alone the Liberals. This amendment should be rejected immediately.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. Cowan: Just one moment, Mr. Chairman. I will not take more than a moment or two of the time of the committee, but I maintain that Canadian taxpayers should not be assessed these millions of dollars to operate a news service in competition with the news service that is paid for by private enterprise, which does not cost Canadian taxpayers one cent. That is the whole basis of my argument.

Amendment (Mr. Cowan) negatived: Yeas, 3; nays, 47.

The Chairman: I declare the amendment lost.

Miss LaMarsh: Mr. Chairman, I think I owe it to the hon. member for Lapointe to very briefly speak to his comments with respect to paragraph (m). This provision is in the bill for a number of reasons, and I think it is very necessary having regard to the remarks made by the hon. member for York-Humber about purchasing football teams and sports groups of one kind and another. Two things must be realized in reference to this paragraph; first, that any purchase of shares has to be in connection with the capital stock of any company or corporation authorized to carry on any business that is incidental or conducive to the attainment of the objects of the corporation and, second, and perhaps of paramount importance, it is subject to the approval of the governor in council.

Therefore, Mr. Chairman, this is no thin edge of the wedge of an incursion into private business or attempt to take over from the film board or private enterprise, as has been suggested. Nor is it even suggested that any minor teams, let alone major teams, will be taken over by the corporation. It is a matter of efficiency. If there is a co-production agreement between the corporation and any film group, more likely those who invest in the soon-to-be established film corporation, this is an attempt to limit the liability of the corporation in that the responsibility involved would be only the loss or gain of shares and would not affect the partnership that obtains. Further, it is hoped there will be a more efficient use of moneys invested by groups such as a company that is set up to manufacture and use costumes for films, and things of this kind. It may be that a corporation would be set up specifically to film the classics of French and English literature such as those of Racine, Molière and Shakespeare, things that have not been done, and would sell abroad. One of the difficulties has been, not that the corporation has spent too much money but that it has not spent enough time and ingenuity to try to recover the money spent on the films it has made, by seeing that they would not be shown just in Canada but would be shown on English and French television around the world.

• (8:20 p.m.)

As educational television becomes more important, it is highly likely that corporations will be formed to film the classics which those corporations would be able to sell to networks around the world. The C.B.C. might have a desire to share in this because it could represent revenue to the C.B.C. I think my hon. friend, rather than being afraid of the things that might come to pass under this provision, might find it a stimulation to the provision of some moneys which will help the corporation get ahead, as it has not been able to do heretofore. I hope my hon. friend will be prepared to allow the corporation to try this new venture, since it must in every case get the money from parliament through the aegis of the governor in council, who must approve any specific engagement into which the corporation wishes to enter.

Mr. Grégoire: I have just one small question.

[*Translation*]

Mr. Chairman, I should like to ask the hon. Secretary of State whether the C.B.C. intends, under this clause, to share with Power Corporation the ownership of the satellites above the province of Quebec?

[*English*]

Miss LaMarsh: No, there is no such suggestion. It is quite obvious that in the international sphere, things like satellites, if there are to be satellites, will be specifically Canadian. They must be owned, not by the corporation or an agency of the government, but by the government and the people of Canada.

Clause agreed to.

On clause 40—*Corporation an agent of Her Majesty.*

[*Translation*]

Mr. Grégoire: Mr. Chairman, as regards clause 40, I have no objection to the principle here, but I have as regards the wording.

It states that the corporation "is an agent of Her Majesty". Subclauses (1) and (2) provide the following:

The Corporation may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Corporation.

Subclause (3) states the following:

Property acquired by the Corporation is the property of Her Majesty—

How is it that the Canadian people pay taxes and that all that will be the property of Her Majesty? That is what is written here:

Property acquired by the Corporation is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Corporation.

Subclause (4) reads as follows:

Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Corporation on behalf of Her Majesty, whether in its name or in the name of Her Majesty—

Could we not change that? I do not accept this term and, on the other hand, the term "Her Majesty" is not defined. Clause (3) that deals with interpretation does not refer to "Her Majesty". Therefore, I am categorically and vigorously opposed. Let us apply all this as mentioned in subclause (3):

Property acquired by the Corporation—

All that is acquired by the corporation is so acquired through our taxes and, in no case, in the name of Her Majesty. I cannot accept that.

I heard this afternoon extracts of the federal-provincial conference where objection was taken to similar expressions. I wonder if it would not be possible instead to say that the whole thing belongs to the Canadian people and not to Her Majesty. I am completely against that.

Mr. Béchard: There is no doubt that the hon. independentist member for Lapointe (Mr. Grégoire) is against that. What belongs to Her Majesty as far as the C.B.C. is concerned belongs to Her Majesty in right of Canada at the present time according to our constitution and it cannot be otherwise.

I think that the discussion could go on all night without getting anywhere with the speech by the hon. independentist member for Lapointe.

Mr. Grégoire: The hon. member for Bonaventure might think so. He has just told us that Canada and Her Majesty were the same thing; therefore, he is a royalist of the old days. He claims that Canada and Her Majesty are the same thing. I disagree.

This term gives rise to so many misunderstandings that I cannot accept it. Not too long ago, in the court of Quebec city, an individual was accused of having committed rape on a young girl. It was Her Majesty vs. Mr. So and So. The accused said: I do not know her. I never raped her. Yet, on the bill of his indictment, it was clearly written that Her Majesty was prosecuting him for a crime.

Here, it is said that everything will be the property of Her Majesty, and I protest. I am not here as a representative of Her Majesty, but as representative of the constituents of the riding of Lapointe, and when my constituents pay taxes, I do not want them to pay for things belonging to Her Majesty.

Mr. Béchard: Mr. Chairman, may I ask the independentist member what was the nature of the oath he took when he was elected to the House of Commons?

Mr. Grégoire: Mr. Chairman, I thank the hon. member for his question. I took it to Elizabeth II, Queen of England and also Queen of the Commonwealth. I am still prepared to be part of the Commonwealth, because until further order, it has not been proved harmful. I have no objection to Elizabeth II as Head of the Commonwealth. On the other hand, it is not what is said here. This clause provides that the immovables of the corporation, its electronic and other equipment, belong to Her Majesty, and I quote:

Property acquired by the Corporation is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Corporation.

I disagree on this point, Mr. Chairman, I cannot accept such a thing. I am quite willing to pay taxes to enable the C.B.C. to acquire property, because it is doing a good job, I agree. I see that my friend, the hon. member for York-Humber, is turning red and is about to rise. But, after all, I live in Quebec and not in Great Britain. If I pay taxes, it is not to turn everything over to Her Majesty. I prefer our taxes to remain in Quebec and in Canada, because, after all, it is our money.

If the hon. member for Bonaventure tells me: Ah, it is the same thing, Her Majesty in the right of Canada. If it is the same thing let us say so. The Canadians who pay for the C.B.C. do not belong to the Queen. Her Majesty did not pay a penny for that, so we have no business giving it to her. I protest

and ask for a vote on that, because I do not want the product of my taxes to go to the Queen.

This very afternoon, Mr. Chairman, I received the reply of the hon. member for Bonaventure to Question No. 863 on loans to England, on behalf of the Queen. In 1947, we loaned her an amount of $640 million which she has never reimbursed. She does not even pay interest and now the loan is worth $976 million. That country does not pay, it is in arrears. Well, if England does not pay, it does not follow that we should also give it the C.B.C. As for me, I protest; I am going to vote against that and I ask for a vote on this point.

Let us bring that back to Canada; let it belong to the Canadians or the Quebecers but let us stop giving everything we have to Her Majesty. No wonder we are poor and have nothing, we give everything away and we put it in the legislation. Long live the Queen. That will belong to Her Majesty.

I protest, Mr. Chairman, and I shall vote against it with both hands.

[*English*]

The Chairman: Shall clause 40 carry?

Mr. Cowan: Mr. Chairman, I should like to point out that since the hon. member for Lapointe voted against my amendment to clause 39, I cannot support him on clause 40. I can assure the committee that I realize it is self-evident that I cannot support him, and I do not need to explain my stand. When he states that he does not like paying his taxes to the Queen, I might say that being from Ontario I do not like paying my taxes to the Queen and then having her send my money down to Quebec in the form of equalization payments.

• (8:30 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to say that we are not getting the money from the province of Ontario; it is rather the province of Quebec, according to the official statistics provided by the hon. Minister of Finance in 1963, that is paying for the rest of Canada. Some of it is sent first to the rest of Canada and, then, to the Queen.

I protest—

[*English*]

The Chairman: Order, please. Shall clause 40 carry?

[Mr. Grégoire.]

[*Translation*]

Mr. Grégoire: No, Mr. Chairman, no. I am asking for the question to be put. I want to know who is a royalist and who is a Canadian.

An hon. Member: You are going to know.

[*English*]

Clause agreed to: Yeas, 55; nays, 1.

On clause 41—*Acquisition and disposition of property.*

Mr. Herridge: Mr. Chairman, I wish to ask the minister one question on this clause.

Miss LaMarsh: Mr. Chairman, my records indicate that clause 41 was carried previously. Is this not correct?

The Chairman: That is not in conformity with the records at the table. Clause 41 was stood.

Mr. Herridge: Mr. Chairman, I rise to ask the minister a simple question in view of an interesting experience I had. First of all, I must say that when this debate is over I think she should receive the Order of Canada for patience far beyond the call of duty in the national interest.

Miss LaMarsh: Instead of that I am getting less popular.

Mr. Herridge: Clause 41 reads, in part, as follows:

> The corporation may purchase, lease or otherwise acquire any real or personal property that the corporation deems necessary or convenient for carrying out its objects and may sell, lease or otherwise dispose of all or any part of any property acquired by it—

And so on.

It was recently brought to my attention what the C.B.C. in the field donated a quite valuable piece of property to some organization or persons. I understood that crown corporations had to declare any surplus they had and turn the surplus over to Crown Assets Disposal Corporation before it was sold. Would the minister explain to me at what level in the management of the C.B.C. authorization is required for persons in the field to give away property of the C.B.C.?

Miss LaMarsh: Mr. Chairman, I am afraid I cannot answer that. This provision is substantially the same as the one in the 1958 act. However, since it is the corporation which may purchase, lease or otherwise acquire, or sell, lease or otherwise dispose of property,

then it would have to be, if not initiated by someone at the lower level, at least approved by the corporation. The corporation in that case acts through the board and its senior officer.

Clause agreed to.

Clause 42 agreed to.

The Chairman: Clause 43 has already been carried.

Clause 44 agreed to.

The Chairman: Clause 45 has already been carried.

On clause 46—*C.B.C. to be proprietary corporation.*

Miss LaMarsh: Mr. Chairman, this clause and the one following it have created apparently a good deal of misunderstanding in connection with the financial provisions of the C.B.C. Since the two clauses are interrelated perhaps I might deal with them together; if not, I will deal with each individually.

The provision in the second of the two clauses is one for a five year operating budget for the C.B.C., but contrary to what seems to be the popular belief that would not in any way commit parliament to providing the C.B.C. with a five year grant.

It should not be forgotten that every single investigating body has recommended the essential importance of providing the C.B.C. with long term operational financing. That was the view that was also supported by the standing committee on broadcasting, films and assistance to the arts after it considered the white paper in which the government had said it proposed five year financing. It was and it still remains the intention of the government to submit a special financing bill to parliament, and that would be based on a formula. The formula has yet to be worked out.

Perhaps I should say something about the kind of formula that is contemplated. The Fowler committee recommended that the number of television households in Canada should be used as an index—so many dollars per household with television. It has also been suggested that it might be in the nature of a per capita grant based on total Canadian population.

The financing legislation, according to whichever formula it adopts, would stipulate that the operating requirements of the C.B.C. would have to be met by payments from the Consolidated Revenue Fund of so much per capita or per television household, or whatever the formula was. That amount would have to be paid out year by year in each of the fiscal years covered by the special financing act.

Unless and until that kind of special act is passed by this house and the other place, the C.B.C. will continue to have its operating requirements met on an annual basis through the normal estimates and appropriations procedures, even notwithstanding that clauses 46 and 47, as printed in this bill, were to pass.

With respect to capital budgets, clause 46 (1) provides that the corporation is a proprietary corporation within the meaning and for the purposes of the Financial Administration Act. Under that act all proprietary corporations are required to submit an annual capital budget, and the C.B.C., no less than others, would have to meet this requirement.

Clause 47 (1) would not nullify this requirement, since it refers only to a capital program and not to a capital budget. It is virtually identical, in effect, with section 35 (2) of the 1958 act. Its purpose, now as before, is to provide a framework for assessing the probable effects of capital expansion on the operating requirements of the corporation, and it is in no sense to be regarded as providing for a five year capital budget.

Nevertheless, Mr. Chairman, both in the committee and outside the chamber several hon. members have expressed very strong opposition to the idea of long term financing for the C.B.C., and it seems to me that there is very little advantage, after the length of time we have now spent discussing the various provisions of this bill, to waste further time arguing about a clause which does not make any real provision for payment of money to the C.B.C. It is already clear that the C.B.C will have to be financed in the customary way for the fiscal year 1968-69, because they are so far along in their financing, and there will be an opportunity for discussion after the estimates have been presented.

Next session the government will bring forward a C.B.C. financing bill. This will be after the new management has had an opportunity to review the plans of the corporation. Parliament will then have an opportunity to give full consideration to whether or not long term financing would indeed be in the public interest. I want to make it quite clear that it is still the government's intention to propose long term financing, not for this year but for the period thereafter.

Canadian Policy on Broadcasting

• (8:40 p.m.)

We should facilitate the progress of this debate if clauses 46 and 47 were to be dealt with separately. If that were done it would be necessary to delete clause 46(1), and I can explain why that is. Clause 46(1) says that the corporation is a proprietary corporation within the meaning and for the purpose of the Financial Administration Act. A proprietary corporation generally has an assured source of income. It has to submit an annual capital budget but does not have to submit an annual operating budget, since its expenditures are met from its assured revenues.

If long term financing were approved for the C.B.C., the corporation would have an assured statutory income; but until parliament has approved a long term formula for operational requirements, it is clearly necessary for the corporation to continue to submit an annual operating budget. Deleting clause 46(1) would enable us to treat the C.B.C. as an agency of the corporation until parliament has approved long term financing; and agency corporations are required, under the Financial Administration Act, to submit an annual capital budget and an annual operating budget.

Consequent on that clause 47 would have to be deleted; and I understand that my colleague, the Minister of Fisheries, is now prepared to move certain amendments with respect to clauses 46(1) and 47.

Mr. Robichaud: If the committee is prepared to accept changes to both clauses in the same amendment I move:

That Bill C-163 be amended by deleting clause 46(1) and clause 47 and renumbering subsequent paragraphs and clauses accordingly.

The Chairman: Order, please. It will be better to deal with clause 46(1), and then with clause 47 when we come to it.

Mr. Aiken: Mr. Chairman, in view of the minister's remarks I should indicate that the official opposition agrees to withdrawing or deleting clause 46(1) and clause 47. Clause 47 provided for a five-year program and it was felt that it would be unfair to have that. Had a five-year program been approved the budget would have had to make provision for it. Members of the opposition felt that this was too long a period for the spending estimates of the C.B.C. not to be examined in parliament. Members of the committee requested that this be withdrawn, and we thank the minister for co-operating.

[Miss LaMarsh.]

The Chairman: Shall the amendment to clause 46 carry?

Some hon. Members: Carried.

Clause 46 as amended agreed to.

On clause 47—*Five-year capital program.*

The Chairman: It has been moved by Mr. Robichaud that clause 47 of Bill C-163 be deleted and the subsequent paragraphs be renumbered. That amendment has been agreed to, and clause 47 is thereby deleted.

Clauses 48 (renumbered 47) and 49 (renumbered 48) agreed to.

The Chairman: Clause 50 has been carried.

Clause 51 (renumbered 50) agreed to.

The Chairman: Clauses 52 and 53 have been carried.

Clause 54 (renumbered 53) agreed to.

The Chairman: Clauses 55 to 60 inclusive have been carried.

Clauses 61 (renumbered 60) and 62 (renumbered 61) agreed to.

The Chairman: Clause 63 has been carried.

Clause 64 (renumbered 63) agreed to.

The Chairman: Clauses 65, 66 and 67 have been carried and Schedules A and B have been carried.

Clause 1 agreed to.

Title agreed to.

Bill reported.

EXCISE TAX ACT

Mr. Robichaud: Mr. Speaker, the Minister of Finance is on his way down to the house.

Mr. Speaker: Does the house wish the question to be put now?

Some hon. Members: Question.

Mr. Speaker: Mr. Robichaud, for the Minister of Finance, moves the second reading of Bill C-191, to amend the Excise Tax Act.

• (8:50 p.m.)

Mr. Fulton: We should like a statement from the minister in connection with this bill. It is some time since the budget resolution was before us. The relation between this bill, the budget resolution and the Kennedy round should be explained before we carry this item. The opposition is disposed to be co-operative and we are prepared to wait for the minister, realizing that this has come up at

short notice, but we are not prepared to carry the motion in the absence of any statement.

Mr. Robichaud: A few moments ago the Minister of Finance was informed that this bill was coming before the house, and he is on his way here.

Miss LaMarsh: At this point I take it the clock has stopped and that *Hansard* is not reporting. I wish to thank all hon. members, in proportion as they think they are entitled, for the co-operation shown during what I hope will prove to be the last legislation that I see through the parliament of Canada. While we were discussing that long and interesting bill many hon. members put forward their legitimate views, sometimes very vigorously, and while I did not always keep my temperature below whatever is boiling point at this altitude above sea level, I have tried to improve over the years, and once again I should like to thank hon. members on both sides.

Some hon. Members: Hear, hear.

Mr. Knowles: Mr. Speaker, is there any significance in the fact that the Secretary of State has made this speech from the Prime Minister's seat in the house?

Miss LaMarsh: Not yet.

• (9:00 p.m.)

Mr. Knowles: I wonder if I might offer a suggestion, Mr. Speaker. I think we are all agreed that we are about a day or two ahead of where we thought we would be. There are some very important things on various television programs tonight and perhaps it would not be amiss if we were to call it ten o'clock.

Mr. Speaker: Does the house agree to call it ten o'clock?

Mr. McIlraith: Mr. Speaker, an hon. member has gone to get some papers from his office with respect to the Fish Inspection Act and I think we should wait until he returns. We would prefer to wait a few moments. It is a very short, simple bill, and after dealing with it we could then consider whether to call it ten o'clock.

Mr. Knowles: In anticipation of that will someone check to see if ministers who will be answering questions on the ten o'clock show will be here?

Mr. Robichaud: Mr. Speaker, if the house is willing to take Bill S-27 I shall have very little to say on it. It is a minor bill, and I suggest that we revert to item No. 52 on the order paper.

Mr. Speaker: At the moment the house has before it for consideration second reading of the bill standing in the name of the Minister of Finance (Mr. Sharp). There would have to be unanimous consent to stand that bill until later this day, following consideration of the bill to which the Minister of Fisheries has just referred.

Mr. Monteith: Mr. Speaker, since the Minister of Finance is entering the chamber it might be advisable to carry on with the bill in his name.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Monteith: Before commencing with the bill standing in the name of the Minister of Finance perhaps the house leader could give us the business for tomorrow.

Mr. McIlraith: Yes, Mr. Speaker. The business for tomorrow will be the bills standing in the name of the Minister of Finance, as announced on Friday night.

Mr. Monteith: Those three bills?

Mr. McIlraith: Yes, the three bills.

Mr. Monteith: Does the minister expect these three bills to take the full day?

Mr. McIlraith: Mr. Speaker, I hope they will not take all day. Perhaps before the house rises tonight I could give further information.

EXCISE TAX ACT

Mr. Speaker: Perhaps I should put the motion again.

Hon. Mitchell Sharp (Minister of Finance): moved the second reading of Bill No. C-191, to amend the Excise Tax Act.

He said: Mr. Speaker, I wish to thank the house for reverting to this business. I came over as quickly as I could from a reception at His Excellency's in honour of the prime ministers of the provinces.

An hon. Member: Premiers.

Mr. Sharp: Premiers ministres. This bill is founded on the resolutions that have already

been approved by the house. It is essentially a very simple bill. I really have nothing to say by way of introduction on second reading but I would be very happy to answer questions when we get into committee and deal with the various clauses.

Hon. J. W. Monteith (Perth): Mr. Speaker, I agree with the minister that it is a very simple bill carrying out the terms of the resolutions. We have nothing to say on it at this moment.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am very concerned with the pronouncement that has been made, as I understand it, that the words "or pharmaceutical" are being deleted from the Excise Tax Act. I understand this is being done to exclude excise tax being charged on drugs. Yet a charge was made in the house the other day, and substantiated in the press, that the price of drugs are paying the same amount of there has been an increase in the price equal to the reduction in the excise tax. I think the minister should have something to say about this situation. This is no advantage to the Canadian taxpayer who was given this exemption, when at the same time the users of drugs are paying the same amount of money. There seems to be something wrong with the method of removing excise tax from pharmaceutical products, if this does not result in a reduction in the price of drugs.

• (9:10 p.m.)

I am sure that all Canadians were sympathetic with the minister's intention in removing the sales tax from these drugs and pharmaceuticals. However, if the result to the consumer is not a reduced price for drugs I can see very little advantage in the passage of legislation of this type. We have in effect eliminated any tax that was obtainable from this source and at the same time have not provided the protection which would ensure that the reduction in the tax would be passed on in the form of a benefit to the consumer. I would think the minister would agree, if this is the result of what has happened, that this has not been advantageous from his point of view and certainly must not be of any advantage to the consumer who buys these drugs and finds that the price is identical. In fact there is a suggestion that within a day or two one of the companies will raise its prices in an amount greater than the reduction in respect of the sales tax. I would therefore think the minister owes the house an explanation concerning whether or not some further steps will be taken to ensure that this saving is passed on to those who unfortunately must consume drugs in this country.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—

Mr. Sharp: Mr. Chairman, the hon. member who spoke on second reading of this bill referred to the effect of the removal of the sales tax on the price of drug products. In fact it has had a significant effect upon the price of drugs. Although I know of cases where the full advantage may not have been passed on, because we have no way to ensure that reductions in taxes are in fact passed on, from the information provided by the Dominion Bureau of Statistics I believe that the removal of sales tax on drugs did result in a significant reduction in the index of the prices of drugs. It is the intention of the government, of course, through amendments to other legislation under the jurisdiction of my colleague the Registrar General to take action which will promote competition in respect of the price of drugs, and therefore effect as large a reduction as can be achieved.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Special excise tax on wines.*

Mr. Peters: This is the clause, Mr. Chairman, which would have the effect of increasing the tax on wines by 2½ cents per gallon when they contain not more than 7 per cent absolute of alcohol by volume, and by 5 cents per gallon on wines containing more than 7 per cent of alcohol by volume. I should like to ask why this increase is not considerably greater than it is. It seems to me that the amount of money it will bring in is very small. If increased revenue is the reason for bringing in these increases, then they are insignificant. If the reason is to restrict purchases, then the amounts are insignificant. I believe that everyone will agree that an increase of 2½ cents per gallon on wine is a very insignificant amount.

Mr. Sharp: Mr. Chairman, in respect of the question asked by the hon. member, may I say that the purpose of clause 3 is to implement the November 30 budget resolution, the general purpose of which was to increase the price of wines in about the same proportion

as the increase in respect of spirits and beer. We did not look upon this as a major revenue source. We simply wished to keep the general increase in taxes proportionate over all in respect of beer, wine and spirits.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to direct a simple question to the hon. Minister of Finance.

How is it that following an increase of barely a few cents per gallon in the price of imported wines, certain liquor commissions increased their prices by about 7 per cent? What is the reason for such a price increase in the retail sale of wines?

[*English*]

Mr. Sharp: Mr. Chairman, I may say that while I was in a liquor store in Toronto about Christmas time I met a person who was very much involved in the provincial side of this undertaking. He was very glad that the federal government had given the lead, because it enabled the provincial government to raise a good deal more revenue from the sale of liquor and wines; I am not quite sure about beer. The provincial governments in some provinces at least took advantage of the occasion to make an adjustment in prices which they would have had to accept the full responsibility for had we not brought forward an increase in the taxes in advance.

The Assistant Deputy Chairman: Shall the clause carry?

Mr. Grégoire: On division.

Clause agreed to.

Clauses 4 and 5 agreed to.

On clause 6.

Mr. Schreyer: Mr. Chairman, this clause provides for the elimination, through refund, of the tax on building materials in instances where university student housing is constructed by an agency or organization that is wholly owned by the crown in the right of any province. I should like to ask the minister whether he has received any significant number of representations from university student organizations asking that a similar provision be made with regard to student housing constructed by student organizations on their own behalf. Is there some good practical reason it was deemed fit to make this apply exclusively to corporations owned by the crown in the right of the province?

• (9:20 p.m.)

Mr. Sharp: Mr. Chairman, I can say to the hon. member who asked the question that I have received many representations from organizations other than those mentioned in the clause, and they are under consideration. They have raised difficult problems in respect of distinguishing between student residences which may be organized on a co-operative basis and those which may not be wholly ancillary to the provisions of educational facilities. They also raised questions as to the difference of treatment between such organizations and those which provide housing for elderly people, or perhaps for other very good purposes. That is why the government did not feel at this time it should go any further than this present bill. I can assure the hon. member that these representations are under very careful consideration.

Clause 6 agreed to.

On clause 7—*Payments to certain establishments.*

Mr. Ballard: Mr. Chairman, clause 7 refers to refunding of taxes in connection with the provision of laundry and cleaning services, or linen supply services in hospital construction. This will be very welcome to those people involved in hospital administration. I have two questions to pose to the minister. The bill suggests that if the tax has been paid within two years and an application has been made for refund, it will be made. Does this mean that those institutions which have completed construction within two years prior to the passage of this bill will be entitled to the refund, and will a project that is now under way in respect of which a tax has been paid on some of the materials be eligible for a tax refund?

What is the minister's definition of the term "*bona fide* public hospitals"? Does this term preclude hospitals owned by nursing sister orders from being eligible for the refund, or does it include all hospitals eligible for grants directly or indirectly from the federal government?

Mr. Sharp: The answer to the first question is to be found in subclause (2) of clause 13 of the bill which reads:

> Sections 6 and 7 of this act shall be deemed to have come into force on June 2, 1967, and to have applied to all goods mentioned therein, whether purchased before or after that date.

I think that clarifies that point. I should like to consult with my officials with regard

to the second question. This is rather difficult to answer on the spur of the moment. I should point out that the wording of the bill, "*bona fide* public hospitals", refers to those certified as such by the Department of National Health and Welfare. These words have been in the act for some time. This is not something new. I cannot say whether an individual case such as my hon. friend has in mind would qualify. I should think that in a general way all hospitals that are operated by orders would be included. I am afraid I cannot say anything more than that in answer to the question; but these hospitals are certified by the Department of National Health and Welfare and I am sure lists of them can be obtained.

Mr. Ballard: I am not suggesting that the minister is trying to pass the question off, but I think there is a basic philosophy involved here. It is well known to many hospital administrations that there are a great number of hospitals in this country owned by nursing sister orders. They should not be referred to as particular instances because they are hospitals which are open to the public, although operated in such a way it is almost impossible to show them in a category separate from publicly-owned hospitals. Perhaps I can narrow the question. Can the minister say whether the words "public hospitals" mean those hospitals which are open to patients of the general public, or do they mean publicly-owned hospitals as opposed to privately-owned hospitals? This is such an important matter I think it should stand until the minister finds out from the Department of National Health and Welfare just what the situation is in connection with this particular type of hospital.

Mr. Sharp: I do not think it is necessary to stand the clause for the purpose of answering this question, because these words have been in the act for a long time. If any problems exist they have existed for a long time. We are not creating any new problems by this wording; we are simply using the definition already contained in the act in respect of the kind of laundry establishments that would be exempt from the payment of tax. Any questions the hon. member has about this are questions that could have been asked in connection with the existing legislation. This does not alter the impact of the tax.

Clause 7 agreed to.

Clauses 8 and 9 agreed to.

[Mr. Sharp.]

On clause 10.

Mr. Herridge: Mr. Chairman, I should like to direct the minister's attention to the implied contradiction between the policy of the Department of Finance and that of the Department of National Health and Welfare. This clause reads in part:

> Cigarettes and manufactured tobacco:
>
> (a) For each five cigarettes or fraction of five cigarettes contained in any package . . . three cents;
>
> (b) Manufactured tobacco, including snuff, but not including cigars and cigarettes . . . ninety cents per pound.

The Department of National Health and Welfare is carrying on a campaign to acquaint Canadian people with the danger of smoking cigarettes and the possibility of incurring cancer. At the same time the department has admitted that it has not been proved that cancer results from the smoking of pipe tobacco. Is there not some contradiction in these policies of the two departments, and cannot the minister do something to influence the Department of National Health and Welfare to campaign for a reduction of cigarette smoking by seeing that people smoking pipes pay a lesser tax?

Mr. Sharp: I should like to say to the hon. gentleman that I am a virtuous smoker of cigars. I do not think, for that reason, that I should be encouraged to smoke any more than I do. The concern of this particular clause is only one in respect of revenue. We are not trying to make a judgment regarding the morals or health of those who smoke.

Mr. Herridge: Not as the Department of Finance.

Mr. Sharp: Not as the Department of Finance. I think it is sufficient for the Minister of Finance to be concerned about revenues, not about the morals or the health of the population. I should think this is something which ought to be more the concern of the Department of National Health and Welfare. If they of course come to the view that I should use taxation for the purpose of promoting either morals or health, I should be very willing to listen; but I have not had any representations of that kind so I have been concerned only with the raising of revenues.

• (9:30 p.m.)

Mr. Rynard: Mr. Chairman, the hon. member for Kootenay West has very clearly pointed out the problem in this respect. This is an area in which the minister could have helped out the Department of National Health and

Welfare in its campaign against smoking cigarettes. When Walter Harris was minister of finance he imposed a tax and found that he cut down the revenue because it stopped people smoking. I agree entirely with the hon. member for Kootenay West and would like to see the minister get in touch with the Department of National Health and Welfare with a view to increasing the tax until it is an effective bar to people smoking.

There should be some meeting of minds in this respect. The Department of National Health and Welfare, one department of government, is carrying on a campaign to cut down smoking, and using advertising and all other means at its disposal, but the Minister of Finance is not aiding, abetting or helping them in any way by increasing the tax to a level that will discourage people from smoking. The hon. member for Kootenay West is on the right track. There should have been consultation on a matter as important as cigarette smoking by the general public.

Mr. Sharp: Mr. Chairman, I do not want to hold up the debate but I would point out that there are two contradictory objectives here. If I impose a tax that is too high, I will not collect any revenue. I was just imposing enough to be able to increase the revenue. That is the sole purpose of the tax imposed here.

Clause agreed to.

On clause 11—

Mr. McIntosh: Mr. Chairman, I would like to ask the minister for the definition of a farm wagon, particularly a four-wheeled farm wagon? What is the difference between a one-wheeled, two-wheeled or four-wheeled farm wagon? I ask this question because several years ago we tried to obtain an exemption for steel truck boxes. As far as we in the west are concerned, the term "wagon" is obsolete. Most of the farmers now use trucks. If there is an exemption for this type of container for eastern Canada, surely the same type of exemption should apply to the equipment used by farmers in western Canada. I refer to steel truck boxes, which are just as essential in western Canada for hauling gasoline and grain, because they can be washed out, and so on, as are the containers used in eastern Canada. Why is the exemption not given under the Excise Tax Act for this type of equipment?

The question of interpretation comes into this matter. I ask the minister this question because I understand that the Department of Finance is responsible for the provisions of the Excise Tax Act, that is, the wording of it, and the Department of National Revenue—or the roles might be reversed in this respect—is responsible for the interpretation of the wording. You can never get the two departments to agree on the definition to be applied.

I want to know what is the situation with regard to steel truck boxes for farming if an end use certificate has been given in respect of them, or if the term n.o.p., "not otherwise provided" as farm equipment is applied to them. I worked for years on this question and was promised that a change would be made. I wonder whether it is too much to ask that the term "wagons" be amended to include the words "and trucks", because there are many pieces of special equipment that can be put on trucks and which are used solely for farm purposes.

Mr. Schreyer: Mr. Chairman, I would like to support the submission made by the hon. member for Swift Current-Maple Creek, while the minister is perhaps still pondering the implications of the problem. It seems to me that in considering excise tax bills such as this our attention is often directed to matters of precise and small detail.

With regard to clause 11 I say to the minister that it seems a little inconsistent or incongruous that we should be making provisions for the exemption from sales tax of one class and kind of farm wagon which, as the hon. member has pointed out, really does not have very much significance in other parts of the country. Reference is made in this clause to the exemption of farm sleds from sales tax. I doubt whether this is a significant matter in many parts of the country. It may be in the Kootenays or Timiskaming, in northern Ontario, but certainly in large parts of the country it is not really significant.

I plead with the minister to give serious consideration to the request, which I am sure he has received on numerous occasions in the past two years, for clarification on the exemptability of farm steel truck boxes, and also that piece of equipment known as a hydraulic hoist, which is part of a farm truck box that is used in hauling grain. I am sure the minister is well aware of this question.

Mr. Sharp: Mr. Chairman, I am familiar to some extent with this subject because representations have from time to time been made both to me and the Minister of National Revenue. I would point out to both hon. gentlemen who have spoken, however, that this

amendment does nothing except add two words, namely, "parts therefor". It does not change anything else in the act. The section would read:

> Farm wagons, including four-wheeled farm wagons equipped to be tractor drawn and farm sleds; parts therefor and materials for use exclusively in the manufacture thereof.

Those words were there before, and all that has been added is "parts therefor" in connection with farm wagons. I am not in a position to deal with the technical point raised with regard to the definition of "farm wagons". All I can say to my hon. friends is that I will take their remarks as a representation for the next budget, when I will see that this matter is looked at again.

I was going to ask my hon. friend who is now responsible for housing whether he has anything to say about this question, but he says he is now free of responsibility for technical amendments and discussions in such matters as the Excise Tax Act. However, I can assure the hon. members that we will take this question into account when we are looking at the technical amendments for the next budget.

Mr. Rapp: Mention it when you go out west.

Mr. McIntosh: Mr. Chairman, I fail to see, then, why this clause is in the bill at the present time, unless it is to protect some special interest. When I discussed this question previously with one of the departments I was told that the word "wagon" when interpreted in the French language meant "lorry" and also "truck". But to get the two departments to agree on this matter is very difficult. In fact I have been unable to do so.

If the minister has gone to the trouble of changing the act to add just two words, surely he can go a little further and add the words "and trucks". There is nothing wrong with that unless, as I say, this is a special consideration for one specific type of product.

I was given by the department a copy of a picture which they said was a farm wagon manufactured by a particular company. If this amendment is to protect that type of transaction, I am opposed to it. In other words, in my opinion this clause is discriminatory. I suggest that the minister would be quite in order in allowing us to add the two words "and trucks" to the clause. This would completely solve our problem. It would require just a small amendment on the minister's part. If the amendment is not accepted, I cannot support the bill with this clause in it.

Mr. Sharp: Mr. Chairman, it is exactly because of the difficulty with regard to trucks that there has been some controversy in this matter. It was not the intention of the government to make such a broad change in the list of exemptions. This amendment is an addition of the words, "and parts thereof". It is only a change to provide an exception for parts for farm wagons and farm sleds which was inadvertently omitted when the method of exempting farm wagons and sleds was changed from a tariff item to a specific reference in this item in schedule III in 1963. It was in response to representations that the words "and parts thereof" have been added. It is a relieving section which does not add any tax. It relieves parts of farm wagons and sleds from the tax, and I am sure the hon. gentleman would not want to oppose that.

• (9:40 p.m.)

Mr. McIntosh: All I am asking is that the same provision be applied to farm truck boxes. Representations were made at that time or perhaps prior to the time representations were made with regard to these wagon boxes. We are not saying that truck boxes are a part of a truck. They are not made by the people who manufacture trucks. They are essential, particularly in the west, when there is so much rail line abandonment. Farmers have to haul gas and oil in the same box in which they haul grain. If it is a wooden box, then the oil seeps into the wood and it is difficult to get it out. If you have a steel truck box, it can be washed out easily. This is all we are asking for. Perhaps if the minister could insert the words "truck boxes", that would satisfy me for the time being.

Mr. Sharp: I can only repeat what I said before, Mr. Chairman. We will look at the representations made by the hon. gentleman. It is not my intention to amend the law in this way without further examination of the consequences. While I am not familiar with the details, I know that this question has been argued on a number of occasions. I hesitate very much to propose this change in the House of Commons without examining all the consequences. It is a very complicated question, and I will take the hon. gentleman's views into account when we are preparing the next amendment to this act.

Mr. Monteith: I do not want to interfere with the hon. gentleman's argument, but the hon. member for Swift Current-Maple Creek said earlier he had been making these representations for some time. His representations tonight may well be taken as just one more representation to be added to previous representations, and they all may receive the same treatment. I suggest there should be something a little more firm from the minister before we accept his assurance.

Mr. McIntosh: I was just going to add that the answer I received from the minister tonight was similar to the answer I received in 1963, or whatever year it was.

Mr. Benson: 1962.

Mr. McIntosh: The minister of finance of that day, who is not in the house this evening, gave me the same answer. He said he was going to look into it. Now, the addition of farm truck boxes does not seem far reaching. If the minister can explain why the problem is so involved, perhaps I can go along with him. Farm truck boxes have nothing to do with trucks. This is all I am asking. It is a steel truck box or steel wagon box. If the interpretation of the word "wagon" includes "lorry" as it does in French, then let us take that. As I said before, let the Department of Finance and the Department of National Revenue get together on what they mean in the wording of these tariff items.

The reference is to farm equipment, n.o.p., and the item could be taken in there. It could be taken in under an end user's certificate, or in any way the department wished, as long as the same privilege is given to western farmers as is given to the farmers who use these wagon boxes. As the hon. member for Springfield said, we do not know who uses these wagon boxes. I was under the impression a specific company was making these specific boxes for a specific purpose. I see one minister shaking his head, but I say that because I was provided with a picture of it. It was a patented box, and I do not see why that company should receive this type of protection.

Mr. Nasserden: Mr. Chairman, I should like to ask the minister if the farm wagons referred to here cover hydraulic farm wagons with grain boxes, all in one unit? Would the exception apply to things like that?

Mr. Benson: Mr. Chairman, as a former minister of national revenue, I should like to say that any minister who would try to answer a definition of this kind in the house without the advice of his officials as to what is specifically meant by "farm wagons", would be very foolish indeed. This has been a perplexing problem, and a problem that has been considered over a long period of time. It is a problem the department has tried to resolve, and we do the best we can for the western farmers, as we want to do. You have to come within the legislation as it is written, and changes have been made from time to time. They have all been relieving amendments in order to assist the farmers of western Canada.

Mr. McIntosh: The minister has said how difficult it is for a minister to explain this provision. If he would reflect for a moment, he would realize how difficult it is for a backbencher to try to convince the officials or ministers on this point, and try to get for the farmers of his area the same exemption as that enjoyed by the farmers of some other area. It is not difficult to understand what a steel truck box is or the purpose of it. It was the intent of parliament when this tariff item was inserted, since the words "not otherwise provided" appear in it, to cover farm wagon boxes. The item was put in years ago, and it has not been changed. We have made these representations, as has been said, since 1962 or 1963, and yet we received the same answer. Nothing has been done as yet. How are we going to get the change made?

Mr. Benson: Mr. Chairman, I should like to say that during the period I was Minister of National Revenue, which was several years, I do not recall having one letter from my hon. friend in this regard. I do not ever recall the hon. member coming in to see me and trying to define this thing or trying to help people in particular areas in order that all are treated the same. I can assure hon. members opposite that all the time I was Minister of National Revenue my door was always open. However, during the past three or four years I cannot recall my hon. friend coming in to set out the problem.

I cannot remember the hon. member asking the Department of National Revenue to make an interpretation so all people would be treated equally. I am sure the new Minister of National Revenue would be just as pleased as I would have been to have the hon. member, not merely get up and say something in the house about it, but come in and see the minister and his officials in an attempt to have a definition of what a farm box is, so we may

treat all people across the country exactly the same.

Mr. McIntosh: If the minister would go back to his files and get caught up on what happened in his department before he took over, he would find a file in his department at least three inches thick containing notations that I had been in to see the minister. If he would look through *Hansard* he would find that the last time this subject was discussed, when the hon. member for Davenport was Minister of Finance, two or three hours of the time of the house were taken up. If the deputy minister is asked, the minister would find I did spend two or three days with a constituent of mine, running between the Department of National Revenue and the Department of Finance trying to get agreement on what had been set out in the tariff item. Each department would say, "That is not the way we interpret it."

• (9:50 p.m.)

I do not know what more I can do as a backbencher to impress upon the ministers of these departments that there is a need here. This request has been repeated on several occasions. It has been a matter of correspondence between myself and other members and their constituent farmers, and I think it was the intent of parliament to exempt these things from tax. I think it is the minister's intent at the moment to exempt them from tax. Why the officials of the department have not brought this to the attention of the new minister is beyond me because there are many letters on file in connection with the requests that have been made.

I do not know how long we will have to sit here and wait after the minister says tonight, as ministers have said for years, that he will have to give this matter consideration. I do not know through what other process we in the House of Commons can go in order to bring about this change. I do not think there is any argument about it at all.

Mr. Benson: Mr. Chairman, I should like to say that I had no file on this question. I have spoken to my hon. friend about it once or twice. If there were files in the departments of ministers of the former government, as he said—

Mr. Monteith: There were ministers before you in your government. You have not been minister ever since 1963.

[Mr. Benson.]

Mr. Benson: The minister prior to me turned over his files, and there was no such correspondence. The hon. member—

Mr. Monteith: Mr. Chairman, on a point of privilege; the minister is trying to misrepresent the situation. The hon. member for Swift Current-Maple Creek mentioned that it was the hon. member for Davenport who was minister of finance at the time. The minister is trying to misrepresent things.

Mr. Benson: I am, honestly, not trying to misrepresent anything, Mr. Chairman. I was minister of national revenue, not minister of finance. I simply said that there was no large file on this matter, as far as I was concerned.

I think the way to resolve this is for my hon. friend to meet with the present Minister of National Revenue, to sit down with him and thrash it out. Then if the hon. member does not like the solution he can raise a fuss in the house about it. I am sure that the present Minister of National Revenue, as all ministers of national revenue in this government, will have his office open at all times to hon. members who wish to make representations. They will be considered, and if the hon. member is not happy with the solution he can bring the question up again and raise a fuss. But I can honestly say that I had no large file on this, and the only time it was raised when I was minister was when my hon. friend raised it with me casually.

Mr. Herridge: Mr. Chairman, I rise to correct an impression that the hon. member for Springfield may have given the minister when he suggested that farm sleighs drawn by tractors were unusual in his experience. These are used a great deal in the country from which I come. We do not farm horizontally; we farm some of our land at an angle of 45 degrees, but we use two types of farm sled drawn by tractors. One is used in the winter, with the ordinary type of shoeing for use on snow. Then there is another more expensive kind that can be used in the summer, and it has cast iron runners to enable it to run over earth satisfactorily. It is a great advantage to the farmers in my district to have the act provide that farm sleighs drawn by tractors are exempt from this tax.

Mr. Schreyer: Mr. Chairman, I want simply to say that I am not surprised at what the hon. member for Swift Current-Maple Creek said. He insisted that he did make representations to the minister. The former minister of national revenue was equally insistent that he

received no large number of representations on this subject. I would be very surprised if there were not at least a significant number because quite a number of farmers in western Canada, even in my own area, have expressed some dissatisfaction with the current status of farm truck boxes so far as sales tax is concerned. So obviously representations have been made.

I for one have made representations to the minister's department. I do not recall offhand whether I made representations directly to the minister or to someone in his department, but it was certainly to the department. As I recall, the reply I received was not very helpful. I judged from the contents that it was the intention of certain officials in the department to give consideration to my request that farm truck boxes of steel type be declared exempt from the application of this sales tax.

Since it is almost ten o'clock, Mr. Chairman, perhaps it would be helpful to the minister to hold this clause over until the next day's business, by which time, and without any great inconvenience to him, he might be able to report back to the committee and indicate in more specific terms whether or not it would be feasible and practical to include farm truck boxes within the provisions of the clause now before the committee.

The minister has said that this request may have certain far reaching implications. I, like the hon. member who has already spoken, find this difficult to conceive of, inasmuch as reference is already made here to farm wagons or parts thereof, which I take to mean farm wagon boxes. So just by a small extension of wording and redrafting, farm truck boxes could be included. The distinction between large farm wagon boxes and farm truck boxes is not really that great.

The minister has undertaken to look at this, and I assume that at the same time he will also check into the reasonableness or feasibility of the request that farm truck boxes hydraulic hoists be considered in the same light, as being exempt from the sales tax that normally applies.

I notice it is ten o'clock, Mr. Chairman, and I am wondering whether the minister is agreeable to take a look at this question between now and the next session of the committee.

Mr. Sharp: Mr. Chairman, as far as the Department of National Revenue is concerned I would be very happy to ask them for a ruling. If that is what the committee wants I undertake to get a ruling. I rather suspect though that if it is not in accordance with what the hon. member wants, he will want the act amended. If that is his purpose, it would take some time. However, if he just wants a ruling I will certainly give an undertaking that the Department of National Revenue will give one.

Mr. Peters: Mr. Chairman, would it not be possible to ascertain the implications, here? I am sympathetic to the minister and appreciate the advice to him of the former minister of national revenue, not to make a snap decision on this matter. I do not know how many of these boxes are imported into the country or how many wagons are being used, and I imagine the minister does not either.

I suggest that he take a look not only at the terminology, at what is meant by a farm wagon and whether boxes used on the back of a wagon for hauling grain are included, but also at the implications of this, if he is inclined to include boxes. If not too much change to the tax structure is involved, then it might be advisable to make the decision that will inevitably be necessary at some time.

• (10:00 p.m.)

Mr. Sharp: Since there will be another opportunity fairly soon to look at this matter and since there will probably be a budget this spring, I hope hon. members will give the minister an opportunity of considering this carefully and bringing forward, if he finds he can, suitable amendments. I really think, considering that I am not amending the act except to add the words "and parts thereof", that it is unreasonable that I should be expected to bring in an amendment on a matter which, had it been simple, would have been done some time ago.

I cannot give the undertaking that, come the next budget, the exemption will be extended, but I will give very careful consideration to the amendments, to clarify the meaning. I cannot say that the exemption will be extended in the way suggested here because I do not know what the implications are.

Mr. Monteith: I suggest that tomorrow would be the ideal time to give an explanation as to why that has not been done.

Mr. Nasserden: Mr. Chairman, before we conclude our proceedings I wish to ask the minister to bring in a definition of "farm wagons" tomorrow, so that we shall know where we stand with respect to amendments

to the legislation or other amendments that may be proposed. No doubt other amendments will be needed to fulfil our expectations.

An hon. Member: Ten o'clock.

The Assistant Deputy Chairman: As it is ten o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, tomorrow the house will be asked to consider item No. 53 on today's order paper, the bill to amend the Excise Tax Act; item No. 54, the bill to amend the Excise Act; item No. 55, the bill to amend the Income Tax Act; item No. 48, the bill to amend the Canada Deposit Insurance Corporation Act; item No. 47, the bill to amend the Currency, Mint and Exchange Fund Act; item No. 52, the bill to amend the Fish Inspection Act; item No. 49, the bill to provide for the dissolution of the Northern Ontario Pipe Line Crown Corporation; item No. 50, the bill to amend the Defence Production Act and item No. 51, the bill to amend the Patent Act and the Trade Marks Act. The items will not necessarily be considered in that order.

Mr. Knowles: What about tomorrow night?

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

EDUCATION—REQUEST FOR FEDERAL ASSISTANCE IN TEACHING IMMIGRANT CHILDREN

Mr. Andrew Brewin (Greenwood): Mr. Speaker, last Wednesday I asked the Minister of Manpower and Immigration to reconsider the government's refusal to share in meeting the extra expenses involved in giving special English classes to immigrant children. I took advantage of the rules to raise this matter again, as it is of great importance. The problem to which I drew attention has become acute in Toronto where, according to the chairman of the board of education, out of 29,000 immigrant children who need help only 11,000 are getting it. But it is a serious one in all major Canadian cities; I mention specifically the city of Montreal. It is my opinion that the government has been shirking its responsibilities in this field and sheltering beneath the umbrella of a false constitutional issue.

What are the facts? The Canadian government is responsible for immigration. It brings to this country thousands of skilled and other immigrants and in order to persuade these immigrants to come here, as well as on grounds of humanity and family considerations, it necessarily brings the children of those immigrants, most of whom go to our major cities. In the white paper on immigration in 1966 the government admitted responsibility for immigrants after they come to Canada, in the following words:

> People who come to Canada should receive the kind of services they need to start productive employment as soon as possible. They may need language training.

A little later we find this:

> Sufficient financial and personal resources will be made available to ensure that no immigrant may lack any help he may want in getting established.

As a matter of fact, the department of immigration does assist in providing English classes for adult immigrants. But when it comes to classes for children, the answer of the government is, no. In other words, children with special problems in acquiring sufficient English to fit successfully into our normal school system are perhaps being kept out of future productive employment or even handicapped for life.

What is the excuse? The excuse is that education is a provincial subject and that therefore the federal government cannot touch it. I agree that education is a provincial subject, but in the light of its responsibility toward immigrants it is perfectly proper and possible for the government to meet the special needs of immigrants before they move into the main stream of education.

I challenge the minister, or whoever is to reply, to tell us that Indian children and the children of servicemen serving overseas are not supported by the federal government, notwithstanding the so-called constitutional barrier. I assert that the only bar to helping these children is an imaginary and false constitutional difficulty. These children are in effect wards of the federal government. They have been invited to Canada and permitted to enter in conformity with federal policy. I call on the minister in the name of common sense, in the name of the basic immigration policies

of this government and in the name of basic fairness to those concerned, to reconsider his policy in respect to these immigrant children.

Hon. Mitchell Sharp (Minister of Finance): I do not feel I am sufficiently well-informed on the subject to reply adequately to the representations made by the hon. member but I will bring his remarks to the attention of my colleague, the Minister of Manpower and Immigration. As the hon. gentleman will agree, this particular minister is certainly not lacking in concern when it comes to matters of this kind.

I understand, however, that he has some doubt about the question of responsibility and jurisdiction, and that he has been in touch with the minister of education for Ontario. I am not sure what form these representations have taken, but it would not be because the minister himself does not recognize the human problem involved, or anything of that kind. He might feel the matter could be handled more effectively by provincial governments rather than by the federal government.

• (10:10 p.m.)

In these matters it is the results that count. It is better to work through the responsible government than to deal in a way that would only raise questions in the future. The main problem involved here is to see that these children are educated. I am sure that with this my hon. friend would agree.

EXTERNAL AFFAIRS—REQUEST FOR COMPENSATION FOR SURVIVORS OF GERMAN CONCENTRATION CAMPS

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, throughout the years, to my knowledge during the last 15 years at least, members on all sides of the house have received representations and letters from the representatives of various national groups in Canada who prior to coming to this country suffered in nazi concentration camps. I have a great deal of sympathy for these people because of what they have suffered. I think they are in a similar category to all other persons who suffered in these camps.

I have heard from them in Winnipeg, Vancouver, Toronto and Montreal. Quite recently I received another letter signed by the chairman and the secretary general of the Polish Political Ex-Prisoners Association in Canada, Inc., of 1087 Queen street west, Toronto 3, and it puts the question forward with more logic and sequence than I could manage in seven minutes. It reads:

Dear Member:

Twenty-two years have passed since the survivors of Nazi concentration camps were set free by the Allied armies. Many of them, due to the fact that their homelands were ruled by communist dictatorship, remained in western Europe, and eventually found their way to Canada, where they have established new homes, acquired Canadian citizenship and contribute to the development of this country.

The injury inflicted on many of them, however, has never been made good. The work of the Canadian War Commission, which concluded its activities before the bulk of the new Canadians arrived, has not benefited them at all. The German authorities, while in principle professing that every injury would be compensated, have only provided compensation for persons persecuted because of race or religion, while those persecuted for reason of nationality were promised only greatly reduced benefits, provided they were refugees on October 1st 1953 and provided that they suffered at least a 25 per cent disability. In practice one per cent of the claimants in this category has been in receipt of their meagre pensions so far.

For over 15 years the Canadian-Polish organizations and individuals have made representations to the successive Canadian administrations, bringing to the government's attention the plight of persons in positions who, due to hardship suffered and disabilities acquired during their incarceration are already, or likely to become, charges of the Canadian welfare organizations and a substantial burden to the taxpayer. It is only reasonable to expect that the country which perpetrated the atrocities and crimes ought to compensate the victims. As we have indicated, the results have been far from satisfactory.

In March 1965, a brief was submitted to the Prime Minister through the Hon. Paul Martin, Minister for External Affairs, by the delegation of the Polish Political Ex-Prisoners Inc., which represents over 1,300 persons (of 15 different nationalities, but the majority of which are of Polish origin) asking the government to take steps toward the conclusion of a bilateral agreement with Germany, and to obtain a lump sum payment in settlement of the claims by Canadian citizens or residents, who have not at all, or inadequately, been compensated by the German authorities.

The letter concludes:

As Canadian citizens we former prisoners of Nazi death camps are, in theory, entitled to all the privileges of a born Canadian, but in practice we are deprived of the protection of the Canadian government. As people who have fought and suffered for the Allied cause longer and more extensively than any others, we take the liberty of soliciting your support for our just claims.

The association demands that the administration:—

(1) Either concludes a bilateral agreement with the Federal Republic of Germany for the compensation for all Canadian citizens and residents who have suffered persecution but have not been properly compensated or—

(2) Enacts legislation establishing a special Canadian agency to deal with such persons and award

them pensions, retroactive to 1945, or enable Veterans Affairs ministry to award such pensions.

It is hoped that with your kind understanding and co-operation, our just cause may find a solution in the near future.

It was on that account that on February 1 I asked the following question:

Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I must say that in his brief absence he has been missed by us all. Has the government received representations from any organization representing Canadian citizens who are survivors of nazi concentration camps urging that a bilateral agreement be made with the federal government of Germany for the compensation of all Canadian citizens and residents who have suffered persecution but have not been properly compensated to date?

At that point, Mr. Speaker, you cut me down again as on previous occasions. However, I should like the parliamentary secretary when he replies to inform us what the government has done to date, and what it intends to do.

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like first to congratulate the hon. member for Kootenay West (Mr. Herridge) upon his concern, and also the hon. members for Parkdale (Mr. Haidasz) and Hamilton East (Mr. Munro) who have made representations and have shown their concern for the pleas of the people in this condition.

Mr. Speaker, the Polish Political Ex-Prisoners Association and the Canadian Polish Congress have made representations at several times urging that Canada enter into an agreement with the Federal Republic of Germany for the benefit of persons who were persecuted by the nazis during world war II. As these persons came to Canada only after world war II, they were not Canadians at the time of persecution and so were not eligible for awards from the Canadian war claims fund. In so far as a bilateral agreement with West Germany is concerned, there is a real legal difficulty involved since Canada has no standing in international law to represent these persons with respect to claims which arose before they became Canadians. Furthermore, the Bonn Agreements of 1952, and the fact that no peace treaty has ever been signed with Germany, also present difficulties.

I am convinced that in these circumstances the government can be of most assistance to these persons by making informal approaches to the German authorities and using our good office where appropriate in individual cases. This is the policy which has long been followed by this department. Our embassy in Bonn has had discussions on this matter with the German authorities on a number of occasions. The German authorities are fully aware of the desire of the Canadian government that they take as forthright an attitude as possible on the question of indemnification.

Moreover, our representative on the executive committee of the office of the United Nations High Commissioner for Refugees has spoken on this question a number of times. It should be noted, however, that West Germany has endeavoured to meet its responsibilities. The relevant West German legislation was liberalized in 1965 and a second fund was established with the office of the United Nations High Commissioner for Refugees in 1967 for the benefit of persons who had not been indemnified along the lines advocated by Canada and other interested nations. We shall of course continue to pursue with the West German authorities the possibility of any further measures which may be feasible.

I should like to assure the house that the Canadian government takes this question very seriously and makes every effort to assist these unfortunate persons who have suffered through no fault of their own from the acts of the nazi régime. We shall continue to use every opportunity to assist these people within the limits imposed by international law.

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Tuesday, February 6, 1968

The house met at 2.30 p.m.

EMERGENCY MEASURES ORGANIZATION

STATEMENT ON GOVERNMENT POSITION AS TO CONTINUED SUPPORT

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I would like to make a statement regarding the current position of the government in relation to the national civil emergency measures program. My reason for doing so is to clarify a number of misconceptions which have been reported to me to be arising across Canada in the minds of the public, and in the government sector as well, following the general statement made in the house by my colleague the President of the Treasury Board (Mr. Benson), on December 7, 1967, with regard to government proposals to reduce spending in this particular area.

Since that statement the government has approved a series of recommendations arising out of a detailed study by the Canada Emergency Measures Organization. The study took into consideration intelligence regarding the threat, recent developments in scientific and technical knowledge of nuclear hazards, and the desirability of reducing federal government expenditures.

The government will continue to support this important work but with a reduced budget, a streamlined organization and improved national management and co-ordination. Greater emphasis will be placed upon the acceptance by governments at all levels of civil emergency planning as a part of day to day government activity, and even greater reliance will be placed upon the capacity of existing government services to expand and to deal with a war emergency. This is a change from former concepts which envisaged the training of large groups of volunteers as civil defence workers.

While it is the government's purpose to reduce recurring administrative and maintenance costs, it is not proposed to proceed with the wholesale dismantling of existing facilities. Major systems such as the emergency broadcasting capacity and emergency government operating centres which have been developed over the past several years will be maintained, in a reduced state but in a condition that will allow their activation in short order in the event of a crisis.

Training will be limited to the necessary instruction required by officials, professionals and specialists who have been assigned to wartime responsibilities in shadow organizations.

The value of many civil emergency measures for war in peacetime disaster situation has been effectively demonstrated in Canada time and time again. While the federal government does not support emergency measures which are designed solely to meet a peacetime disaster, nevertheless it is accepted that the wartime measures we develop or assist to develop will be used to their full potential in peacetime disaster situations. Many provinces and municipalities have chosen in the past, and propose to continue in the future, to augment wartime emergency capacities with peacetime emergency programming funded entirely by themselves. The Canada Emergency Measures Organization itself has been charged by government to co-ordinate the initial federal response to any peacetime disaster situation which affects the federal government directly or in which the federal government is involved by provincial invitation, and will continue to meet that responsibility.

I have communicated the substance of our new approach to the provincial ministers responsible for civil emergency planning, together with estimates of the reduced federal financial support which will be available to assist provinces and municipalities in their emergency measures programs. Officials of the Canada Emergency Measures Organization met last week with the senior provincial officials involved from all provinces and have agreed upon the methods to be used to reduce spending in this field which at the same time will enable Canada to retain a viable national program of plans and emergency measures systems capable of rapid expansion to meet the possibility of a war which we hope will never occur.

Emergency Measures Organization

• (2:40 p.m.)

Hon. D. S. Harkness (Calgary North): I think we would all agree with the last sentence in the minister's statement, that the emergency measures organization was designed to meet conditions which might arise in the event of a war which we all hope will never occur.

I believe it has been apparent for the past two or three years that the government has been anything but enthusiastic as far as the emergency measures organization is concerned, and that it has been loath to co-operate with those provinces which have felt a real need for emergency measures operations within their jurisdictions. Now apparently it intends to withdraw a considerable proportion of the funds which in the past it has put up on a cost sharing basis with the provinces and the municipalities within them.

In my personal view this is a matter for considerable regret, bearing in mind particularly that some of the provinces have felt there was a real need for the emergency measures organization. I hope the announcement does not mean that the basic federal emergency measures organization is in effect to disappear. The hon. gentleman indicated that a good deal of the support previously afforded the emergency measures organization was being withdrawn but that viable emergency measures systems would continue. In other words, on one hand we are told that the organization is to disappear and on the other we are assured it will continue. I hope the minister actually means that the basic organization will continue to exist in an effective form.

Mr. T. C. Douglas (Burnaby-Coquitlam): The effect of the minister's statement is that substantial reductions are to take place in the emergency measures program. I presume that if cuts in expenditures have to be made, this is one of the areas in which they could be undertaken.

However, I should like to say that I hope these cuts will not be made in such a way as to adversely affect the training of civil defence workers in specialized categories. I believe there is a great deal of support for the minister's contention that much of this civil defence work can be done by existing government services. But within these services, in the provinces and in the municipalities, there is much to be said for programs of special training.

I hope also that the government will not lose sight of the value of training federal, provincial and municipal defence workers to meet civil disasters, bearing in mind that the organization is being used increasingly for this purpose. We have suffered many times from disasters of various sorts, including flooding of the kind now being experienced in Ontario; and usually when they occur we throw some makeshift organizations into being to deal with them. An organization which could be made operative within a matter of hours through federal, provincial and municipal co-operation to meet civil disasters is something at which we in Canada should aim.

The minister told us he was making this statement because some misconceptions had arisen with respect to the emergency measures program. I hope the minister will make a statement to the house fairly soon with reference to the Canada-United States agreement on emergency measures. There has been a good deal of misunderstanding and I think some misgivings about an agreement that refers to control of manpower and personnel, and about economic controls and economic priorities. If other members have been receiving letters as I have about the interpretation which people have put on this United States-Canada agreement on emergency measures, then I think some statement from the minister would be most appropriate fairly soon.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we listened very carefully to the statement made by the hon. minister with reference to his intention to reduce the funds allocated to emergency measures.

I hope, like the hon. members who spoke before me, that those cut-backs will not affect the studies or the training of civil protection staff. I know that, in a town near Ottawa, courses are given at the present time to the benefit of the mayors of municipalities, and some mayors in the province of Quebec attend those courses. I should like to see the number of civil defence schools, whose purpose is to help fight against disasters always possible in peacetime, not only maintained but increased, so that the province of Quebec too, would have a civil defence school.

I know that lately the secretary of the province met with the hon. minister. The minister said that no agreement had been reached with regard to the institution of a school in the province of Quebec, but he did not say whether or not negotiations were in

progress. However, I hope that they will continue between the federal and Quebec governments so that such schools may be established in Quebec with a view to training some people to fight against disasters which may occur anywhere in our communities.

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I listened with some interest to this page and a half of euphemisms which suggest that something that is being scrapped is not being scrapped at all. We might have wondered why cuts were being made with respect to the national civil emergency program. It was because the Minister of Finance and the Minister of National Revenue felt that any cuts made in that program would be almost invisible. If a poll had been taken on the streets it is likely that the result would have shown that people did not know what the national civil emergency organization had been doing recently, and thus the ministers assumed they could eliminate this program.

The timing is rather startling. This announcement comes when the federal government is reasserting its concern about many areas in the Canadian governmental structure, defence being one, and so it is surprising to find that civil defence can be let go so lightly. Recent developments in technical knowledge of nuclear hazards are such as to make anyone throw up his hands in horror; none the less there is much that can be done in the area of civil defence to combat those hazards.

So far as the suggestion is concerned that municipalities across the country will take up some of the slack, I would ask where we can find any municipality that would have any source of funds whatsoever for this sort of purpose, considering the financial strain the municipal level of government is under right across our country.

FINANCE

INQUIRY AS TO FINAL SUPPLEMENTARY ESTIMATES

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, may I ask a question of the Minister of Finance. Can he tell us when he contemplates presenting the final supplementary estimates to the house?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, it is the present intention to present both the final supplementary estimates and the main estimates for 1968-69 on Monday next.

NATIONAL DEFENCE

REPORT BY CANADIAN TEAM ON CRASH OF U.S. PLANE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources or, if he is not the proper person, to the Minister of National Defence. It has to do with the crash of the United States plane near Thule, Greenland a short time ago. I should like to ask whether reports are correct that a team from Atomic Energy of Canada Limited was sent to the site to make a report. If this is correct, has a report been made.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Unless the Minister of National Defence can answer, I am afraid I will have to take the question as notice.

Mr. Douglas: Mr. Speaker, may I ask the Minister of National Defence whether any committee, delegation or team was sent from his department to the site of the crash near Greenland?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I will have to take the same position as the Minister of Energy, Mines and Resources. I shall take the question as notice.

[*Translation*]

OLD AGE SECURITY

REPORTED DELAY IN RECEIPT OF SUPPLEMENTAL PAYMENTS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I intended to put a question to the hon. Minister of National Health and Welfare but, in his absence, I shall put it to his parliamentary secretary.

Numerous complaints have reached us to the effect that some old people did not receive, in January, the guaranteed income supplement to which they are entitled. Can the parliamentary secretary tell us if steps have been taken to pay this supplement in the near future?

[*English*]

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I certainly will check into this and report to the hon. member.

Inquiries of the Ministry

COMMONWEALTH RELATIONS

INQUIRY AS TO MEETING OF PRIME MINISTERS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Acting Prime Minister. In view of reports that the Commonwealth Secretary General in his talks with the Prime Minister of the United Kingdom strongly advocated a 1968 commonwealth prime ministers' conference, I wonder whether the government has made any statement or expressed an opinion in that regard.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am afraid I will have to take this question as notice. I have not seen the telegrams on this subject and therefore am unable to report to the house.

POLLUTION

TAX INCENTIVES TO PLANTS INSTALLING CORRECTIVE DEVICES

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to direct this question to the Minister of Finance. In view of the galloping increase in air pollution and the recognition by the minister of the situation in respect of water pollution by extending the accelerated 50 per cent cost allowance to January 1, 1970, will the minister now give serious consideration to the equally serious effects of air pollution by applying the same income tax cost allowance to expenditures made by industry in overcoming air pollution?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, similar questions were asked some time ago on this subject and I gave an answer at that time. The most general answer I can give at this time is that the matter is under consideration.

LABOUR RELATIONS

MONTREAL—INVESTIGATION INTO WATERFRONT PILFERAGE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address this question to the parliamentary secretary to the Minister of Labour. I should like to ask whether the government is about to launch a probe into the Montreal waterfront pilferage, as reported in the press, and when a judge will be named to head the investigation.

[Mrs. Rideout.]

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, when the terms of reference are completed in respect of such a commission and when a suitable judge is appointed I am sure the minister will make a statement in the house.

I may point out to the hon. member that the intention to establish the commission was announced last July when we were discussing labour unrest on the waterfront. The minister announced at that time that he would set up a commission with two mandates, or in effect two commissions. One became the Picard commission, which tied in job security with increased productivity. The second phase of the commission's role would be to investigate the causes of unusual labour unrest on the waterfront.

I should like to rephrase what I said about a suitable judge. I meant a judge who would be free at this time in view of the very heavy load with which judges in the province of Quebec are faced.

Mr. Ricard: This is the answer to my supplementary question.

Mr. Starr: Mr. Speaker, can the parliamentary secretary inform the house whether the inquiry is based on the promise of the Minister of Labour to the shipping federation that if settlement was made in respect of wage increases and job security, such a probe would be launched?

Mr. Speaker: Order, please. I do not think this question is in order.

TRADE

PROPOSED U.S. RESTRICTIONS ON WOOD PRODUCTS IMPORTS

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, yesterday the hon. member for Vancouver East referred to recent reports that a United States government committee is recommending a reduction in imports of wood products from Canada. The Department of Trade and Commerce has looked into this. It would appear that the hon. member for Vancouver East may be referring to a recent staff report by the United States treasury department. This report suggests a number of measures to improve the availability of logs for local processing in the United States Pacific northwest. These suggested measures do not include restrictions on imports of forest products. The

report recommends revision of United States forest management policies, amendments to United States coastal shipping laws, etc.

The Department of Trade and Commerce is actively studying the possible implications for Canadian exports.

SEARCH AND RESCUE

SUGGESTION THAT PRIVATE AIRCRAFT CARRY BEACON TRANSMITTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister, the Minister of Transport, following the question I asked on January 25. Has the minister any further information to give the house regarding regulations that would require private aircraft to carry rescue beacon transmitters?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. The department has advised that devices of this type are mandatory installations on aircraft operating in northern Canada and in isolated areas. The Department of Transport tries to encourage the installation of SARA beacons in all aircraft, but has not made their installation mandatory. The industry also favours their installation but has been looking to the government for some subsidization on the cost of installation. To date the department has not been in a position to recommend this.

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask the Acting Secretary of State for External Affairs whether he is now in a position to answer the question asked yesterday by the hon. member for Ontario concerning Canada's role on the international control commission on Viet Nam. Yesterday the minister took notice of this question.

Hon. C. M. Drury (Minister of Industry): Yes, Mr. Speaker. The hon. member for Ontario asked a series of questions regarding the current situation in Viet Nam and the Canadian government's position in that regard.

Let me first say and emphasize that his concerns are fully shared by the government. We have been following recent developments in Viet Nam with close attention on the basis of reports from our representatives in Viet Nam, in Washington and elsewhere. In the past few days our main and immediate concern has been the safety of Canadians in Viet Nam. We have neither planned nor been asked to undertake any new or different role as a result of recent events, the military and diplomatic significance of which it may take some time to assess.

As far as Canada's membership in the international control commission is concerned, the Secretary of State for External Affairs has on many occasions, both in the house and elsewhere, mentioned the concerns and frustrations we Canadians, no less than the military and civilian individuals who have served with the commission, have experienced in a very difficult assignment. At the same time the house will wish to bear in mind the fact that the international control commission is the one surviving institution formally provided for in the 1954 agreement to which both sides to the conflict maintain they would be prepared to return. This may provide in due course a basis for a new settlement.

In formulating the government's policies over the past two or three years, all these considerations have been taken into account and we cannot yet see any reason for changing them, dramatic and tragic though the events of the past few days may have been.

Mr. Nesbitt: In view of the answer of the minister and his observation that the government is particularly concerned with the safety of Canadians in Viet Nam, can the minister tell us whether any Canadians have actually lost their lives in Viet Nam during the events of the last week?

Mr. Drury: Mr. Speaker, as I think the house will recognize, communications particularly with outlying districts beyond Saigon and the principal centres have been very difficult indeed. We have been able to confirm the continuing safety of a great many Canadians, particularly those connected with the international control commission, but the safety of the remainder is still unknown. We have yet no information which would indicate that any Canadians have been killed.

GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT FOR 1966-67 CROP

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, on January 31 I directed a question to the Prime Minister requesting information as to the final wheat payments for the

1966-67 crop year. At that time the Prime Minister said he would make inquiries. In the absence of the Prime Minister and the Minister of Trade and Commerce, and in view of the necessity of the farmers receiving their final settlement, could the Acting Prime Minister or a member on the treasury benches give me a reply today?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I had a long prepared answer to this question yesterday, but it was not asked. I have left it in my office. The short answer is that the Minister of Trade and Commerce would like to repeat what he has already said to the house, that he will get this information from the wheat board in the first quarter of 1968. He has not got it yet.

COAL

REPRESENTATIONS AS TO DELIVERIES UNDER JAPANESE CONTRACT

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, can the Minister of Transport advise the house whether a decision has yet been made as to the port through which the coal shipments to Japan will move? Is it to be Roberts Bank or Vancouver?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the general plan is that they will be moved over the new port facility at Roberts Bank. With regard to shipments before the contract which has already been announced is in effect, they will probably be moved through the port of Vancouver on an interim basis.

Mr. Fulton: A supplementary question, Mr. Speaker. In the light of the questions asked and replies given yesterday, can the minister tell us whether in connection with this contract the authority to decide the route of shipments, as far as the railway that will be used is concerned, rests with the government of Canada or the government of British Columbia?

Mr. Hellyer: Mr. Speaker, my hon. friend is a member learned in the law. There are, I think, restrictions which could be applied by either side. I hope we will reach an agreement with all the parties concerned which will ensure that the all-Canadian route will be chosen, because we believe this is in the best interests of the Canadian taxpayers.

Mr. G. L. Chatterton (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I ask

[Mr. McLelland.]

the minister, is it the intention of the federal government to contribute toward the construction of the facilities at Roberts Bank?

Mr. Hellyer: Yes, very definitely, Mr. Speaker. It would be our intention to build the port facilities and then to co-operate with the provincial government in respect of the other developments necessary to begin a deep sea port facility there.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, this question is related. Roberts Bank is in my constituency. Has general agreement been reached between the Department of Transport and the provincial government as to the phasing and financing of this new port at Roberts Bank?

Mr. Hellyer: Not yet, Mr. Speaker. I will be meeting with the premier of British Columbia later today, and I hope that following this meeting the officials of the two governments can meet and work out the details involved in the development of the port and related facilities.

INDIAN AFFAIRS

CANCELLATION OF SCHOOL PROJECT, CAPE CROKER RESERVE

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, my question is to the Acting Minister of Indian Affairs and Northern Development. Will the minister investigate the announcement that the proposed separate school accommodation project at Cape Croker Indian reserve has been cancelled, and will the minister take the necessary action to have his officials reconsider this decision?

Mr. Speaker: Order, please. I suggest that the hon. member's question should be placed on the order paper.

CANADIAN PACIFIC RAILWAY

REQUEST FOR STEPS TO AVERT POSSIBLE LAY-OFFS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. In view of the concern of many shop workers of the Canadian Pacific Railway over the danger of a lay-off at Easter similar to the one that took place last Christmas, will the minister take up this matter with the management of Canadian Pacific Railway in an effort to head it off before it takes place?

Hon. Paul Hellyer (Minister of Transport): I will certainly be glad to pass on the hon. gentleman's representations to the railway.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO REVIEW OF CANADA-U.S. AGREEMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Industry. Can the minister advise us when he expects the review of the auto pact by the governments of Canada and the United States to be completed; and when it is, will he be making a report to parliament and will parliament be given an opportunity to discuss that report?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the review is under way at the official level. I would hesitate to forecast a date for its completion. When it is completed I can assure the house that a report will be made on the outcome of the review.

Mr. Starr: A supplementary question, Mr. Speaker. Will parliament have a chance to discuss this report? Will time be set aside in one way or another so we may discuss the report?

Mr. Drury: Mr. Speaker, that is for the house to decide rather than for me personally. I will make available the information, and the house can then decide what it wishes to do with it.

UNITED NATIONS

CANADIAN REPRESENTATION ON COMMISSION ON STATUS OF WOMEN

On the orders of the day:

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, yesterday the hon. member for Winnipeg North Centre inquired about Canadian representation on the United Nations commission on the status of women. I am not sure whether the hon. gentleman is aware that Canada is not a member of this particular commission and consequently, not having membership, has no right to representation. We do, however, take a continuing interest in its work through Miss Fletcher, who is a member of the Canadian delegation to the United Nations.

TRANSPORTATION

CONSIDERATION BY HOUSE COMMITTEE OF PROBLEMS OF ATLANTIC PROVINCES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of Transport. It relates to the proposed visit to the Atlantic provinces of the standing committee on transport and communications. There is some concern over the possibility of this session proroguing during the period of the committee's work. Can the minister give an assurance that this important work will be allowed to continue until recommendations can be placed before the government regarding the problems the committee will study?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think I should study that question before replying to it. If the committee were to return with the kind of precise information and recommendations which were so clear and unequivocal that it would be possible to introduce legislation immediately, this of course could be considered at once by the government. In any event, I hope their recommendations will be beneficial to the Atlantic provinces and will contain some advice to the government upon which legislation can be introduced, perhaps if not during this session then early in the next session.

AIRPORTS

EDMONTON—REQUEST FOR USE OF FACILITIES AT NAMAO

On the orders of the day:

Mr. William Skoreyko (Edmonton East): Mr. Speaker, my question is directed to the Minister of National Defence. Has the minister received a communication from any of the officials of the city of Edmonton, or from interested parties in that area, regarding the phasing out of the municipal airport in the city of Edmonton, and has he been asked to make available to that city the facilities at Namao for industrial use?

Mr. Speaker: Order, please. I suggest to the hon. member that his question should be placed on the order paper.

AIR CANADA

WINNIPEG—TRANSFER OF EMPLOYEES FROM BASE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of

Transport. Yesterday the minister was asked whether any agreement had yet been reached with Air Canada whereby that corporation would discontinue its present practice of transferring employees out of Winnipeg. The minister gave us to understand that no such agreement had been reached but that it was a matter of negotiation between the unions and the corporation. My question is, does the minister want us to understand that he feels this is exclusively a matter of negotiation between the two parties, or does he intend to remain involved in the matter in question?

Mr. Speaker: Order, please. I would think the question as asked is an argument. In this form it is not acceptable.

Mr. Schreyer: Mr. Speaker, may I rephrase my question. With regard to the present practice of Air Canada whereby it is transferring employees out of Winnipeg, can the minister say whether he intends to remain involved in that particular problem?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am very much involved, but my involvement is circumscribed by the fact that there is a contract between the two parties. This was the reason for the answer I gave in reply to the question asked yesterday.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister advise the house the nature of the discussions held this morning with officials of the city of Halifax, if indeed it is proper to do so at this stage?

Hon. Paul Hellyer (Minister of Transport): I think my hon. friend is referring to a proposed meeting with the premier of the province of Nova Scotia.

Mr. Forrestall: No; with the mayor of the city of Halifax and representatives of the port's industrial commission.

Mr. Hellyer: I do not think I can answer the hon. member's question. There has been no such meeting with me in any event.

[*Translation*]

AGRICULTURE

SUGGESTED INCREASED COMPENSATION FOR SLAUGHTERED CATTLE

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to put a question to the parliamentary secretary to the Minister of Agriculture.

Last Wednesday the parliamentary secretary undertook to refer to the standing committee on agriculture, forestry and rural development the notice of motion I introduced to provide for increased compensation for the cattle slaughtered under the Animal Contagious Diseases Act.

Could he tell me when he will take the required steps in order to carry out his commitment?

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, this matter is in hand and will be brought to the attention of the house.

COMMUNICATIONS

INQUIRY AS TO ALLOCATION OF SATELLITE SPACE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that last year the Prime Minister said the question of reaching international agreement regarding a space for a communications satellite for Canada had been referred to the Minister of Transport—and I understood the present minister's predecessor was looking into the matter—can the minister tell us what progress is being made, whether an allocation has been made for Canada, and if not how soon can we expect some allocation?

Mr. Speaker: Order, please. I wonder if this type of question should be asked at this time. The hon. member has referred to a question which was asked practically a year ago. I would not think there is sufficient urgency to justify asking such a question at this time.

Mr. Douglas: On a point of order, Mr. Speaker. There is a great deal of urgency. It is true this question has been asked of the government for some time now, but the fact is that at present only some eight or ten slots are left and unless Canada gets one we may be completely shut out of the satellite telecommunications field. If the minister cannot give us an answer we shall have to invoke standing order 26, or deal with it in some other way so as to find out what the government intends to do about this matter.

Mr. E. Nasserden (Rosthern): Mr. Speaker, my question, which is directed to the Acting Prime Minister, is supplementary to the one asked by the hon. member for Burnaby-Coquitlam. Can the minister tell us whether he has been able to get his campaign into orbit?

[*Later:*]

Mr. Douglas: May I ask the Minister of Transport whether he will give consideration to making a statement on motions at an early date regarding the allocation of space for Canada for the purpose of putting a communications satellite into orbit.

Hon. Paul Hellyer (Minister of Transport): There have been negotiations in respect of this question. I can assure my hon. friend that the government has already indicated very clearly that it intends to reserve a position in space for the Canadian satellite system. However, the responsibility for this project has now been transferred to the Prime Minister and the science secretariat. In the interim the science secretariat reports to the Minister of Industry, who perhaps may wish to add something to what I have said or to give a further report to the house in the very near future.

Mr. Douglas: I have a supplementary question, Mr. Speaker. May I ask the Minister of Industry whether we can expect an early announcement regarding the allocation of space for a Canadian satellite system.

Hon. C. M. Drury (Minister of Industry): I am not sure hon. members can expect an early announcement of an allocation of space. The necessary steps to secure such an allocation have already been taken and are being pressed. I hope that in the not too distant future the government will be in a position to make a rather more formal and general statement regarding a Canadian satellite system.

Mr. Douglas: May I ask the minister when the application was formally made?

Mr. Drury: Certain preparatory steps have to be taken before a formal application is made, and a formal application has not yet been made.

AIR TRANSPORT

EXTENSION OF RIGHTS OF CANADIAN PACIFIC AIRLINES

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is for the Minister of Transport. Will the new cross-Canada rights granted to Canadian Pacific Airlines and now being exercised extend to include the right to fly into and out of the nation's capital?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, if my memory serves me correctly Canadian Pacific Airlines have made an application to the Canadian Transport Commission and hearings have been scheduled in order to determine whether at a subsequent time permission will be granted to service Ottawa and certain other cities.

Mr. W. B. Nesbitt (Oxford): I have a supplementary question, Mr. Speaker. Is the minister in a position to report to the house now whether Canadian Pacific Airlines are permitted to land in the Netherlands, in view of the fact that K.L.M. is not permitted now to land in Toronto?

Mr. Hellyer: Not at this moment, Mr. Speaker.

[*Translation*]

EMERGENCY MEASURES ORGANIZATION

INQUIRY AS TO ESTABLISHMENT OF SCHOOL IN QUEBEC

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to put a question to the Minister of Industry and Minister of Defence Production.

Could the minister inform the house whether there will be other discussions with the secretary of the province of Quebec concerning the establishment of a civil defence school in that province, and also whether the funds generally allocated to these civil defence schools will be maintained at the same level in the next fiscal year?

Mr. Speaker: I would suggest to the hon. member that this question be put on the order paper.

[*English*]

PUBLIC SERVICE

COLLECTIVE BARGAINING FOR HOUSE, SENATE AND LIBRARY STAFFS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the President of the Treasury Board. Is the minister now in a position to answer my question

of last Friday concerning collective bargaining for the employees of the Senate, the House of Commons and the Library of Parliament?

Hon. E. J. Benson (President of the Treasury Board): No, Mr. Speaker, I am not, and will not be able to answer this question until I have had an opportunity to speak to Your Honour and to the commissioners of the internal economy commission.

Mr. Knowles: Will that meeting be held fairly soon, Mr. Speaker?

Mr. Benson: The commissioners meet very frequently to look after the interests of all members of the house.

EXCISE TAX ACT

The house resumed, from Monday, February 5, consideration in committee of Bill No. C-191, to amend the Excise Tax Act—Mr. Sharp—Mr. Batten in the chair.

The Chairman: When the committee rose last evening clause 11 was under discussion.

On clause 11:

Mr. Sharp: Mr. Chairman, as you said, when the house rose last night we were on clause 11 of this bill. I have now had an opportunity of looking into the matter raised by the hon. member for Swift Current-Maple Creek and others. Perhaps I may give an explanation of the position. There is some history of representations on this matter, but I can confirm that most of them are rather out-dated. Apart from occasional references in the House of Commons I cannot find in my files any great number of representations since 1963 or 1964. However, I know the problem has been there, and I will give a short explanation of the root of the difficulty.

The Excise Tax Act provides exemption from sales tax for a comprehensive list of machinery and equipment used in farm operations. This is provided by listing certain items in part IV of schedule III of the act and also by reference to a long list of tariff items in part VII of schedule III. These tariff items, starting with item 40900-1, describe a wide range of farm machinery and equipment. The Excise Tax Act does not provide blanket exemptions for everything used on a farm or everything used in a factory. Exemptions from sales tax must be described as precisely as possible if they are to be administered fairly and efficiently. A piece of equipment used on a farm or by farmers is not exempt from sales tax unless it is covered by the wording of the many exemptions in schedule III of the act.

[Mr. Knowles.]

• (3:20 p.m.)

The fact that exemptions are provided from a general sales tax makes it inevitable that some thin lines must be drawn in some areas between articles which are exempt and articles which are taxable. This happens in the case of machinery used for manufacturing, and it happens in the case of equipment used on farms.

To the best of my knowledge it has been the policy of successive governments since the sales tax was introduced that trucks used for transportation would be subject to sales tax. There has been an exemption for farm wagons since the early thirties, and this exemption also covered boxes for such wagons until 1956, when a tariff board decision made it necessary to add a specific exemption for boxes for farm wagons which is now in the act. The existence of this exemption for farm wagons and boxes used on farm wagons creates a borderline problem with respect to self propelled trucks which may also be used on a farm.

As the hon. member mentions, Mr. Chairman, changes in technology may have made horse drawn wagons and even four-wheeled tractor drawn wagons obsolete in some farming operations. New models and types of machines and equipment are introduced every year, and it is inevitable that the descriptions of exempt items may become out of date. The development of specialized trucks and specialized loading and unloading devices for such trucks has brought into use new items of equipment which do not qualify under the existing exemptions.

It has been suggested that the fact that tariff item 40924-1, which is listed with the exemptions, refers to "all other agricultural implements or agricultural machinery n.o.p.," is a statement of intention on the part of the Department of Finance that all forms of machinery used in agriculture are meant to be exempt from sales tax. This is certainly not my view and I believe it has not been the view of any previous minister of finance. It is possible that the technology of farming operations has moved beyond the wording and even the intention of the existing exemptions and, as I promised last night, I will certainly undertake to give careful consideration to representations that particular classes of farm machinery be added to the list of exemptions.

However, I think hope should not be entertained that there is any chance of motor trucks used on farms being made exempt, and much more information would be required before I could express any view about the possibility of exempting special boxes or mechanical devices for use with such trucks.

Mr. McIntosh: Mr. Chairman, I wish to thank the minister for the trouble he has gone to in order to give us this explanation. I do not think there is any disagreement between what he has said and what we have tried to put forward. We agree that there has been a long history to this argument, if you wish to call it that.

We believe, Mr. Chairman, that the difficulty arises over the confusion in terms. This was the reason that last night we asked the minister to give a definition of what he meant by "wagon". We still cannot understand why he is putting through a piece of legislation for which he expects our support when he is unable to explain to the committee the meaning of the term "wagon" used in the legislation.

I have searched for and found a legal definition of the term "wagon" that would be quite acceptable to me. It is in an act that was passed by parliament in 1930, I believe, and can be found at page 694 of the Revised Statutes of Canada, 1952, volume I. I refer to what is commonly known as the Canada Grain Act. Wagon is defined under paragraph (27) of section 2 as follows:

"wagon" means any vehicle to deliver grain to a country elevator.

I said last night, Mr. Chairman, that our difficulty arose when we went to one of the departments to find out what was meant by these items that are listed under tariff item 409f to which the minister has referred. For example, there is the item "gravity discharge farm wagon boxes". I am not talking about trucks.

In this regard I should like to quote some of the correspondence I had with the deputy minister of national revenue in 1961. As I said before, I think this is where the confusion in terms arises. In the letter he wrote to me the deputy minister said in part:

Being precluded from entry under item 409f, two provisions remain for consideration in classifying the truck bodies in question—

The minister refers to "truck bodies", and we are talking about truck boxes. There is a big difference. The letter continues:

—tariff item 446a, the "basket" provision covering manufactures of iron or steel and tariff item 438f relating to parts for motor vehicles. The latter item, in my opinion, more specifically describes these truck bodies.

We are not talking about truck bodies but about truck boxes. In view of the legal definition given by the Department of Justice of the government of Canada, we cannot understand why wagon boxes are exempt but not truck boxes. Under the definition of "wagon" in the Canada Grain Act trucks would also be exempt, but we are not going that far in asking the minister to explain what he means by "wagon".

I dealt further with this question with the deputy minister of the day, and in one of my letters I had this to say:

Item 438f deals with parts of motor vehicles. I contend that a steel truck, grain or livestock box is not part of what is considered a motor vehicle or the chassis thereof, but rather an article to be mounted or attached thereto. Item 438a states such articles shall be valued separately, and duty assessed under tariff items regularly applicable thereto.

In western Canada, and the same may be said of eastern Canada, automotive dealers very seldom sell a farm truck or vehicle with steel grain box attached. If the farmer requires a grain box the normal procedure is for the farmer, or dealer, to obtain one from an implement dealer. Grain and livestock truck boxes are usually manufactured by those specialized in manufacturing agricultural implements and not from automotive manufacturers.

That is the point I am trying to get across, Mr. Chairman.

Most automotive dealers price sheets list chassis only and do not include a price for a grain or livestock box. Therefore, I contend a grain box should not be considered as a part of the truck or vehicle but considered under some other heading.

I say it should be considered under the heading in tariff item 409f of a gravity discharge farm wagon box or, as I said before, as all other agricultural implements or agricultural machinery n.o.p.—not otherwise provided for.

To continue with my letter:

I further contend a steel grain or stock truck box could be included under the heading of agriculture implements for the following reasons. In legal dictionaries, the term implement is defined as a thing of necessary use in any trade. The word necessary is defined as those things to the doing of a thing which are reasonably required.

I have gone through some dictionaries to find a definition of "truck box" or "wagon box" that the department would accept. I

would again refer the minister to what has been accepted as a legal definition in some of our statutes. In fact there was only one act where I could find a definition of "wagon" that was acceptable to us. However, in view of the fact that the minister does not find it acceptable as a legal definition, I am trying to determine what his department will accept. We are also having difficulty at the present time with the method by which the Department of Finance classifies the tariff items; then the Department of National Revenue interprets the items and the one will not support the other when the chips are down.

My letter continues:

In Funk and Wagnall's ready reference dictionary, implement is defined as a means or agent for the accomplishment of a purpose. Mr. P. M. Ollivier, the Chief Law Clerk of the House of Commons, has given the definition of an agricultural implement as follows—anything that is used for agricultural purposes mainly becomes an agricultural implement.

• (3:30 p.m.)

McGoldricks Handbook of the Canadian Customs Tariff and Excise Duties, recognized as an authority or guide by Canadian industry, starting on page 267 has a general heading "Agricultural Implements" viz: This same heading of implements is carried on for seven pages, listing hundreds of items considered as agricultural implements by legal authorities and industry.

In my opinion a steel grain or livestock box used for agricultural purposes is an agricultural implement.

That is the point I am trying to get the minister to accept I agree with the minister when he says that he cannot accept a truck, the vehicle itself, as coming within that definition. Nevertheless I think we ought to accept as implements those devices which are related to it. For instance, last night the hon. member for Springfield asked about hydraulic hoists. If we look at the tariff list we see that hydraulic hoists which are used for unloading are exempt. I do not know why the minister will exempt the hoist and will not exempt the chassis of the vehicle to which that hoist is attached. That is the point I am trying to get across. I continue quoting:

I further suggest, the term agricultural machinery, as it appears in item 409F is superfluous as agricultural machinery is adequately covered by the term agricultural implement.

Nowhere in my search of a definition of the term agricultural implement did I find anything that did not support the authorities I have quoted, nor did your officials offer any authority to dispute the commonly accepted definition. Surely someone in your department (either yourself as deputy, or the minister) is responsible to give an authoritive definition of the term implement.

[Mr. McIntosh.]

Surely the minister can make more clear what he means by "tractor". For instance, in clause 11 we find the language:

Farm wagons, including four-wheeled farm wagons equipped to be tractor drawn and farm sleds; parts therefor—

And so on. Sometimes a truck is called a tractor. The long distance trucks used on highways haul a rear portion which is on wheels. The front part of the vehicle is referred to as a tractor. Perhaps we could get around the minister's objection by defining trucks in a way that the farmers in the west will understand more clearly. Sometimes a truck is known there as a tractor with two big wheels behind it, and so on.

Yesterday an amendment was moved with respect to exemption from sales tax on parts for farm wagons and sleds. When I had my original dispute with the Department of Finance and the Department of National Revenue we were trying to make farm truck boxes from steel. We needed a special type of high tensile steel. Had certain suggestions been followed we could have had an additional industry in my area.

One of my constituents spent about $500 in coming down here and trying to get a ruling from the department. Unfortunately the constituent had to go home empty-handed, and that annoyed me greatly. It seems to me that because the ministers in charge of the department change so often they have little opportunity to learn the background of the disputes to which I am referring. I have continued my argument since about 1961. I have brought up the matter almost every year since then. Yet the former minister of national revenue got up and said he had never heard of what I was talking about.

I am very disappointed at what has happened, but it seems to me that the minister is not as much to blame as his officials are because his officials have remained with the department. Last night I was suspicious. I suspected that vested interests were involved in the matter. I do not know whether that is correct. Surely the minister can explain why he will not accept the proposed change at the present time. I do not know whether there is concern for the product of one particular firm. I have photographs here of certain equipment. It is not necessary to read the name of the United States firm that wanted to manufacture the particular type of box to which I have referred. All I am trying to say is, why should special consideration be given to one firm? What is the reason for that? That is the issue. My argument is that a box that

comes with a wagon or truck should be defined as being a farm implement. The question may be asked, what do we mean by a wagon? If we do not accept the truck chassis in this definition will we accept the definition in the Canada Grain Act?

As I said, I have had a lot of correspondence on this subject and I have some here with the first minister of finance with whom I dealt. He happened to be a member of my own party, and I admit that I got about as far with him as I have got with the present minister. I do not blame the ministers so much as the officials of the department who occupy their positions for periods of years. They know that these questions have been raised not only by myself but by other hon. members such as the hon. member for Springfield. They must have heard these questions raised by dozens of members. Many western members have made substantial representations on the points I am trying to raise.

I regret that the machinery does not seem to exist whereby we can bring to the minister's attention the points we are driving at. He asked why did I not go to see him when his door was open to hon. members? We have done this but it has been to no avail. We now intend to get from the minister, if possible, a definition of "farm wagon."

I referred to the first representation I made to the minister of finance I originally dealt with. I was dealing with the item I am dealing with here, truck boxes which are brought to Canada from the United States, and I said in that letter:

I understand a similar request was made some time ago, but was refused on the grounds that although similar boxes were not made in Canada, they could be if the market warranted production. I do not disagree with the decision that was made at that time. Although I am a westerner, I am one who believes we must protect Canadian industry where possible, provided it does not create too heavy a burden on some other section of our country. Your previous decision gave Canadian industry an opportunity to take advantage of any potential Canadian market. Through lack of aggression, or some other reason, our industry has apparently not seen fit to take advantage of the opportunity afforded to them by your action.

At the present time, in certain areas of the prairie provinces, there is a demand for a light steel grain and livestock truck box. The farmers have been unable to obtain them in Canada, at least from recognized manufacturers of this type of farm equipment. Some may be manufactured locally in some areas of the west.

On investigation by some western manufacturers to provide this market with the product in demand, it was found that their source of supply could not produce the strong high tensile steel required, all other types of steel were too heavy for practical use.

Anticipating a question which you might logically ask as to whether some substitute Canadian material could not be used, I will list some of the reasons the farmer is now demanding this type of steel box:—

I ask the minister whether a high tensile steel box may be included as a part. I continue:

—(a) Previous steel boxes on the market have been too heavy to be handled manually on the farm.

(b) With the advent of a greater demand for stock most western farmers now raise cattle as well as grain on their farms. Both must be hauled to market. A steel box can be washed out quickly and thoroughly after hauling cattle and be ready for grain immediately.

(c) Most western farms are now fully mechanized and many farmers haul their own fuel. Any spillage can be easily washed from steel and will not soak into the platform as it does on a wooden base.

Western farmers want the steel box. I mentioned some of these matters last night. I continue reading:

(d) Treated wheat—

I am referring to poisoned wheat.

—used for seeding purposes can be handled in a steel box with fewer precautions than in a wooden one.

That is reasonable.

All my efforts to date to convince the excise branch there are at present ample listings under their tariff regulations to allow entry of such a box have not been fruitful. They insist direction must come from your department, spelling out in detail the nature of the box required before they will rule duty free for the farmers.

I have been unable to convince them that the steel grain box could be included under the heading of agricultural implement.

• (3:40 p.m.)

I have mentioned a number of these definitions. What this situation simply means to the western farmer is that at present there is a 25 per cent duty on these boxes plus an 11 per cent sales tax. The result is that for every $1,000 farmers spend on them at least $400 goes to the government. The minister has been out west. He says he understands the plight of the western farmer who finds himself caught in the cost-price squeeze. It seems odd to me that since these boxes are now essential to farm operations they should not be exempt from tax.

I point out once again that we are not asking for an exemption for trucks. If we were I would expect the minister to tell us that an end-use certificate should be given. Farmers would have no objection to giving end-use certificates with regard to trucks

because it is admitted they can be used for other purposes. Nevertheless, 99 times out of 100 the farmers who buy them use them exclusively for farm purposes. All we are asking the hon. gentleman to do is to define what he means by "wagon". Will he not accept that it is the same thing as a truck?

Mr. Sharp: May I begin by saying that in so far as hon. members are making representation for a change in the law their comments will be taken into consideration when amendments are next made to the legislation.

The hon. member for Swift Current-Maple Creek has asked me on what basis the Department of National Revenue now defines a farm wagon. I will give him a direct answer. It may not satisfy him but I will try to be as clear as I can. The consistent policy in administering this statutory provision has been to accept the ordinary dictionary definition of the term "wagon" and regard as entitled to the benefits of the exemption those farm wagons equipped with four wheels. Accordingly, as a farm wagon is a general purpose implement useful in performing a large number of functions the following definition, taken from Funk and Wagnalls New Standard Dictionary of the English Language, the same dictionary as the hon. member for Swift Current-Maple Creek used, is followed by the department in administering this exempting provision:

A four-wheeled vehicle having a rectangular box-like body, complete with tongue, designed to be horse drawn.

It has been the policy of the department to regard all four-wheeled wagons, whether horse or tractor drawn, designed for farm application, with or without box, to be unconditionally exempt from sales tax under the abovementioned statutory provision. This means that two-wheeled vehicles, for example, trailers, cannot qualify for exemption.

Similarly, exemption from sales tax is provided in item 4 of part IV of the Excise Tax Act, under the heading "Farm and Forest", for the following goods:

Boxes for farm wagons, and article and materials for use exclusively in the manufacture thereof.

There have been numerous requests over the years for exemption from sales tax for boxes for farm trucks, but these have been ruled to be subject to sales tax at the current rate since the Excise Tax Act as at present enacted makes no provision for their exemption.

[Mr. McIntosh.]

Mr. Nasserden: I should like to thank the minister for giving us those definitions in relation to farm wagons and wagon boxes. The subject under consideration here really is the attitude of the government or the attitude of the Department of National Revenue toward the whole question of the tax placed on some of these items. Taking a political view of these things, we all know that the boast has been made across Canada that excise taxes and tariffs have been removed from farm machinery. We also know that certain items are exempt from taxation when a certificate is signed to the effect that their use will be restricted to the farm. Air-cooled engines and generating plants come into this category. The guide line in the mind of the average farmer is, therefore, that provided an article is to be used solely for agricultural purposes parliament has intended that it be exempt from tax.

This is the feeling today in connection with truck boxes. The attitude of the department has in my opinion been archaic. The rulings have departed from the intention of parliament that boxes for wagons should be exempt. Today the truck has taken the place of the wagon, and in these circumstances a great deal of dissatisfaction exists in connection with the stand now taken by the department.

With regard to clause 11, I congratulate the minister and the government for having made an exemption to cover parts. I know this will be welcomed by farmers not only in connection with farm wagons but in connection with a number of other items.

We should like to see the minister bring this act up to date. Let him not delay doing so until some time in the distant future, as seems to be the tendency of all ministers of finance. In practice, ministers of that department never stay in office long enough to do anything about these things. We do not know how much longer the present minister will be holding the portfolio of finance. Maybe he will have other duties within a short period of time. We should like him to achieve this major step on behalf of our farmers with the least possible delay, in keeping with the boast made by his party that it has removed tariffs from farm equipment.

Mr. Southam: I rise to support the representations made by my hon. friend from Swift Current-Maple Creek with respect to this matter. I must compliment him on his presentation. He has certainly done his homework, and there is little I can add to what he

has said. He spoke for most farmers across Canada and particularly for those in the west.

My hon. friend from Rosthern who has just resumed his seat put his finger on an anomalous situation when he pointed out that the definition used in connection with farm wagons applied some 25 or 30 years ago. How many people are using the old-fashioned wagon box today? A truck box on an automated vehicle has taken its place. Consequently the definition to which the minister referred is outmoded and ought no longer to be used. I support entirely what my hon. friends have said on this point. It is high time the minister and his officials updated the legislation with respect to farm boxes.

Mr. Watson (Assiniboia): I, too, would like to say a few words in support of the representations which my hon. friend from Swift Current-Maple Creek has just finished making in the course of his well prepared statement on this issue. The very fact that farm wagons are now being defined as four-wheeled farm wagons equipped to be tractor drawn is an indication that the act is more than 30 years out of date. I doubt that half of one per cent of the farms in western Canada use a wagon of any type today. Most farms have one or two large farm trucks. I do not think the minister should have any hesitation in recognizing that we are living in 1968 and that everything rolls on rubber and is motorized.

• (3:50 p.m.)

In those earlier days combines were few in number. Today everyone has a combine and a good many of them are self-propelled. Farm trucks are also self-propelled. The province of Saskatchewan recognized the importance of farm trucks when it passed legislation a year ago exempting fuel used by those trucks, when used on farms, from tax. I think the minister should take a personal interest in this matter and see to it that farm truck boxes are exempted from this tax.

Mr. Schreyer: Mr. Chairman, I would like to join with my prairie colleagues in thanking the minister for his undertaking to consider in the next short while the possibility of further revising the Excise Tax Act and the regulations, so as to exempt farm truck boxes from this tax. As I indicated last night, and as other hon. members have indicated, it is difficult to understand how a quarter of a century can pass before the law is updated to present-day reality. We have all heard the old saying, which I think comes from "Oliver Twist," that in some respects the law is an ass. Here we have a perfect example of that. It is inconceivable that there can be much hesitation in changing the Excise Tax Act in this respect. Last night the Minister of National Revenue said that on many occasions genuine efforts have been made to attempt to meet the legitimate requests of western farmers. This is a good opportunity to put such a sentiment into effect by changing this act to reflect modern conditions on Canadian farms.

I do not suppose much would be gained by prolonging this debate inasmuch as the minister has given a clearcut undertaking that he will examine this matter in detail. I take him to mean that before the passage of more than four or five months we will be hearing from him specifically in this connection.

[*Translation*]

Mr. Godin: Mr. Chairman, now that the problem regarding the definition of farm wagons seems to be settled, I should like to direct a question to the hon. minister.

I shall not take much of the time of the house, but farm wagons and particularly their parts are still of interest to me, since I come from eastern Canada. We are all aware of the tax added to the price of the wagons made in Canada. If farm wagons or their parts were made in the United States, would the customs duty still be charged or would it disappear along with the taxes, as provided by the clause now under consideration?

[*English*]

Mr. McIntosh: I would like to draw the minister's attention to a few remarks he made last night, as recorded on page 6398 of *Hansard*. He said:

> It was in response to representations that the words "and parts thereof" have been added. It is a relieving section which does not add any tax. It relieves parts of farm wagons and sleds from the tax, and I am sure the hon. gentleman would not want to oppose that.

We are not opposing that, but we want the minister to include farm truck boxes and we maintain that all he has to do is add a few words to clause 11.

Hon. members will recall that when the minister read the definition taken by the department from Funk and Wagnall, the dictionary the legal branch uses, he mentioned "horse drawn vehicle," but apparently the department has changed the dictionary definition because the bill reads, "to be tractor drawn." This confirms our argument that a farm truck box is a wagon drawn by a truck.

I am sure the minister, to use his own words, would not want to oppose such a change, knowing the position of the farmers in western Canada.

I could make a long speech about the government's railway line abandonment policy, as a result of which trucks with large, light steel boxes are more essential to farmers now than ever before. They have to haul their grain longer distances and these boxes must be light in order to carry large quantities of grain. Otherwise the cost factor would become prohibitive, and if the cost of production is too high farmers in many areas will not be able to grow grain. I do not want to suggest exact words to the minister but he could include the phrase, "or truck drawn." I am sure he realizes what we want. We want steel truck boxes exempted. They are not made by automotive manufacturers but by farm machinery manufacturers.

With respect to the minister's statement that representations had been made to him, I would like to know how they were made. As I told him, I have been making representations on this subject ever since 1961 and I do not think I have missed a single year. Last night the Minister of National Revenue made light of the fact that we had not brought up this matter previously. I would refer him to volume 3 of 1963 *Hansard*, July 25, when the matter was raised with the former minister of finance, the hon. member for Davenport.

On July 30 of that year the matter was raised again, as recorded on pages 2649 and 2650 of *Hansard*. I also refer the minister to pages 2796, 2806, to 2808, and 2811 to 2815. On one occasion I had a private bill before the house titled "Bureaucratic Oppression," which drew attention to the fact that we could not get a definition from either department because they would not agree. They would not even accept the definition in the Canada Grain Act, a legal statute passed by parliament. What will they accept? The minister should make it perfectly clear what he means by a wagon and whether it includes truck boxes. When he includes the words "to be tractor drawn" he admits in effect that this is different from the definition in Funk and Wagnall which refers to a horse-drawn vehicle.

• (4:00 p.m.)

Mr. Sharp: Mr. Chairman, I hesitate to disagree with my hon. friend on matters of logic but I am forced to do so. The very fact that we put in the words "to be tractor drawn" indicates that the administration of the law has been very consistent. If we did not add those words we could not even include a farm wagon, as defined in Funk and Wagnalls dictionary, drawn by anything except a horse. So we had to enlarge the definition. This seems to strengthen the position taken by the Department of National Revenue that a farm wagon is a four-wheeled vehicle with a triangular box-like body designed to be horse drawn. I do not think the hon. gentleman was listening carefully when I gave the view of the department in administering this law. There is a definition for a box on farm wagons in the law now. This is why it will be necessary to make a change in the law in order to extend the exemption beyond its present ambit. Under the heading "Farm and Forest" in item 4 of Part IV of Schedule III of the Excise Tax Act appears the following exemption:

> Boxes for farm wagons, and articles and materials for use exclusively in the manufacture thereof.

So there is very close relationship between the words "boxes" and "farm wagons". Therefore the Department of National Revenue will have to administer the law in a consistent way within the ordinary dictionary meaning of these words. There have been numerous requests such as the hon. member is putting forward stating that these boxes should be related to farm trucks, but the law states that exempt boxes are for farm wagons.

Mr. McIntosh: If it is for horse-drawn wagons, then why is there an exemption for hydraulic lifts? I do not think one could have a hydraulic hoist on a horse-drawn wagon.

Mr. Sharp: This again supports the position of the Department of National Revenue. There is a specific exemption for that item.

[*Translation*]

Mr. Godin: Mr. Chairman, earlier when I directed a question to the hon. minister, he was busy talking with a charming lady, that is why I do not hold it against him for not hearing me.

This is my question: Shall we continue to pay customs duty on farm wagons which come to us from the United States or anywhere else?

[*English*]

Mr. Sharp: Mr. Speaker, the answer to that question is that it would depend upon the item itself and would not be altered by this bill. This bill has no effect upon the treatment of such items. It would depend upon the

existing interpretation of the existing sections of the law.

Mr. Danforth: Mr. Chairman, I was very interested in the minister's explanation when he spoke of the exemption of a particular item. Perhaps it should be suggested to the minister that the time has come when the whole matter of the exemption of agricultural implements should be reviewed in the light of the drastic changes in the use of various implements which previously could not be conceived of as being used for agriculture.

Mr. Sharp: That is what I said before.

Mr. Danforth: Tanks of certain sizes are exempt when they are used for the farm storage of liquid fertilizer but beyond a certain specific size they are no longer classified as for farm use. However, such tanks are being used for that very purpose and the farmers fail to understand why, when they are used, they cannot come under the exemption. Perhaps these things should be looked into very carefully.

Although this may seem to be an extreme case there are certain instances today when radios play a part in the production of farm commodities. They are used for weather broadcasts, market reports and so on. Perhaps they should be classified as necessary agricultural implements. I realize that this is an extreme case but it is an indication of how agriculture is moving in this regard. This type of problem will continually rise in respect of budget resolutions and tariff items.

Mr. McIntosh: Mr. Chairman, last evening I asked the minister a question after he said:

> It was in response to representations that the words "and parts thereof" have been added.

Would he please tell me what type of representation was made to him that caused him to take this action? I have tried to make all types of representations to the department so that action would be taken on this matter. If I have been unable to make the same type of representation that was made to the minister perhaps he will take the representation which I make to him now in the house on behalf of all western members. Would he look into this matter or leave some instructions for his officials or his successor before he leaves his present office?

These definitions change and, as indicated by the hon. member for Kent (Ont.), should be brought up to date. I have definitions here from the Century Dictionary, 1895, the Encyclopaedic Dictionary, 1903, the Oxford English Dictionary, 1933, the Winston Dictionary, 1946, and Webster's New International Dictionary, 1958. I could argue for hours and not get any place in respect of the interpretation of this term or the term "agricultural wagon", and so on. I should like the minister to tell us what possessed him to move in respect of this one particular item.

Mr. Sharp: The representation I received was to the effect that we had inadvertently dropped the words when we transferred the clause from the Customs Act to the Excise Tax Act. It was always the intention that they be there. The representation I had was to that effect.

Mr. McIntosh: From the department?

Mr. Sharp: Yes.

Mr. Schreyer: Mr. Chairman, the hon. member for Kent (Ont.) has made the suggestion that from time to time it would be desirable to have a complete review and revision of the items or lists of equipment or implements which are exempt under the act so they could be brought up to date in accordance with the developments in modern agriculture. I think the idea is a good one. However, I believe there should be a keener appreciation, on the part of the minister and the officials of his department who administer the act, of the changes which are going on and have been going on over the years in agriculture. Such an appreciation would enable them to act quickly when representations are made which have logic and reason when viewed in the context of the new developments in respect of the manufacture of farm machinery and implements.

With regard to steel truck boxes I feel there really has not been an awareness of just how important and necessary a part they play today in farming. I am not referring only to western Canada. It is not quite good enough that we should have to wait eight, nine or ten years in order to have changes of this kind made. I do not suppose there really is much purpose now in prolonging the discussion inasmuch as the minister has given a commitment to look into the matter and, hopefully, take some action. I assume he will be doing this in the next three or four months.

• (4:10 p.m.)

Mr. McIntosh: I do not wish to prolong the debate on this clause but I should like the

minister to give a commitment now that the representations of hon. members will be studied and considered. I would also hope that consideration will be given to the definition as found in the Canada Grain Act. That may be going a step too far but it would be welcomed by the western farmers. Once a definition has been established in a statute of Canada it should be accepted when interpreting all our statutes. I do not know where things would end if we had a different definition for certain words in every statute. Will the minister give a commitment that he will consider our representations?

Mr. Sharp: Mr. Chairman, I have been very much impressed by the representations, and I assure the hon. member for Swift Current-Maple Creek and the hon. member for Springfield that, as I said in my opening remarks, many of these terms are becoming archaic and obsolete which makes it necessary that the law be refurbished. I cannot undertake to say that a farm wagon means a truck, which apparently is the definition in the Canada Grain Act. This would mean extending the meaning of agricultural implements and machinery in a way that would require most careful consideration by the government because trucks are used in many forms of activity other than agriculture.

Mr. Watson (Assiniboia): Mr. Chairman, I should like to ask the minister whether he does not in his own mind agree that a farm truck box performs the identical service performed by a farm wagon box and that it fits the interpretation and the intention of the act when it was first adopted? Does the minister not feel there should be no problem at all in bringing this act up to date to include farm truck boxes? As the hon. member for Swift Current-Maple Creek said a few moments ago, when we first started to use farm truck boxes they were mostly homemade of wood. There has been a change and a definite swing toward the use of steel truck boxes. This has resulted because we are carrying heavier loads in boxes with steel underbeds, steel floors and steel sides. These larger steel boxes are easier to use in hauling grain. They are much easier to dump because the grain slides completely out of them.

I am not sure how long it would take to change this law or how to go about changing it but I should like some commitment from the minister in this regard. The minister has been in the west often enough in the past few years, and I expect he will spend quite a bit of time there in the next month or two, to know the situation there. I hope he will make a commitment that some action will be taken in respect of truck boxes within a reasonable time. In this way the farmers of western Canada could obtain an exemption.

Clause agreed to.

Clauses 12 and 13 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

An hon. Member: By leave, now.

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. Pascoe: Mr. Speaker, this bill was passed so quickly I had no time to ask for an explanation. Is it too late to refer back to a clause for clarification?

Mr. Deputy Speaker: Perhaps the house would allow the hon. member to ask his question even though we have completed the formality of third reading.

Mr. Pascoe: I should like to clarify one point regarding Bill No. C-191, part XIII, which indicates that effective June 2, 1967, all goods listed in schedule V will be exempt from sales tax. If one looks down the list one will find that in paragraph (e) there is reference to gasoline and diesel powered self-propelled trucks at mines and quarries. Paragraph (i) refers to pipes and tubes and other things in connection with natural gas or oil wells. Paragraph (j) refers to petroleum, natural gas or minerals. I should like to ask the minister whether these exemptions apply to the mining of potash. The minister knows that potash is very important to the economy of Saskatchewan at this time.

Mr. Sharp: As far as I am aware, if there is a reference to minerals it would include potash. Where there is a reference only to natural gas or oil wells potash would not be included. Wherever minerals are concerned I assume that potash would be included, because this means mining from the ground. I see no reason for potash being excluded.

Mr. Pascoe: Where (e) refers to mines and quarries it would apply also to potash?

Mr. Deputy Speaker: I am sure the hon. member for Moose Jaw-Lake Centre will

realize that the privilege we extended to him is not one we would wish to adopt in our rules of procedure.

EXCISE ACT

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-192, to amend the Excise Act.

He said: Mr. Speaker, this bill, like the bill we have just considered, is based on the resolutions which were discussed extensively when they were introduced and approved in the house. I have nothing to add to my explanation at the present time. I will be glad to answer any questions when we reach the committee stage.

Hon. J. W. Monteith (Perth): Mr. Speaker, this bill carries out one of the budgetary resolutions. Consequently we have nothing further to say at this time.

• (4:20 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I ask the minister why in the implementation of the budget resolutions he has adopted the system of bringing forward two separate bills in respect of the same commodity. The bill we have just passed increased the tax on wine and this bill will implement a tax increase on spirits and beer. Why were the tax increases on these commodities not included in the same bill? What is the reason for having separate bills? To my mind there is not much difference between one alcoholic beverage and another; yet we have one in one bill and two in another. I am curious about the reason for having separate bills to implement a tax increase in respect of the same commodity.

Mr. Sharp: Mr. Speaker, the reason is that in the Excise Tax Act we apply excise taxes and in the Excise Act we apply excise duties. A duty is applied when the goods are kept in a special warehouse and taxed in that way. An excise tax is like a sales tax which is applied upon sales at the time they are made. Throughout history there has always been this distinction between an excise duty and an excise tax. It has to do with the administration of the taxes and the necessity in the case of duties, just like customs duties, of having warehouses in which the goods to be taxed are held until the tax is paid.

Mr. Peters: I presume that the reason spirits are mentioned separately from beer in this bill is that they are not in bond except in the manufacturing process. Imported spirits are placed in bond. Is the situation further confused when we have imported beer and imported spirits? Imported wine, beer and spirits would be in bond. How does this affect the excise tax position?

Mr. Sharp: The Excise Act requires that they be kept in bond even if they are manufactured in Canada. An excise duty is comparable with a customs duty. There are very special procedures for keeping goods in bond until the tax is paid. Other goods taxed under the Excise Tax Act do not have this requirement, and wine is one of them.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

On clause 1.

Mr. Herridge: Mr. Chairman, I would like to ask the minister a question. I do not expect he has had much experience in brewing. Clause 1 reads in part:

(a) five per cent when yeast sediment is included, or

(b) three per cent when yeast sediment is not included.

Could the minister explain to the committee the reason for this provision?

Mr. Danforth: Yes; I am interested.

Mr. Starr: One ferments more than the other.

Mr. Sharp: Mr. Chairman, I agree with the hon. member that I am not an expert in these matters. However, I am advised that beer is measured when it is in the fermentation process. When the yeast sediment is at the bottom of the vat the stick by which you measure the contents is, of course, at a different level than it is when the sediment is removed. This clause provides an approximation of the same volume of consumable beer.

Mr. Starr: That is not the way we used to make it.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Tardif): When shall the bill be read a third time? By leave, now?

Mr. Starr: By leave.

Income Tax Act

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

INCOME TAX ACT

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-193, to amend the Income Tax Act.

Mr. Starr: Mr. Speaker, I wonder whether the Minister of Finance (Mr. Sharp) is prepared to make a statement on this important bill.

Mr. Sharp: Mr. Speaker, all the amendments in this bill, with one minor exception, are for the purpose of implementing the November 30 budget resolutions. The exception is the addition of a few words to section 42 for clarification.

Hon. Michael Starr (Ontario): Mr. Speaker, in rising at this time to make a few remarks on the budgetary legislation before us I want to assure the minister that I have no intention or desire to add to the already heavy burden resting upon his shoulders as Minister of Finance. The fact that the greater part of his burden has to do with the minister's interest in the future of his party, rather than in the economy of Canada, does not alter the situation that today we believe he is a sorely tried man.

The minister probably feels that he should be somewhere else today listening to more important things, but we in the house have to deal with this legislation which all of us consider to be vitally important to Canadians as a whole. So it is purely in a spirit of helpfulness that I wish to advance some ideas on the general subject of the national economy and in particular what I believe to be serious shortcomings in the approach of the Minister of Finance and the government as a whole to our economic problems.

This legislation is designed to implement what has been called a mini-budget, an emergency measure which I feel was forced upon the minister and the government by their own bungling. In view of the minister's statements of the past few years as to the state of the economy and the adequacy of his own policies, I would refer to this interim budget as an alibi budget for those statements and legislation, designed to excuse and correct the minister's grievous errors in policies and his gross miscalculations.

[Mr. Starr.]

• (4:30 p.m.)

According to the minister's explanation earlier, his aim in this legislation is to fight inflation. He seeks by these and other proposals to put the brakes on the Canadian economy. I submit that the prime target of his anti-inflationary tactics is the little man, the average taxpayer, the ordinary Canadian, the most put upon, overburdened and exploited unit in our tax system. The minister also had a few pious words of advice for labour and private enterprise. He cautioned them to go slow, cut back and show restraint, and there have been some violent reactions to his suggestions from both labour and industry.

So far the minister has done nothing but speak about one of the principal areas where effective anti-inflationary action might be taken, namely, excessive government spending, and right now government spending is up by 15 per cent. The minister's forecast is for an increase of 4.5 per cent in government expenditure this year, in spite of the so-called cutbacks which in fact were only propaganda. I submit, Mr. Speaker, that this figure is also misleading. It does not take into account the money required for the government medicare scheme due to be launched on July 1, although that date has not yet been announced in parliament as the definite date for the implementation of this scheme. This appears to be a classic case of the old saying: Do as I say, not as I do.

As I have said, I can appreciate the minister's difficult position. Surely it must be exceedingly difficult for him to bring himself to consider today such routine matters as the nation's economy. In fact, this must have been the case starting two weeks ago and will in all likelihood continue to be so until next April 5.

The minister has never been one to show reluctance in giving his own ideas and solutions first place as the only answers to the economic problems of Canada. I have observed that he has shown a degree of self-confidence which in another minister might be mistaken for arrogance but which he knows so well how to project. It is not too much to say that the Minister of Finance has demonstrated a faith in his own infallibility which few of us possess. I wonder whether the minister has ever considered the possibility that his ideas and projections might be wrong. Has he ever taken the time to consider other views, new theories, fresh policies and, most important, the experience of other countries in similar situations and what they

have been able to accomplish or to attempt in establishing new policies? Surely even the minister must realize how damaging it would be, not only to the national economy but to his political ambitions, if it turned out that he had pursued the wrong policies and had applied incorrect measures.

I wonder whether the minister has ever heard of Edward Holloway. Edward Holloway is the honorary secretary of the economic research council of Great Britain. He is also the director of Commonwealth Industries Association Limited. One of Mr. Holloway's organizations has recently completed the first part of a research program specifically devoted to finding the prime source of Great Britain's continuing inflation. This program is called the national recovery program. It was undertaken following the publication last year of a manifesto drawn up by 19 leading economists, industrialists and writers in Great Britain. They include such celebrated persons as Professor C. Northcote Parkinson, the father of Parkinson's law with the application of which, particularly in such government ministries as the Department of Finance, I am sure the minister is familiar. This manifesto aroused such interest that funds were soon forthcoming for the exhaustive and detailed study of inflation and its prime cause.

So far the findings have been revolutionary, to say the least. They are of a standard and importance which I would have thought sufficient to command the attention of the minister and the government and, indeed, of all responsible members of parliament. When one considers our close and vital economic links with Great Britain, the amount of attention given to recent economic events there, and the tremendous effect such events have on our economy, it seems reasonable to assume that Canada's Minister of Finance and Canada's government would be almost as well briefed on developments in Great Britain as the British authorities themselves. Perhaps this is the case. I hope it is because if these preliminary findings in Great Britain are correct it means that the Minister of Finance and the government of Canada are carrying out the wrong policies, victimizing the wrong people, and casting the blame for inflation upon groups which may be entirely blameless, namely, organized labour, ordinary consumers, and private business.

The British research report states that inflation is not caused by a too rapid increase in wages, is not worsened by full employment, is not reinforced by the activity of private enterprise, and is not even directly caused by government spending or budgetary deficits. The prime source of inflation, according to the researchers, is the financing of an over-all deficit in the central government's accounts by an uncontrolled creation of new money. The dominating word in this explanation is "uncontrolled". If this statement and the findings of the research group are true, it means that some of the present measures advocated both by the British government and by our own government in Canada are not only ineffective but totally wrong.

One of the most significant findings of the group in Britain is that when public spending rises faster than private spending there is a progressive slowing down in industrial growth. The sparkplug of a nation's economy is the private sector. What they have found is that various governments faced with economic difficulties such as inflation have taken money out of the private sector so as to reduce demand but at the same time have increased the money supply by the same amount or more to sustain a high rate of public spending. This means that for all practical purposes total demand has not been reduced at all.

The vital factor in this approach is that while the government has increased the money supply and failed to reduce its own spending, it has forced cut-backs in spending in the private sector and thus put the brake on industrial production. Inevitably this increases the inflationary pressure and leads to an aggravation of the very condition they have sought to cure. They have added to the money supply but reduced industrial output. In so doing they have attracted unnecessary imports and hobbled exports. Increased public spending and an increase in money are no substitute for production from an active private sector. Governments cannot spend their way out of recession, Mr. Speaker.

• (4:40 p.m.)

The basis for the findings in the report is that the nation's total demand for goods and services is always satisfied by the nation's own production plus imports. When production slows down within the country the pressure for imports grows; when internal production picks up this import pressure declines.

The report further states that its preliminary findings strongly indicate that the proper way to gain a favourable balance of trade

and all the economic benefits that go with this is to allow total demand, and particularly consumer demand, to grow. The private sector, rather than being restricted and hampered, should be allowed and encouraged to go ahead full blast. This obviously is just the opposite course to that upon which the government and the Minister of Finance are now embarked.

I am not an economist, nor have I ever pretended to be. As a result I cannot say whether or not all these things are true. But I do believe, Mr. Speaker, that because of their apparent good sense and the sound credentials of their authors these findings are at least worthy of the government's serious attention. These findings and recommendations are very similar to those urged upon the government by organized labour in this country.

The key to the findings in the British report is that inflation can be shut off at the source if the central government will only act to control its own spending in relation to the money supply. The over-all difference between government income and expenditure must be financed by genuine borrowing, sale of government securities, and by genuine saving, always undertaken in relation to the creation of new money. Such responsible government action would mean that consumer demand could be encouraged instead of dampened down. Wage increases could be tolerated at a reasonable level of annual growth and private enterprise could free itself from government restrictions and expand its own rate of economic growth. The mistake has been to try to manage demand instead of managing the money supply.

Lord Cromer, when still governor of the Bank of England, said that Britain had a system whereby exchequer financing led to "the creation of money quasi-automatically". This may be, for different reasons perhaps, the situation here in Canada. It is well within the power of the government to control the money supply. If the findings of the British researchers are correct, then it is not only an obligation but a vital necessity for the minister and his officials to re-examine their policies and proposals in this light.

As I have said, Mr. Speaker, I am not an economist, but I admit that as a layman I have been impressed by all the implications of these latest findings by these British researchers. I do not believe that they can be dismissed lightly as being from another country or as dealing with different conditions. Generally speaking, all the western nations face roughly the same economic problems within the context of roughly similar systems. I sincerely believe that much good for Canada would come out of a close study of this matter by the minister and his departmental officials. It seems to me that in a country as prosperous, as dynamic and as promising as Canada there is something fundamentally wrong with a system that inhibits business initiative and victimizes our working people as the only way to cure our economic problems.

In a few months the name of the minister may become a household word in Canada for reasons other than economic. I would pose this question to him: How much prouder would he be, how much more lasting his fame, if the history books could record that he was the first to break through the restrictive barriers of old economic practice into the green fields of stable and equitable prosperity for Canada?

[Mr. Starr.]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I want to congratulate the previous speaker on his address and to commend it to the officials of the Department of Finance as worthy of consideration. I too am surprised that the department has brought forward in this bill the same type of legislation that has been introduced on numerous occasions and as a result of which the little man has to pay the penalty for economic conditions over which he has absolutely no control. Workers ask for more money so they can continue to pay the rent. They do not ask for money in anticipation of the rent going up because rents are continually going up. It is often argued in negotiations with organized labour that as soon as wage increases are granted rents seem to rise. Workers who are not members of organized labour discover that even in the absence of a wage increase their rents go up just the same. They really have no control over this problem.

In introducing the budget resolution to bring about the income tax amendments now before the house the minister indicated that one of his prime aims was to assist in halting inflation. I agree with this. I do not subscribe to the argument that the way to end inflation is to curtail government spending. I do not agree that it is necessary to curtail certain spending. Cut-backs in housebuilding are not the way to curtail inflation in this nation. According to this morning's Montreal *Gazette* there are something like 75,000 unemployed

in that city, many of them carpenters, electricians and members of the building trades. It seems to me that this is not the way to curb inflation. In this specific instance the minister has decided to impose a 5 per cent income tax surcharge with a ceiling of $600. Again this is making the little people pay the same as those at the top of the scale.

• (4:50 p.m.)

I know that the minister has been a civil servant and that he is probably closer to the establishment than most ministers of finance have been. He was part of it and knew its inner workings. I think the establishment in Ottawa lives in an ivory tower. They are willing to tax the little people of Canada, those in the lower income bracket, but they always put a ceiling on the effective income to be taxed because they do not want those who have high incomes to pay heavy taxes.

I remember the arguments about old age security and about cutting off assistance at $60 a month, and so on. The government then paid $90 and it has bumped that figure up to $120. I ask, why should those who have been able to make their mark in society not help those who have not done so well? Why should the little man not receive some benefit? Perhaps the executive types who live in the lofty, refined atmosphere of the Rideau Club do not know what is happening today. I suspect they do.

The Carter commission says that one way to raise tax money is to tax the mining industry. I come from an area where there is much mining. Many of the early mines of Canada are in the area I represent. As a result I have always been interested in the propaganda that the mines have put out. Though some mines make colossal profits the mining industry as a whole has always been loudest in shouting to the establishment when new taxes are proposed, "Don't rock the boat." Carter said that there was no justification for the mining exemption and I do not think that a three-year tax exemption should be allowed for the mines.

Many members of this house may have made or lost money on Texas Gulf. Some of them may have made or lost money on adjacent mines such as Windfall and others.

An hon. Member: How did you do?

Mr. Peters: Recently an article appeared in the Timmins *Press* which indicated that Texas Gulf will make a tax free profit for the next three years of $400,000 per day. I know that Texas Gulf has friends among the establishment in Ottawa and I expect many members of the Rideau Club hold stock in the company.

Mr. Habel: Will the hon. member permit a question? Was the article to which he has made reference not referring to a statement made by the hon. member's colleague, the hon. member for Timmins? I submit that the statement was groundless.

Mr. Peters: The article was not researched by my colleague; it was researched by others and it has not been repudiated by the Timmins *Press,* as the hon. member for Cochrane will agree. The article did not come out recently but is several weeks old. The figures have not been disputed.

Mr. Habel: Because reference was made only to production.

Mr. Peters: With respect, no. The article referred to profits per day.

Mr. Habel: I thought it referred to production figures.

Mr. Peters: No. I do not think so. It referred to $400,000 per day profit. That means that the $80 million which the company has already spent will be paid off in about 200 days. Perhaps that is an exaggeration; perhaps we should give them 500 days. I do not know how many actual working days are involved but I do know that the figures mean that the company will recoup, tax free, its capitalization plus about $100 million. And who is giving the company that money? Who is giving it the tax money it otherwise would have paid? I am giving it, you are giving it, every person who pays taxes is giving it to this company.

International Nickel enjoys the same type of exemption completely without justification. The commodity it produces is in such demand that if there were a shortage the United States would put up money for the development of its production. I see no logic in extending a tax exemption in those circumstances.

When we talk about exemptions for individuals the story is different. Exemptions for individuals these days ought to be on the basis of $1,500 for single persons and $3,000 for married couples. The government will not increase the exemptions but is increasing taxes. For the value of the exemption to keep pace with the inflated value of our dollar I

submit that single persons ought to be granted a $1,500 exemption. The $1,000 that parliament granted 20 years ago is probably worth less than $500 in real terms today. Perhaps $2,000 as the exemption for single persons would be more realistic. It would be just enough to enable an individual to maintain the standard of living he enjoyed 20 years ago.

Of course, we are always willing to put a ceiling on taxes. Those in the high income bracket will not need to pay more than $600 in additional taxes, the reason being that the establishment does not want the big people in this country to get hurt. When it comes to the little man the story is different. Most of our people are little people. I represent a constituency whose people will be paying extra taxes, which will hurt their purchasing power. The little man is at the bottom of the totem pole and the little man will have his standard of living lowered by increased taxes. The establishment's idea is that by lowering the purchasing power of the little man at the bottom of the totem pole a large number of people will have less money to spend and inflation will be curbed. Of course, in simple terms we are lowering the standard of living of the little man, and we should not do that.

I do not expect the establishment to agree to changes that will hurt their friends, but sooner or later members of parliament will have to make a decision. They will have to go out on the hustings, face those who will be paying less than $600 a year extra and explain to them why the per cent surcharge has been imposed. The government will not be influenced by my remarks but I know that the establishment will have much explaining to do in the next election because candidates from every political party will be asked by the electors why the extra tax was added. Anyone who wants to fight the next election had better get his position clear now.

As I said, instead of granting increased exemptions the government is adding extra taxes. What the government should be doing is bringing the exemption into line with the reduced purchasing power of the dollar. If we look at the dollar of 20 years ago and remember that the exemption then was $1,000 for a single man, is it not common sense to just about double the exemption to take care of today's inflated dollar? I think the individual should have enough income left to him to maintain at least a reasonable standard of living. He should not be burdened with additional taxes. The people at the bottom of the totem pole who outnumber those higher up are the ones who are asked to make sacrifices, who are asked to lower their standard of living in the name of curbing inflation. Those at the top level will not be affected nearly as much.

• (5:00 p.m.)

The figures I used may be very unfair to Texas Gulf, but the principle of allowing a three-year tax free period to all mines in the Elliott Lake area is surely an unsound one. Conditions have changed since I worked in the mines. In those days it was normal to employ about 300 men and management was lucky if 500 tons a day were produced. The mines of which we are now speaking produce up to 5,000 tons a day. Within a month of starting operations they can pay off their total capitalization and go on to amass a huge profit. Why should they be granted tax exemptions? When uranium operations were discontinued during a bad period some time ago many of the mines were still working on the basis of tax-free concessions and could have gone on producing had a market been available.

Does anyone think that a company such as INCO, with its huge portfolio, a company which now belongs to Standard Oil in the United States, is really in need of these special concessions? The profit which this corporation distributes to its shareholders is larger than the whole tax revenue of the Canadian government. It amounts to more than all the taxes needed to run Canada. Do we really need to allow such firms a tax concession enabling them to pick up 1,000 claims, say, and hold them for so many years? They will not develop them; they have no desire to do so. If they did the price of nickel might drop and this would not be in their interest.

We have just watched the progress of two finance bills through this house and a Philadelphia lawyer would be unable to sort out the gobbledygook which has been approved by the Department of Finance. The President of the Treasury Board (Mr. Benson) is here now. I congratulate him on the job he did while he was Minister of National Revenue. In fact, he is one of the few ministers who seemed to know what he was talking about in this field. Most of those who take over that department do not even get their feet wet, presumably because matters are so complicated there.

Hon. members will not have forgotten that it took us hours of discussion to arrive at any understanding about the definition of the

word "wagon" and reach agreement on a common name for such a simple thing as a box intended to carry grain. In the light of what was said during that discussion there is certainly a need for an overhaul of this department, a department which seems to belong to the establishment, about which Peter Newman writes about so well and about which the hon. member for Qu'Appelle (Mr. Hamilton) has spoken with such eloquence. It is a department in which members of parliament get lost. The language used by senior civil servants there appears to be a special language used to confuse us poor mortals who sometimes have the task of bringing some semblance of reason to it.

My last point concerns the taxation forms. I notice that some only apply to incomes below $8,000. I have watched good lawyers coming to parliament and introducing bills. Their attitude is: I intend to miss nothing so I will put everything in. The same kind of lawyers must have drawn up these forms. You can take them to an accountant but unless he is familiar with this type of accounting he will make no more sense out of them than you or I.

My education in mathematics may not be advanced. I have a certificate saying I have some proficiency in algebra, geometry and trigonometry, but I am unable to comprehend these forms. I do not see why one should add on the provincial tax and then deduct it again. If it makes no difference in the end, why not leave this out altogether? Not long ago I sent my form to the district office. They wrote back advising me they owed me a sum much larger than I had anticipated. Later they wrote saying they had reviewed the form and had come to the conclusion that I owed them a certain amount of money. I sent it to them. Later they sent a third letter informing me they had recalculated the amount due and were sending me a refund. I was glad when the end of that year came. I could not be sure whether my original calculation had been correct or whether the department was playing games.

In any event, these forms are far too complicated. If we are to have them, let us put the calculation table up to $20,000 or have an additional sheet provided so that the calculation is done as far as possible by the department, not by the individual taxpayer. It is bad enough having to pay without having to do the calculations as well.

I remember the Minister of Finance suggesting that the form would be simplified last year. If he finds last year's form simpler than the form sent out a year earlier, I am at a loss to understand what he means by simplification. According to the legal dictionary he uses, it must mean complication. The department could at least simplify the form to the extent of making it directly applicable to each of the provinces. If a taxpayer pays his taxes in Ontario, send him a form applicable to Ontario. Do the same in Quebec and in the other provinces. Let us not make the form applicable to all the provinces and tell the taxpayer: If you are in Ontario you do this, but if you are in Quebec you must do something else. These forms must be confusing to the public because they are certainly confusing to me.

I hope the government will consider the whole question of income ceilings and deductions allowed to the individual. While it is no doubt important to control inflation there are those who believe that imposing additional taxation on the little man may not be the whole solution. If we are asking the ordinary taxpayers to make a contribution toward controlling inflation, let it apply to everyone. Let us place some control on the activities of certain of these large companies which exploit consumers, and reduce the advantages which people at the top range of the scale seem to enjoy. This may affect members of parliament. It may affect many of those who are involved in the drafting of this legislation and the recommendations which go before the Minister of Finance. But if we are seeking to halt the inflationary trend in Canada by imposing additional burdens only on the little man we may find we have killed the goose which lays the golden eggs rather than protected the goose so that it can provide wealth for many years to come.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to open my remarks on this budgetary legislation by stating flatly that it would never have been necessary to consider legislation of this nature at this time were it not for the pig-headed conviction of this government that it is always right and the arrogance of the Minister of Finance (Mr. Sharp) in clinging to his own theories of how much public expenditure the Canadian economy can stand. Under the rules of this house I am prevented from attributing motives to any other member, but it appears to me at least to be possible that the economic conditions which made this interim budget necessary were aggravated by a reluctance on the part of the government and the minister to admit until too late that

something needed correction. I believe that both the government and the minister deliberately ignored the storm signals in the hope that the tempest would pass before they had to undertake any measures that might be politically unpopular. After all, tax increases and other repressive measures are not the best platform upon which to go to the country or upon which to seek higher office.

• (5:10 p.m.)

The governor of the Bank of Canada, Mr. Louis Rasminsky, made it very clear in a speech in Winnipeg last November that Canada is fortunate in having within its own capacity a greater degree of power to deal with its economic problems than do many other countries among the 106 represented in the membership of the International Monetary Fund and the World Bank. He drew to the attention of his audience the fact that more than half these countries have an average income per head of less than $250 a year. Canada's is better than $2,500. He mentioned that our standard of living and the level of government service in Canada were among the highest in the world. It was shocking, he said, for Canadians to find themselves suddenly in economic difficulties, and I quote:

—because of efforts to increase our incomes and our use of government services at an even faster rate than can be justified by the great expansion of our real output.

This indicates to me that the root of our economic troubles lies squarely with excessive government spending that has outstripped the ability of Canadian production to sustain. When we add this irresponsible and apparently uncontrolled rate of government expenditure to government interference with industry's ability and will to produce, we can see that all the minister's belated, corrective measures do not strike at the root of the trouble. A speed-up in payment of corporation taxes and an increase of 5 per cent in the income tax of the small taxpayer are hardly likely to go far in offsetting wasteful government expenditure and the government's resort to instant money to bail it out of trouble.

According to the publication *Canadian Business* for June of last year, government spending in 1966 went up a whopping 16.5 per cent. It went up approximately another 15 per cent last year. According to the minister's own modest estimate, and in spite of the so-called economies in the forthcoming estimates, it will go up another 4.5 per cent next year. When we total these increases we have something like a 36 per cent increase in three years.

These figures do not include the cost connected with the implementation of the medicare scheme due to come into effect on July 1. Neither do they take into consideration other odd items such as the $80 million loan to Expo, which the minister now explains away as a mere bookkeeping entry that does not affect the economic picture. But the fact remains that someone has lent $80 million to someone. That is the way I keep my books, Mr. Speaker; that is the way I keep my records. Unless and until that loan is repaid someone is out of pocket to the tune of $80 million. I have been told that this $80 million loan now stands as an asset on the books of Canada. This can only be justified if there is some prospect of the loan being repaid. What will really happen of course, and the only thing that can happen, is that this loan will be written off. How $80 million in tax money can be made to disappear into thin air, even by such a slick sleight-of-hand operator as the Minister of Finance, I cannot see.

In his speech at Winnipeg Mr. Rasminsky drew attention to the tremendous economic growth of Canada that started in 1961. You will recall, Mr. Speaker, that this was well before the period for which the Minister of Finance can claim any credit. In fact, it was the rosy prospect of the industrial picture of those days that lured the minister from a top position in the public service to the boardroom of one of Canada's industrial giants. Those were Conservative days, Mr. Speaker, the days of Conservative policies, the days of a Conservative government. According to the governor of the Bank of Canada those policies and those ministers produced a 40 per cent increase in our national output and "greatly strengthened the economic foundations of the country."

In the five year period from the spring of 1961 our real output increased at a rate of 6½ per cent. It was under the sway of the present Minister of Finance that this sweet taste of success started to turn sour. Our ship of state started to list a little bit, I do not know whether to starboard or port, from too much bilgewater. It is true that since the spring of 1966 this growth continued, but at a greatly reduced rate, 2 per cent to 2½ per cent "—well below our potential for growth," again to quote Mr. Rasminsky.

What was the worm in the core of our economic apple, eating away and draining off three-quarters of the benefit of growth? We

now know it was inflation. Whence came this inflation and what gave it its greatest impetus? You have the word of practically every leading economist for that, Mr. Speaker. It was reckless, wasteful spending by the government. Not content with squandering public money at a spendthrift's pace the government imposed, by polite blackmail, upon the provinces schemes that forced them to spend at an equally high rate.

In reviewing the economy in his Winnipeg speech Mr. Rasminsky admitted that the most worrisome aspect of our present problems was the accelerating cost-price spiral—inflation, the bogeyman which this legislation hopes to kill. Mr. Rasminsky said that during the early, or Conservative, years of the expansion period costs and prices remained in satisfactory equilibrium. Since there has been a "marked deterioration." The rate of increase in the consumer price index has doubled in recent years from about 2 per cent to 4 per cent.

Why has the government, why has the Minister of Finance allowed things to get out of hand? It is clear, Mr. Speaker, that this is not a new condition. The warning light has been glowing for many months. Not only did the government and the minister ignore the warning light but they closed their eyes and pushed their feet down hard on the expenditure pedal.

Motorcycle racers talk about a speed wobble, an uncontrollable swaying of the machine when it reaches very high speeds. Many drivers claim the only way to correct it is not by braking but by opening the throttle to the full and accelerating out of the wobble. Others claim that this does not work and a pile-up is inevitable. The government's approach to expenditure of tax dollars falls into this latter class. It has tried to spend its way out of the economic wobble but instead of pulling out of the wobble it is teetering on the edge of the fence, and unless the minister and his colleagues can come up quickly with something better than a remedy culled from the old alamanac they are liable to pile us all up in economic ruin.

I believe that the minister and the government stand indicted before the Canadian public for mismanagement of the economy and for dereliction of duty. They have stubbornly refused to heed warnings of trouble. They have arrogantly persisted in their spendthrift ways. They have failed to honour their election pledges of economy of government, moderation in spending, and tax relief for the hardpressed Canadian taxpayer. In my belief the measures brought forward by the minister were neither fair nor adequate, timely enough or far-reaching enough. It is my firm conviction that instead of imposing fresh burdens on the already overburdened small taxpayers the minister should have concentrated his efforts on fighting inflation by persuading his colleagues to moderate their expenditure of public moneys.

• (5:20 p.m.)

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I wish to comment on some of the remarks made by the hon. member for Timiskaming (Mr. Peters), particularly his reference to the use of the income tax as a means to subsidize certain areas. He drew attention in particular to the effect of the three-year tax exemption which is provided for new mines through the Financial Administration Act. This came into effect as a concession to northern areas, as a means of spurring them to show some growth in the late 1930's when the mining industry was in a very bad situation. Since that time the three-year tax exemption has become one of the concessions prized by the mining industry. In their comments with regard to the Carter commission report the representatives of the mining industry have very vigorously defended these concessions. They pointed out that mining is a high risk activity and indicated the danger to the industry in Canada if these concessions were removed.

I hold no brief for the mining industry, but as a representative from northern Ontario it seems to me that it was very unpolitic for the hon. member for Timiskaming to make such a suggestion. The surprising thing is that a few months ago when the Area Development Incentives Act was up for review before the standing committee on industry, research and energy development, the hon. member for Timiskaming was very eloquent indeed in urging the extension of the benefits of that act to his area. I was also very interested in that matter. In the revaluations of the various regions, his area was included and mine was not because, unfortunately, my area seemed to be doing much better economically than his.

The point I should like to make is simply that the benefits received under the Area Development Incentives Act are almost identical in respect of new industry with the three-year tax exemption allowed to new mining developments under the Financial Administration Act. I thought it was an unusual

position that the hon. member took in this regard.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, as the hon. member for Timiskaming (Mr. Peters) has pointed out, our objection to this legislation is that its impact falls much too heavily on the people who are least able to bear it. I believe there is need for a modification in respect of the deductions for certain groups of people. I shall not attempt to deal with all the groups of people who need deductions but I should like to mention two which I have mentioned before.

The minister always has been very courteous and has promised that consideration will be given to the matter. I should now like to see some evidence that consideration has been given. The people who repeatedly appeal to us are exceedingly tired of listening to the minister and then having full hearts and empty hands. In view of the fact that at least two members of the cabinet have been going around making statements which indicate that they do not believe that the present taxation system is suitable and have been advocating the need for a guaranteed income in order to protect people on low incomes, I think there should be some reason for reconsideration by the Minister of Finance (Mr. Sharp) of this taxation legislation.

I suggest there is one great and growing group of people across this country who are being penalized. I refer to those who have been left as a single parent in a family and are the sole means of support for their families. I know personally of at least three groups across Canada but there are many others. On the west coast we have the All Alone Parents organization. This group is composed of men or women who have been left on their own with the full responsibility for the support of their families. In another part of Canada we have Single Parents Associated and here in Ontario Parents Without Partners. The people in these groups are all men or women who have been left in the position of having to undertake the maintenance of a home on their own. I think we must come to grips with the question of whether the home is an important institution or whether we want to throw it in the ash can. Today we give lip service to the home on Mother's day. At other times we do not seem to care what happens to it. We seem to take it for granted that the home is some kind of air terminal from which planes take off one after the other and leave the place for anyone who comes along. This is the position we appear to take in respect of home life. The father goes out to work and in increasing numbers today the mother also goes out to work and the children are left far too much to their own devices. Then we wonder about the increase in delinquency and the people who fall into the ways of the hippies, drug addicts and so on. We wonder why these things happen and yet do very little to see that these homes are protected.

These single parents have a very difficult time getting along. At Christmas time I met with a group of these people on the west coast. They told me of their difficulties. One is that there is no provision by way of income tax exemption for payments to babysitters or housekeepers. This is the situation whether it happens to be a man or a woman who is involved. The national legal adviser of Parents Without Partners in Toronto said some time ago that an estimated 30,000 single parents in Toronto would be affected by income tax deductions for babysitters or housekeepers. This was a year or two ago, so now the number would be greater. He said that statistics indicated that in 1961 there were 2,800 deserted wives in Ontario receiving public assistance through welfare, with an average of four children per wife. He went on to say that the Dominion Bureau of Statistics shows there are five times that number in Ontario who are not receiving public support. Then he pointed out that single parents have to hire housekeepers and the income tax department does not allow this cost as an expense.

I should like to quote the following paragraph in order to give hon. members an idea of how the people across this country think. I believe it is our business in this House of Commons to state what our constituents and the people across this country believe is needed. This is what he said:

> If the minister will allow me $50 to take John Doe, a client, to dinner to get his business surely he should allow a wife who hires a babysitter because she has to work the same consideration.

He stated that he had spoken to one of the chief assessors in the income tax department who told him that he hoped such an allowance would never be permitted "because it would create too many problems". If we are to refuse this type of help to these parents because income tax officials cannot bear the burden of coping with the problem, then I think it might be time to change our civil servants or possibly bring in computers in their place, despite the story in the papers

today about the computer which gave one housewife a terrific family allowance payment.

Nothing should stand in the way of these parents being given the relief they require. One woman with three children told me that she could get along with paying $25 a week for a babysitter but that it is more difficult for a father. Some men are now paying $60 to $100 a week just for a housekeeper. In many instances this is being done on wages which are much less than they should be. The only minister present at this moment who seems to hold a portfolio in any way connected with income tax is the minister responsible for housing. I urge the minister to see that another look is taken at this problem.

• (5:30 p.m.)

This brings me to another large group which is growing very rapidly. I refer to mothers who are working outside the home, particularly those with preschool children who are left at home under arrangements less than satisfactory because of the high cost of babysitters and housekeepers. For many years the annual reports of groups such as the Business and Professional Women's Club, and the National Council of Women have been urging that income taxes should be geared so as to permit married women who are gainfully employed in occupations outside the home to claim an exemption in respect of the cost of babysitters and housekeepers. This is becoming tremendously important.

The other day I heard a figure mentioned in respect of the number of married women with preschool children who are gainfully employed outside the home. I was so surprised I had to check it before believing it. At the present time 70 per cent of married women who are gainfully employed outside the home and who have children of preschool age have husbands who are earning less than $3,000 per year. Is it any wonder women go out to work?

It is a fact that professional women, often married to men with salaries in the high brackets, go out to work to fulfil their careers in the fields of their choice. Women in the low income group to which I have referred go out to work for only one reason. They go out to earn enough money to pay the grocery bill or to purchase some of the amenities necessary to today's standard of living. These women need relief far more than many businessmen who are allowed to make business deductions for income tax purposes. It is high time we faced up to the implications of women who have to go out to work and have to pay babysitters or housekeepers to look after their small children. The only way this relief can be provided is through an exemption under the Income Tax Act.

On more than one occasion I have suggested that married women with children should be allowed to make a choice whether they go out to work or stay at home to look after their families. Many of these women do not have that choice because there is not enough money coming into the house to support the family in even a modest way. My suggestion of providing allowances for full-time mothers has been looked upon as ridiculous, out on cloud cuckoo, and impossible from a financial point of view. I have suggested to the minister one other way it would be possible for these women to care for their children. That is by being allowed to deduct the expense of babysitters and housekeepers, incurred while they are out working to supplement the incomes of their husbands.

Apparently we in Canada cannot attempt to implement many programs until they have been proved workable in some other country. It may be interesting to hon. members to learn that for several years in the United States the internal revenue service has allowed working mothers a tax exemption of $600 a year to offset child care expenses. I hope very much that this exemption has been increased. The minister shakes his head. I hope that does not mean the exemption has been decreased. In any event $600 is a small amount to cover the cost of looking after children while the mother works.

We learned this afternoon of a reduction of some kind in the civil defence establishment. If we reduced civil defence costs a great deal more and used that money to cover child care expenses I think we would gain something worth while in respect of civil defence. I do not suggest we should not spend money on civil defence in regard to fires, disasters, floods and so on, but proper child care would pay greater dividends.

I wish I could get members of this house to realize, as they must in some part of their minds, how very bad our national housekeeping is when little children are left at home without supervision or with just the supervision of a neighbour who keeps an eye on them. One must remember all the things that can happen to those children while their parents are away.

It is my hope the minister will at least tell me why an exemption has not been allowed

in respect of these expenses. I hope he will indicate that the department will look into this matter rather than give me a sweet word of encouragement by saying it will receive serious consideration. I have learned that serious consideration often means the minister thinks there is no immediate need to look into the problem. This is a serious matter because a great many of these people are becoming desperate. We have now reached a new stage of development with an increasing number of homemakers employed outside the home. Something will have to be done for the benefit of these young children who are being left at home without adequate supervision.

Mr. Robert McCleave (Halifax): Mr. Speaker, I wish to make two simple arguments in favour of an increase in exemptions and I ask the President of the Treasury Board (Mr. Benson), in the absence of the Minister of Finance (Mr. Sharp), to pass these arguments along. I suppose the President of the Treasury Board is in attendance because the Minister of Finance is grooming that hon. gentleman for bigger things should a certain event happen in early April. I would be interested to hear the forecast of the President of the Treasury Board in that regard, and I will cheerfully yield the floor to him for that purpose.

Mr. Benson: On a question of privilege, Mr. Speaker, let me say that most members realize the Minister of Finance had to attend the federal-provincial conference this afternoon because matters pertaining to finance were raised. I am simply here as Acting Minister of Finance to take his place.

Mr. McCleave: I meant no reflection on the Minister of Finance. We all know he is a very busy gentleman. I had hoped the President of the Treasury Board would rise to the bait and give a forecast of what might happen. Again the minister shakes his head.

Let me return to my arguments in favour of increased exemptions. I refer first of all to those on fixed incomes who in their old age are not able to earn extra money. Most of them are spending their limited incomes on rent, clothing, food and medical expenses. Any increase in the cost of any of these commodities or services as a result of inflation means a cut-back for them. These people must find cheaper accommodation, wear their clothing longer or eat less. Usually such cutbacks occur in respect of food. I think an increase in exemptions for these people is justified and could be a useful tool in the fight against the evils of inflation. I am personally aware of a number of people in my own area who have been forced to sell their homes in order to carry on through the home-stretch of their lives. This is a pernicious situation.

The other argument I wish the President of the Treasury Board to pass on to the Minister of Finance is based on the fact that the exemptions now in existence do not bear a reasonable relationship to the war on poverty now supposedly being carried out by various departments of government, particularly those associated with welfare. It seems to me that the exemptions which are granted do not bear a fair relationship to these poverty levels. Surely this is a good reason for increasing exemptions.

• (5:40 p.m.)

Mr. E. Nasserden (Rosthern): Mr. Speaker, this is really too good an opportunity to pass up to return some of the compliments we have had from time to time from members on the other side of the house and to discuss the factors which made necessary the action taken by the government last fall in bringing forward these income tax amendments. The action of the government in this respect speaks more eloquently than we or anybody else in this country can of the failure of those charged with responsibility to discharge it in a responsible manner.

To realize this one has only to read the editorials that have appeared for several months now in the leading newspapers across Canada. When one reads these editorials one realizes that confidence in the government has been severely shaken. When we consider the extent to which the government chose to act in the tax proposals it brought forward last fall, we cannot help but realize that all the government has tried to do is create the image that it is coming to grips with the important problems which face Canadians at the present time. But the fact is, sir, that Canadians from one end of Canada to the other realize that all this government has tried to do is create a façade that it is doing something to solve these problems, at the same time hoping that something will happen to correct them.

I am particularly interested in this matter because my mind goes back to 1963 when the present government came into office. I have here a clipping from the Ottawa *Citizen* of April 18, 1963. The headline reads "Pearson

Set For Fastest Take-off in History" and the article reads in part:

> Lester Pearson and his ministers will come to power equipped with sheaves of policy papers, priority lists and agendas which they expect will enable the quickest take-off of any new government in Canadian history.
>
> One Liberal backroom boy, flipping through a neatly bound and confidential Pearson program guide, commented, "no party ever came into office as well prepared to draft legislation and take executive action."

We are a long, long way from those days of 1963. This government should be condemned, not because of the things they have left undone but because of those things which they did deliberately and which they said would have a beneficial effect on our economy. They said that the policies they were implementing would correct some of the inequities that existed in years gone by.

I have here a clipping from the Ottawa *Citizen* of June 26, 1963. Hon. members will recall that that was the time the government was bringing forward tax proposals in respect of building projects, and so on. The headline of this article reads "New Tax Cancels Building Projects." The article, written by W. M. Arnott and Norman Campbell, reads in part as follows:

> Canada faces at least $100 million loss in construction and thousands of unemployed workers as a result of the 11 per cent sales tax on building materials, says the Canadian Construction Association.

The point I want to get across to you, sir, and to the government is that they were warned about what would happen as a result of the deliberate policies upon which they embarked. They failed to heed those warnings. They laughed in the face of warnings given by members of the opposition and industry across this country. As a result we have reached the point where the people of Canada have little confidence in parliament and even less in the government. This situation has arisen because of rising taxes, the rising cost of living, dwindling housing and all the other things that have created problems and great difficulties for our people.

Another factor that enters into this situation, quite apart from the tax on building supplies and construction materials, is described in the *Financial Post* of July 16, 1966. The headline reads: "Sharp's Grand Design For Banking System." The government deliberately took the ceiling off the bank interest rate, which has resulted in the highest interest rates in this country for many years. The interest rate under the National Housing Act has risen to 8½ per cent or 8¾ per cent, I believe, at the present time. The government was warned about this action. When speaking in the House of Commons in February, 1967, I had this to say, as reported in the *Star-Phoenix* of February 9:

> In a brief reference to housing in Canada, the Rosthern member suggested the removal of the sales tax on building materials "to restore to those who wish to purchase houses, some equity in their purchases."
>
> Imposition of the sales tax on building materials "has almost destroyed the hope of the young people in this country to own homes and build futures for themselves in the years when they will be raising their families," he said.

I went on to say at that time that the only thing that had given the government some semblance of stability was the tremendous grain sales that had been made. We have seen tremendous increases in interest rates. The Minister of Finance is in the house at the present time and he cannot help knowing that housing is beyond the means of the smaller wage earner of this country. Housing has been priced beyond the incomes of our smaller wage earners; they just cannot buy a house even if they wish to do so. This is one of the reasons we are faced with this problem.

Then we come to April 1, 1967. The government started a new fiscal year with a deficit. That has been the story all the way through. On April 7, 1967, the government considered setting up a housing ministry. It is only in recent days that they have given a minister sole responsibility for housing, despite the fact that they were warned by members of the House of Commons and leaders of the construction industry that we should have more than a part-time minister of housing. This goes back to April, May and June of last year. I have the clippings here to substantiate what I am saying, if it needs to be substantiated.

The most serious mistake the minister and the government made was in thinking that by eliminating the ceiling on interest rates the banks of this country would come into the housing field and provide the money which Canadians need in order to build homes. The fact is that this has not happened. It cannot happen and will not happen because there is built into our economy another cost factor which we cannot escape. No one in this country, be it an individual citizen, business or large corporation, can escape the additional cost factor present today. These two things working in concert are bringing about tremendous increases in the cost of everything produced in this country. It is making us less

productive than we have been in years gone by. It is robbing the individual wage earner of the value of his purchasing dollar.

We are now told that this problem will be solved by increasing income tax and other taxes. We can come to only one of two conclusions, that the minister and the government do not know what the effect of their actions will be or they do not care. This is a very sad situation indeed for the average Canadian citizen.

The other factor that has entered into this situation is the lagging grain sales during the past year. We recall that when the government first came to office and the Minister of Finance was charged with responsibility for the Canadian Wheat Board he washed his hands of all responsibility with respect to the final sales of grain. He went across this country and then told the world that the Canadian Wheat Board would be the sole marketing agency for grain. The fact is that as a result of all that has happened we have lost markets and the loss of sales has had a detrimental effect on our economy. This is one of the reasons the government has had to come to parliament cap in hand or try to get more tax money. They have done so time after time, budget after budget. There have been more budgets in the course of a year than any government has ever presented before, all of them designed for one purpose, to reach for another dollar which was then misspent.

• (5:50 p.m.)

These are some of the things we have to take into consideration when we study the income tax amendments now before the house. These are the things we must remember when we see such newspaper headlines as one which appeared in bold letters on January 18, 1968, reading, "Living Costs Still Rising". Another such headline appeared in the Toronto *Star* of December 19, 1967, which read "Civil Service Payrolls Could Bankrupt Canada, Economic Expert Warns". Then we see in the headlines in today's newspaper that there is to be another increase for the public service. I do not object to the increase but I object to the type of mentality evidenced by a government which is building empire after empire in its various departments and hires 20,000 or more public servants in a short period of time at a time when this nation is under stress and trained labour is short. All of these factors have combined to bring about a colossal failure on the part of parliament and the Canadian government to meet the problems of the future. There is no one in the house who does not realize the tremendous problems which will face governments in the years ahead in trying to turn back the pages of history written by this government and to bring about sane and stable government.

In looking at the measure now before us I am convinced it will not solve the problems I have mentioned, and I believe the minister himself knows this. All that the government has tried to do is to create a façade to try to convince Canadians, and Canadian business in particular, that there is reason for placing confidence in the government even though it has disregarded the criticism and advice offered to it by business and by members of the opposition. The fact is that sitting opposite us is a government which, in the opinion of some of its own members, has not consulted them in caucus before taking decisions. Surely some of the government members have realized the tremendous problems which have faced us and the effects which the sales tax and the removal of the ceiling on interest rates have had on the economy.

Mr. Speaker: Order, please. I must remind the hon. member that we are now dealing with a bill to amend the Income Tax Act. Perhaps he might give this some thought in the course of his speech.

Mr. Nasserden: Thank you, Mr. Speaker, but I assure you that this piece of legislation would not have been necessary had it not been for the mistakes which the government has made in the last three years and about which they were warned. This is why we in the opposition wish to call their attention once again to the need to take more resolute action than they have in the measure now before us.

I should like to be able to pay some compliments to the government on the action it has taken but, frankly, when I look at what is happening in this country and when I realize that it all seems to be part of a pattern deliberately set by the government, it does not seem possible.

We can see that this situation has been going on for years by going back to 1963 when broad party policies were being spelled out in programs. Let us also take a look at the rapid changes which have taken place in this country. It is no wonder the government cannot solve the problems of today; they are still trying to solve these problems with solutions which they thought they had 5, 10 or 15 years ago. This is not good enough in a country developing as rapidly as ours is today,

both in industry and private life, and when there is a great change from a rural to an urban economy.

The government is now coming forward and asking for an increase in the income tax. There is nothing in their program to help the municipalities which are faced with the greatest tax increase in the entire history of this country. Let us also consider another factor, the rising cost of living which continues to increase despite the appointment of a minister of the crown in charge of consumer and corporate affairs. When I asked the minister whether his department was going to study the effects of the rising interest rates he denied that his department was charged with that responsibility. If that is so, then why was the department set up if not to take into consideration one of the most important factors in the economic life of our country?

Let us face the fact that the effect of the government's actions has been to reduce the productivity of our nation and of our workers at a time when our products face great competition in world markets. What hope is there for the Canadian people when we have a government such as the present one? This is one of the reasons why we on this side of the house cannot help but condemn the government for the actions they have taken and, what is more important, for what they have not done in the face of these problems. It cannot be said that the government lacked advice. They have hired everyone in Canada they could to help them set up these little empires.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles), Administration of Justice—Steven Truscott—consideration of granting of parole; the hon. member for Gaspé (Mr. Keays), Manpower—inquiry as to training program; the hon. member for Burnaby-Richmond (Mr. Prittie), Housing—Vancouver—construction of home for senior citizens.

It being six o'clock the sitting is suspended until eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

INCOME TAX ACT

The house resumed consideration of the motion of Mr. Sharp for the second reading of Bill No. C-193, to amend the Income Tax Act.

Mr. Nasserden: Mr. Speaker, before the dinner hour I was dealing with some of the phenomena that have taken place during the last three years that finally brought about the chaotic financial position in which the government finds itself today. During the past two years in particular there has been an increasingly severe trend toward increased taxation.

We have before us at the present time a bill introduced by the Minister of Finance (Mr. Sharp) to increase income taxes. This has become necessary because of the problems now facing the nation, such as inflation, the rising cost of living, receding productivity and the increasing burden of government itself.

This takes me back to the days before this government came into office, when parliament and the Canadian people were being told how to restore Canada's position in the world and our economy at home. According to a report before me from the Ottawa *Citizen* of April 20, 1963 the Liberals set out seven ways to restore Canada's position in the world. The first of these was to demonstrate that Canada has a strong government at home. In view of what has happened during the last two or three years in particular, and the groping that we have seen from the finance portfolio of this government, it is interesting to reflect on this headline and to wonder as to the substance for this sort of report. I suggest that one of the reasons this measure is before us tonight is that once again the government is seeking additional money to replace money it has misspent, frittered away. It is in this position not only because of the things it did but because of the things it did not do.

The headline in the Ottawa *Journal* for February 12, 1963 reads "Grits want more government projects", which according to the *Journal* are to be at no cost to taxpayers. The article goes on to say that—

> —the national council of the Liberal federation came out straight for more government sponsored projects to ease unemployment, more aid to municipalities, loans, an enlarged Central Mortgage and Housing Corporation—

Today we have the highest interest rate in the entire history of this country.

—continuing family allowances to children through high school, and a comprehensive health insurance plan where the federal government would take on half the cost of Canada's medical care.

This is the point I want to impress upon hon. members tonight:

They said none of it would cost the taxpayers more. But it will mean increased government borrowing, a Liberal spokesman admitted later.

In view of this, Mr. Speaker, why is this measure before us this evening? It is my belief that this taxation measure is before parliament at the present time because the government cannot borrow money today in Canada, even in the world, in order to meet the problems they face. In 1963 the Liberals were talking about getting the economy rolling, yet today they admit it began rolling in 1961.

Quoting again from the article, one Liberal delegate from Toronto—

—criticized his own party's policy by saying that nearly all the measures proposed suggested easy money and a "steady outward flow from the federal treasury" over an indefinite period, with no indication of where the money would come from.

Truer words, Mr. Speaker, were never spoken. We know tonight where the money is coming from; it is coming from the taxpayers of Canada. In the early days of the administration opposite hon. members will recall that the opposition was charged with obstruction. Reports in the newspapers indicate a different story. I have before me the Winnipeg *Tribune* for June 19, 1963, which carried an article which said, in part:

But the Liberals were in a poor position to raise the familiar Tory cry of obstruction. The pace of the house was no slower—and in some cases faster —than when they sat in opposition to a Conservative minority government.

The Winnipeg *Tribune* carried another article in its issue for October 31, 1963, a time prior to the Minister of Finance having any ambitions about becoming prime minister of this country. In those days he was minister of trade and commerce. Speaking at Winnipeg, I think it was, he is reported by the Winnipeg *Tribune* as admitting that at times his government's performance "had not been too impressive". The article says:

There had been false starts. But the Liberals had the right approach to major national issues.

The minister admitted there had been false starts, but I suggest those false starts laid the foundation for the current problems that face the nation.

I should like to recall to the house what the Glassco commission—

Mr. Speaker: Order. I took the liberty earlier today of bringing to the attention of the hon. member the fact that there is a bill before the house to amend the Income Tax Act. It seems to me that the hon. member has been departing rather far from the principle of the bill before us, but I hope that at some time before he concludes his speech he will make a contribution that is relevant to the bill.

Mr. Nasserden: Mr. Speaker, I do not know what could be more apropos of what is under consideration at the present time than to try to bring to light the reasons we are faced with this particular measure at this time. In doing so I should like to go back to the recommendations made by the Glassco commission to the parliament of Canada. I have before me a headline in the Toronto *Globe and Mail* for October 29, 1963 which says "$300 million saving feasible in civil service, Glassco says".

Now, Mr. Speaker, what has been happening in the civil service under the administration of this government? Costs have gone up. Not only that, but the government itself admitted during the debate on the mini-budget and the budget that preceded it that it had a real problem on its hands. It has also been suggested that the action taken to date has in no way measured up to the seriousness of this particular problem.

• (8:10 p.m.)

Let us consider housing. After all, by raising income taxes we raise the cost of living for our people, and that will have an effect on our housing. I well recall what was said by the leader of the Liberal party in the Senate before this government came to office in 1961.

Mr. Speaker: Order, please. Apparently my suggestions do not seem to influence the hon. member very much. Nevertheless I suggest to him that housing, so far as I can see, has little relation to the bill before the house.

Mr. Nasserden: Mr. Speaker, I do not disagree with Your Honour. Yet when income taxes for those who are seeking houses are raised deliberately, their ability to pay for those houses is affected. Increased taxes mean an increased cost of living for our people, and I think that the provisions of this bill ought to be drawn to the attention of the house.

We are sent to parliament to try to obtain a better life for our people. We are sent here to enable our people to utilize all the resources of this country. I realize, as does every other member of the House of Commons, that government must tax in order to provide services that are necessary for our people. Nevertheless it is generally understood throughout the length and breadth of this country that certain matters can be dispensed with, that certain items add to the cost of government and raise the cost of living of our citizens.

Before the dinner adjournment I spoke of two factors that had contributed most to our present labour unrest. And, Mr. Speaker, we have labour unrest in this country because of what this government has done. The increases in income tax the government is proposing to levy will have the effect of making labour seek higher wages. This will mean an increasingly rapid upward spiral in our cost of living, and that is why I question the government's wisdom in bringing forward this measure—because it steals something from the man who carries a dinner pail. This measure will force prices up to the extent that many commodities will be out of reach of the ordinary citizens of this country.

Realizing all this, members of the opposition of the House of Commons have lost confidence in the government, as have the businessmen of this country.

Mr. Alkenbrack: Hear, hear.

Mr. Nasserden: The few measures the government has put forward do not come to grips with the problems that face this nation. I think that raising income taxes for our citizens is wrong; that will not achieve the purpose the government intended to achieve. This measure will have serious consequences for the future of our nation and instead of helping to solve our problems will accentuate them and make their solution more difficult. That is the bleak prospect that faces us today. No matter which government is in office, whether it be this government or some other, the problems of our nation must be faced and solved, and they will not be solved by measures such as this.

Just take a look at the decisions made by this government and at the results of those decisions. Today we have the highest cost of living in Canada's history; today the government is proposing income tax increases; today the government, through its actions, is whittling away the supply of money that is necessary to provide the houses and other essential commodities of this country. When the Minister of Finance says that by removing the interest rate ceiling there will be a bountiful supply of money for housing I just ask him, whether any banker in his right mind would tie up his bank's money in housing for 30 years when the bank can go after more lucrative business? I submit that this government measure is wrong because it is based on a false economic premise.

Look at the mounting costs of government in this country, Mr. Speaker, and at the little empires within the government that are being built up. Nevertheless we were told in this house not long ago that the government would effect savings in government spending. The government said it would not spend as much money as it had intended spending. All I can say is that the government has proposed too little too late. It has not even begun to touch the problems that face our nation. I regret to say this, but what the government is doing will be bad for Canada; and I do not think many of our people would quarrel with what I say. I hope the government once in a while will listen to members of the opposition and to its own backbenchers. Had they listened to the opposition more during the past two years this country might not face the difficulties it faces at present and Canadians might not have to pay the additional taxes the federal government is seeking to levy.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I do not intend to take up too much of the time of the house. However, like my friend from Rosthern (Mr. Nasserden), I cannot miss this opportunity to remind the Minister of Finance (Mr. Sharp) how unpopular is his present proposal in the eyes of the average retired citizens who live on a fixed income.

Factory workers were certainly expecting something other than the present tax increase proposed by the Minister of Finance. On the contrary, being practical, they were expecting the government to announce, through the Minister of Finance, a decrease in its extravagant expenditures and restraint also in the employment of civil servants whose numbers seem to be increasing at an alarming rate every month.

But, instead of that, the hon. minister announces a tax increase. Moreover, he tells us that he will have to impose another tax in a few months.

It is very difficult for the father of a family to make ends meet at the end of the year because, on one hand, the average worker must face an ever-increasing cost of living, the highest cost of living in all the history of our country and, on the other hand, he also must cope with an income tax increase, with the comforting thought that perhaps, in a few months, he will have to pay out more as a result of greater deductions which will be made on his pay check every week.

As my hon. friend from Rosthern mentioned, the hon. minister should pay attention instead to the warnings given by this side of the house and by his Liberal colleagues who surely, in private of course, warned him that he could not continue, as he has done to date, to add to the difficulties of the middle-class worker. The young man who plans to build his own home is faced with innumerable difficulties. Yesterday, I saw in a newspaper that, in the province of Quebec alone, building costs have gone up by 28 per cent. That is due to the continuous increase of income taxes and also of taxes on building materials.

• (8:20 p.m.)

On various occasions, we have attempted to convince the hon. minister that, instead of raising taxes, he should rather endeavour to reduce them, but he has remained deaf to our appeals. It is somewhat as if we were pouring water on the back of a duck.

I referred earlier to what is in store for our retired people who have to provide for themselves with an income which has not changed for several years. Those citizens have now reached the age where they cannot find work to increase their income. From one week to the next, from one month to the next, they find it increasingly difficult to satisfy their needs.

In that respect, I have here a letter signed by Mr. Hubert Lecours, president of the national association of retired federal civil servants, Quebec section, which reads as follows:

Sir,

At a recent meeting, I was asked to tell you how we feel about the freezing of pensions to retired civil servants.

We protest vigorously against that decision taken by the government which is not only unfair but revolting and unacceptable in the present economic and economic conditions.

We would appreciate it very much if you would second the efforts of the Prime Minister who has promised a review of that shameful and undignified decision in the very near future.

Counting on your support, I remain, yours sincerely.

[Mr. Ricard.]

Before concluding, I would like to intercede on behalf of pensioners and superannuated civil servants whose revenue has not changed for many years. I would ask the Minister of Finance to see to it that these retired people, these deserving employees, who devoted the best part of their life to the welfare of their fellow-citizens, enjoy a pension enabling them to meet their present obligations. The minister should show more concern for superannuated civil servants who can hardly make both ends meet to-day. In doing this he would please not only those citizens, but also some members on both sides of the house.

Therefore, I ask the hon. minister to take steps to put an end to these continual tax increases and, on the other hand, to give a little more attention to retired civil servants.

[*English*]

Mr. Bud Germa (Sudbury): I listened with interest to the hon. member for Rosthern (Mr. Nasserden) and I am surprised he would criticize this bill to such an extent without criticizing it for the reasons for which it deserves criticism.

I notice he made profuse reference to editorials from various newspapers, the Toronto *Star* in particular, and I suppose it is because he used these newspapers as his advisors that he criticized this bill for the wrong reasons. I too take advantage of these editorials but I use them in the opposite way; whenever I am in doubt about a certain issue I read the editorials, and I find that if I do exactly the opposite to what they advise I come out right pretty well 100 per cent of the time.

I agree there is lack of confidence in the government. There is a conference in progress now, designed to renew the confidence of the Canadian people in the Liberal party and in this parliament. I am surprised the government cannot instil this confidence. After all, they have been in the confidence racket all their lives and have been quite successful at it.

There is a saying in my riding of Sudbury that only poor people can enjoy poverty. This is true; and this bill is designed to ensure that these people shall have more enjoyment than they have ever had in their lives. I think it is the most dastardly piece of legislation I have seen in my short stay of six months in this house. The minister proposes to tax those who have least ability to pay. In one clause the tax is cut off at the $600 limit. I am not a mathematician but I think a man would

arrive at this position when he is earning $28,000 a year. After that, there is no tax on the amount of money above the $28,000. These are precisely the people who need exemptions! People earning more than $28,000 certainly need more privileges than they already possess!

This bill might have been written by the Canadian Manufacturers Association or by the chamber of commerce or even right here in the Rideau club. These are the people who would propose such legislation as this, in order to keep the workers in economic slavery. This is what the bill before us is designed to do—to deprive those already on a low rate of income of more and more of that income so that they will become economic slaves.

Dedication to hard work is perpetuated by various organizations. I think the minister must be reading the wrong books when he seeks to co-operate with these people and falls for the propaganda and drivel they have spouted over the last hundred years. In 1951 the chamber of commerce was urging us to work harder to produce more because our survival might depend upon how fast we could keep the wheels of industry turning in Canada. But for whose benefit did these people want the wheels of industry to turn faster? The minister goes along, making sure that the worker gets the work and that the money men get the money. This is what they call a 50-50 split.

• (8:30 p.m.)

We hear a good deal, also, about the nobility of work. Well, most of it, as I happen to know from 31 years in mining and smelting, is not noble. The only reason people work in mills and smelters is because they are forced to do so in order to feed their families. I heard a little story about this ennoblement of work. A very popular man in the United States, Bobby Kennedy, was campaigning in front of one of the filthy steel mills, shaking hands with the men coming out of the mill. One grizzled old veteran on his way out said, "I hear, sonny, you never worked a day in your life." "Yes, sir," said Bobby, "I never spent a day in my life in a place like this," and the veteran said, "Well, you haven't missed a God damned thing." That is what is going on in the mills and smelters on this continent, Mr. Speaker: You haven't missed a thing.

Recently a study was made of the taxation system in Canada. Mr. Carter, I believe a very wise and noble person, presented a report wherein he said that the tax system in Canada is one of the most unfair systems ever devised, and that 5 per cent of the people receive privileges at the expense of the other 95 per cent. I have a good idea who these 5 per cent of the privileged people are.

We talk about people's capitalism, and we are supposed to be receiving some of the benefits of that capitalism. But you and I, Mr. Speaker, know that only 10 per cent of the people own shares in corporations. If you deduct the people like myself who own one share, and people who own two shares like my friends, you will find that 2 per cent of the people control 98 per cent of the corporations, yet all our legislation seems designed to protect these 2 per cent who have us by the throat.

That is probably the reason why we do not have a capital gains tax in Canada. The only nation in the western world without a capital gains tax is this great country of ours. This generates people like Viola MacMillan and Mr. Justice Landreville who make great gobs of money, and it is all tax free. There is no justification for that type of exemption. It is not necessary.

There is another type of person who reaps benefit from our income tax legislation, and the minister could have done a favour to Canada if he had plugged this particular loophole. In this regard I speak of stock options given to members of boards of directors. It is a well known fact that people on the boards of various companies do not get an annual raise in pay because, as salary, it would be taxable. Instead, a means has been devised whereby they get a raise every year without having to pay their proper tax on it. It is known as a stock option.

These people are given an option to purchase stock at a fixed and given price any time they wish during the year. When they see the stock rise they can exercise their option. If they have an option on 10,000 shares and the market is up $5 a share they can go through a paper transaction, buy the stock at their option price, sell it at the board price and make $50,000 with ten minutes work. This is tax free because it is known as a capital gain. Such a device places a greater burden on people who make their living through wages alone, and these people comprise the vast majority of the population.

This bill rubs a little salt into the wound by charging the working man a 5 per cent increase on his payable taxes. Does anybody doubt where this increase, collected from the

lower income worker, is going? It is going back to the corporations to repay them that refundable portion of tax taken off them two years ago. Further, it is going to pay them that back at 5 per cent interest. The money to be taken out of the workingman's pocket is to be given to the corporations in repayment for that refundable tax.

Never in my experience has a government come to me and said, "Will you lend me some money for two years and I will pay it back to you at 5 per cent interest." But this is precisely what the government is doing in this bill. The government has to refund the corporation tax, and to do so it is getting the money from the workingman.

For many years the resource industry has had a privileged position in our tax structure. Depletion allowances are provided for the oil and mining industry. If these allowances had been eliminated the federal treasury could have picked up an extra $150 million in the past year, money which could have paid the corporation refundable tax without necessitating this 5 per cent income surtax on wage earners.

There is another vicious exemption in our tax structure, namely the three year tax exemption given to new mines. I know of this exemption quite well, coming from the mining community of Sudbury where we have debated it long and hard over the past 15 or 20 years. We have come to the conclusion that this is a direct steal on the part of the mining companies. Those companies must have exercised a direct influence on this and previous governments. The law providing that exemption was passed 40 years ago, when mining was a dangerous, speculative game. Since there was such a high risk involved it was necessary to encourage mining companies; but things have changed in the last 40 years. People do not sink mining shafts in the ground any more unless they know in advance what tonnage of ore lies underneath, what its percentage of metal is, and what return they will get on their investment. But even though advances in technical knowledge have eliminated the high risk involved, the legislation has not been changed for 40 years. There is no justification for mining companies to enjoy this three year tax exemption at present. Today when companies undertake to develop an ore body they plan its development very carefully so that by the end of the three year period the ore is raped just about clean. When the time comes for them to pay taxes there is no ore left in the ground. Then they move on to another ore body and repeat the process.

Insurance and finance companies are also enjoying a privileged status under our tax system. Despite revenues of $90 million, after paying dividends, policy fees and everything else, these companies pay tax on only $5 million of that, and last year our federal treasury collected only $2 million. If these companies lost their privileged position our treasury could have picked up $77 million, which would have gone a long way to offset the deficit financing that seems to be the rule at present.

• (8:40 p.m.)

There is another problem staring us in the face; that is the problem of supplying housing for our people. Part of the blame for the high cost of housing has been placed on the high cost of land. The reason for the high cost of land is that there are people who, with design, grab large tracts of land in areas where they know development will take place. After someone has paid the cost of installing sewers, services and roads all around this land in an area of 10, 20 or 100 acres the land value rises and the speculators come in and sell this land sometimes at a hundred fold profit over what they had paid for it. The people who need a bit of land in that particular community have no choice but to pay the price the speculator demands. The speculators of course do not have to pay income tax because this is called a capital gain.

If these transactions were not considered capital gains, more revenue would be collected for the treasury and land would be cheaper for the people who need to buy it in order to build a house. Without the capital gains provision, there would not be very much incentive for people like E. P. Taylor, who grabbed all of the township land near Malton airport, to go out and make this kind of a deal. In this case a person would not have to pay $10,000 or $12,000 for a 50 foot by 100 foot piece of land on which to build a home. It is a crying shame that land speculators are able to do this, without making a one penny contribution to the federal treasury. It is a complete and utter steal; it is banditry.

The corporations have done well for themselves through their control and direction of the old line parties. They have always held a privileged position in respect of travel and entertainment. Many people in the upper echelons in this country are living on their expense accounts. This expense account living

includes T-bone steaks, trips to Miami and California, or trips to Hawaii. So long as they make a phone call when they get there they can call it a business trip and it is tax free; it is charged out to the corporation. I am sure we all know of instances where people have taken their families along on such trips, where golf club dues are charged as a business expense, or where Christmas parties complete with T-bone steaks and booze are held in the board rooms. This is a direct charge on the people, who have to pay their full share of income tax because no provision is made for them.

There is no place on the income tax form for the average ordinary man where he can make any claim for entertainment expenses. When he entertains, he does so with the dollar on which he has already paid tax; But the privileged few do not have to do this. People who make money on the stock market are also exempt from taxation. There is no reason to my mind why a buck is not called a buck every time you see it. But we have the speculative dollar, the capital gains dollar and the earned dollar. The earned dollar takes the beating. There is the long dollar and the short dollar. They both look the same to me, except that I know one of them has a tax levied on it and the other has not.

Mr. Carter recommended redistribution of the entire tax burden. If this had been done the federal treasury could have counted on $523 million more in taxation in the past year. If there is a shortage of funds, I see no reason why those people who have the ability to pay are not charged this extra amount. Out of the $523 million, $270 million would have come from foreign corporations. This would have gone a long way toward buying back Canada.

The Prime Minister in his great pronouncement said that his goal in life is to try to buy Canada back, or gain control of our economy. What better way could this be done than by taxing these corporations $270 million more than they are paying now. The poor fellow who must pay a tax on all his earned income has very few exemptions. He can deduct his union dues of $60 a year, and $100 for general expenses if he happens to have a hospital bill, and so on. Other than that, however, he has no way in which he may deduct from his wages those items which he must purchase in order to earn his living. We know that every man in business or the professions who buys rubber bands, pen nibs, pencils and other articles deducts all these items because they have been purchased in order to help him carry on his business. No matter how small the item, it finds its way on to the income tax form as a tax deduction.

Let us compare this situation with the situation of the man who must labour for wages, particularly in the industry in which I was employed. He cannot deduct any item, even though it is necessary in his employment. He must provide himself with a hard hat which costs $11. He must provide himself with safety boots which cost $14. He must have gloves with an iron protector on the back. He must have spats on. He must have overalls and rainwear. This man must provide himself with all sorts of safety equipment, plus his tool bag. When he is dressed up he has probably spent $500 in order to be prepared to do his first day's work. He cannot deduct any of that $500 from his income tax. I say it is a disgrace that this situation should exist. These people who must buy these things as a condition of employment should be allowed to deduct such items as an expense in respect of their income tax.

This reminds me of an occasion when a group of people with whom I was employed were working in 40 below zero weather. They were up on a hill installing a transformer. The superintendent asked them how they could stay out in this weather, and one of them replied "There is nothing to it, if you spend $400 on clothes and bullet-proof underwear". There is no deduction for that. I hope that the next time the minister brings in an amendment to the Income Tax Act he will show some compassion for the people who have created the wealth which permits these other people to float around in the enjoyment of an expense account living.

• (8:50 p.m.)

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I take the liberty, in thirty seconds, of drawing the attention of the house to the presence of the mayor of Arvida, one of the most beautiful cities in Canada, located in the constituency of Lapointe, also one of the finest in the country. All those who had the opportunity to visit Arvida know that it is one of the most beautiful in the country. It is a fine example of modern town-planning at its best, where everything is exceedingly clean. The city of Arvida also boasts a fine industry, the Aluminum Company of Canada. May I therefore be allowed to welcome the mayors of Arvida, of Chicoutimi, and of other

municipalities of the Saguenay-Lake St. John area, in short, of several points in Quebec.

Some hon. Members: Hear, hear.

Mr. Grégoire: Now, Mr. Speaker, after greeting these gentlemen I must deal with the bill before the house wherein are announced increases in taxes and income tax, by the following introductory words:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Income tax and taxes are therefore increased. The Queen, on the advice of her ministers, decides to increase taxes.

Mr. Speaker, that is probably why the Liberals have said: Let us get rid of the monarchy, since the Queen is the one who enacts increases in income tax and other taxes. That is the case, and I should like to protest against those increases.

In his speech on November 30 last, the hon. Minister of Finance said, while announcing the tax increase: We need additional revenue and to this end we must find other sources of revenue. The country is developing. Productivity must increase. Public works must expand in order to alleviate unemployment. Additional sources of revenue are then needed.

As reported at page 4908 of *Hansard* for November 30, 1967, the Minister of Finance decreed an income tax increase which is already in force although it has yet to be passed. That might be the reason why Her Majesty decrees and when she does we start paying on the very same day, even if that decree is passed two or three months later by parliament. It is as if parliament had nothing to say in the matter. Her Majesty has decreed; that is the end of it and we start paying right away. Parliament will vote when it wants to, it does not matter; taxes are collected as soon as Her Majesty has so decreed.

In any event the Minister of Finance said on November 30 and I quote:

My officials estimate that this surtax will increase our revenues in the fiscal year 1968-69 by $185 million; the effect on the current year will be to increase our revenues by approximately $25 million.

Mr. Speaker, the Minister of Finance says that he needs $25 million, and he levies a surtax. If he needs that sum, very well, but I submit that he should take it elsewhere than in the pockets of Canadian citizens who are already overtaxed and whose income tax is already very high. Let us find another source of income. I found one, and I make a suggestion to that effect to the minister, because—

Mr. Langlois (Chicoutimi): Selling pencils?

Mr. Grégoire: No. Mr. Speaker, I will leave this kind of joking to the hon. member for Chicoutimi, and I will continue to be serious.

Mr. Speaker, can we imagine that the Minister of Finance who needs $25 million should overtax the Canadian public to get it. I found in the estimates of the minister another source of revenue which would enable him to save $26 million, which is a little more than the amount he needs.

In fact, on page 318 of the estimates of National Defence for the current year, I note that the Minister of Finance has decided to purchase bombs for an amount of $26 million, that is $1 million more than the $25 million which he wants to collect from the Canadian taxpayers.

Mr. Speaker, I suggest that Canada does not need bombs at the present time, especially since last year the government had bought some for $21 million. Now the bombs bought last year have never been used. I do not remember that they were dropped on somebody, that we have declared the war on the United States or on Europe to drop $21 million worth of bombs or that, without being aware of it, we are involved in the Viet Nam war.

So, last year, we bought $21 million worth of bombs. We still have them. Very well, let us keep them. There is no need to buy another $26 million worth this year. Let us stop buying bombs and we shall have the $25 million the minister needs to balance his budget, since he says himself, in *Hansard* of November 30, 1967, that this surtax will bring in $25 million for the current year.

Mr. Speaker, I say again to the Minister of Finance, if he needs $25 million, the solution does not lie in taking that amount from the pockets of Canadian taxpayers, who are already overtaxed, but in practising economy where this can be done, and I suggest that the place where savings can be made is when buying bombs, since a sum of $26 million is allocated to that. There may be other areas where savings can also be realized. I know that, during the present fiscal year, the Department of National Defence will spend $21 million for telephone calls. Let them stop making long-distance calls. After all, we are

not at war and we can save money in this way.

Moreover, we could try to make our money work for peace. Unemployment is rising, Mr. Speaker. In the city of Montreal itself, a week ago, there were approximately 65,000 unemployed, a continual increase over the number of unemployed last year. Meanwhile, millions of dollars earned through hard work and effort by the Canadian taxpayers and taken away from them are being spent on telephone calls or on bombs. Since this goes on from year to year, we must have accumulated quite a few bombs since the last world war, for you can buy quite a lot for $26 million.

We are also buying tanks and armoured cars; we spent $15 million on them. This year, the amount of $61 million has been appropriated for the purchase of warships and $95 million for the purchase of aircraft. Mr. Speaker, I submit such purchases are not urgent. What is urgent is to leave to Canadians the little money they have managed to earn with their salaries. I wonder what we could do to have the Minister of Finance understand that his responsibilities not only involve taxation but the setting up of an economic system which will help the Canadian people as a whole instead of being a nuisance.

Since the new Minister of Finance has been in office, many new taxes have been levied. These are putting a heavy burden on the Canadian taxpayers, but the minister does not call a halt, he is still increasing taxes. He has become "the hon. federal Minister of Taxes".

Every year, even twice a year, for two or three years now, he has been introducing two budgets a year and raising taxes. Mr. Speaker, I should like to protest against that increase. Personally, I shall vote against it. I object to it because the collection of those taxes started even before the legislation was passed by parliament and I say to myself: If hon. members are conscientious and honest, they will vote against it and the bill will not be passed. Each member represents some electors, citizens who are tired of paying taxes. He must therefore vote against that unjustified tax increase whatever his political allegiance.

The minister tells us that this surcharge will bring in $25 million which is $1 million less than the cost of the bombs which we are going to buy in the same year. Why not stop buying bombs? That is what each and every member should understand. The interest of the voters demands that we stop buying bombs instead of increasing taxes by 5 per cent. It is always 1 per cent, 3 per cent, 5 per cent; taxes always go up and we do not know where this will stop.

Therefore, I strongly urge the members of all parties to vote against this bill so that this income tax increase will not come into force and Canadian citizens can breathe a bit more freely.

[*English*]

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, the Minister of Finance (Mr. Sharp) has had a very busy day and I expect he will have another busy day tomorrow, so we should not be too hard on him tonight. We must remind him, however, that Liberal fiscal policies are not working too well. This was emphasized by his cabinet colleague, the Minister of Trade and Commerce (Mr. Winters), but I will not repeat his remarks. We are all familiar with what he said.

The gross national product is not increasing satisfactorily in real dollars and there are indications that the productivity is slowing down. Consumer prices are continuing to rise, and interest rates are at the highest level at which they have been for a great many years. I make these remarks by way of preface to the main portion of what I intend to say at this time.

There is a particular problem in respect of income tax which should be raised here because Bill No. C-193 covers amendments to the Income Tax Act. I am pleased to see that the Minister of National Revenue (Mr. Chrétien) is in his seat tonight, as I think this problem concerns both ministers. An increase in tax payments has a direct connection with certain problems faced by some of my constituents. They have written asking me to bring their problems to the attention of parliament and particularly to the attention of the Minister of Finance and the Minister of National Revenue. This problem bears a direct relation to problems referred to by other speakers concerning extra expenses involved in earning income on which taxes are paid.

• (9:00 p.m.)

These extra expenses result from changes in employment. The most recent letter on the problem comes from the general chairman of the Moose Jaw local of the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees. I will not put the whole of the letter on the record but I think the first paragraph

bears out what I am trying to emphasize. It says:

> Kindly refer to your letter of December 19th, 1967, regarding our problem of our workers being forced into now working in Regina to hold full time employment due to complete cancellation of their work in Moose Jaw and lack of enough seniority to hold work in Moose Jaw.

In earlier correspondence with these workers I asked this official to supply me with names. I will not put the names on the record but I will just outline their problem. The first man is aged 52 and has seniority from July 16, 1941. The next man is aged 47 and his seniority is from 1942. It goes on from there. The seniority of these workers goes back to 1942 and the first paragraph of this letter points out that this seniority is not sufficient to enable them to hold full time jobs in Moose Jaw.

Therefore of necessity, in order to hold a job they are working in Regina but still maintaining their homes in Moose Jaw and keeping their children there, in the hope that railway conditions will improve and perhaps they will be able to go back to their homes, with the assistance of the recent colleague of the minister who is now the head of the Canadian Transport Commission and who apparently knows quite a few of the answers to the problems of transportation. It is hoped that he will be able to bring about a change in this respect. In the meantime, these people are maintaining their homes in Moose Jaw and, as I say, their children are going to school there. These workers are working five days a week, or whatever it is, and going to their homes in Moose Jaw during the time they are not working in Regina.

They consider that the money they spend—and this point has been raised in other cases—to earn an income on which they must pay taxes, should be deductible as expenses paid out directly to earn this income. The former minister of national revenue knows all about this situation because I have had correspondence with him and direct contact with his office. As I say, the new Minister of National Revenue (Mr. Chrétien), who is in the house now, has heard of this problem. I join with hon. members in congratulating him on his appointment to his important portfolio. I am sure he will be working closely with the Minister of Finance (Mr. Sharp) on this problem.

The Minister of National Revenue has been described as a very reasonable man and I hope he will see the merit of the argument I am presenting on behalf of these railway workers, and will convince the Minister of Finance that these away-from-home expenses which are incurred in order to earn their take-home pay should be deductible for income tax purposes.

The Minister of Finance may not give an answer tonight because, as I say, he has been a very busy man, and I am quite sure he will have to consult with the Minister of National Revenue on this problem. I leave it to his good judgment and sense of fairness to see the validity of this argument. This money is actually paid out in order that these men can hold their seniority, in the hope of getting back to a position in Moose Jaw.

After the minister has considered the situation carefully, if he wishes more detailed information on the subject—as I say, there is a great deal of information in this letter but I shall not put it on the record at this time—I shall be very pleased to furnish him with it. That is the only question I wanted to raise tonight, Mr. Speaker.

The Acting Speaker (Mr. Tardif): Is the house ready for the question?

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have every sympathy with the Minister of Finance (Mr. Sharp) this evening as we deal with the increases in income tax which will be brought about by these amendments to the Income Tax Act. His position is one that would bring tears to the eyes of anyone contemplating the leadership of the Liberal party, especially when one considers what his colleagues have to offer at the present time. One of his colleagues has spoken of a guaranteed annual income of $2,000 a year, another has spoken very glowingly of constructing vast new cities across Canada to house up to four million inhabitants, and a non-candidate for leadership is sponsoring a bill that will permit state operated lotteries so that Canadians will have their chance to become wealthy overnight.

Confronted with all this tough competition, the Minister of Finance is faced with the unenviable task of bringing in Bill No. C-193, an act to amend the Income Tax Act, in the hope that it will be passed by the house and will stand in his name as his contribution to the cause at this time.

I do not wonder that the government benches breathed a sigh of relief when the broadcasting bill was passed yesterday, or that the Minister of Finance did, because it

enabled him to present this bill a little more in advance of the first week in April than he might have thought possible up to yesterday afternoon.

Of course, one cannot help but have sympathy for the minister when one considers the statements that have been made by him on previous occasions in budget speeches, and debates on related bills. We know for example that the boom that was to be paced at one time has somehow missed a step here and there and we have a crisis of confidence in Canada at the present time. We know, also, of the drastic shortage of money and the increase on interest rates that will bind our citizens to the payment of enormous sums of money in respect of any necessary development that is to be proceeded with at the present time.

We pay a high price for the inflationary development that seems to be accelerating rather than decelerating. I suspect that Bill No. C-193 will only add fuel to the fire because it strikes mainly at the little fellow who is making an income that is obviously known, and whose income tax is therefore deducted at source. This person has neither the capital nor the time to involve himself in other enterprises that might produce for him some other form of wealth.

• (9:10 p.m.)

He will be particularly burdened with this tax at a time when he will be facing constantly increasing prices, a sharp increase in the mill rate, and when, in most provinces, he will not have the home owner grants to relieve that burden. When we read, for example, the press release which was sent out from the Department of Finance several months ago when the bill on the Bank Act was about to be presented, we see stated in it the objective of government policy, which reads as follows:

> A more competitive and flexible financial system which will best serve the changing requirements of the Canadian economy and the interests of all of the people of Canada. We are particularly concerned that the position of the smaller borrower be improved.

Anyone who has borrowed money since the revision of the Bank Act must wonder how his situation has improved, where the cheaper money may be, and where is the increased supply of money which we were promised at that time. The only thing that increases is government expenditure. The budget which was last presented was full of the most illusory slashes, and reductions which did nothing except frighten the people of Canada into speculating on the inflation which seemed to be looming. A good example of that is the $2,400,000 which was earmarked for the Company of Young Canadians, and which by the stroke of a pencil was reduced by $400,000 down to $2 million. Since, however, this was a substantial increase over the existing budget for that organization, it was a purely illusory cut in the budget of an organization the general usefulness of which has been repeatedly called into question across the country. This is a program which might have been eliminated altogether but which ended up with a larger over-all budget than it had the previous year.

The expenditure I mentioned pales into insignificance compared with the many other contemplated government expenditures, such as medicare. Perhaps the provinces will draw the line on what would be a really vast expenditure of government funds. A program launched by the government is always more costly than one undertaken by private enterprise.

I should like to express the annoyance of the individual who will suffer the consequences of the measure we are now considering. He will not be fooled by the promise that the corporation tax will be collected a little earlier than it otherwise would have been, so that the money will get into the hands of the government a little sooner, because he knows that in the end there will not be more money than there would have been had it been collected at the usual time. This will not soften the blow for anyone having to pay up to $600 in increased tax, depending on the amount of his income. It will do nothing for the small businessman who is growing increasingly weary of taking on the task of developing this nation and demonstrating the necessary drive and persistence to build up a business, only to be hindered at every turn by government programs to which he must contribute out of a decreasing margin of profit. This leads him to ask why he should bother. Why not give up and go to work for a large corporation, or else live at the mercy of the welfare system.

I regret that we are faced with an increase in income tax without having a comparable reduction or a complete elimination of the 11 per cent sales tax on building materials, which cannot help but contribute to the inflationary spiral.

At the present time we are faced with the problem of housing. The extra income tax will make it all the more difficult for anyone

building or attempting to build a house at a time of rising costs. Let us not be fooled by the suggestion that this surtax is temporary. I suspect it will be with us for some time, if this government remains in office. We in the Social Credit party wish that the government would seriously consider financing through the Bank of Canada several areas of Canadian development, particularly in municipalities, in such projects as non-profit institutions, schools and hospitals—organizations which must compete for funds on the money market at the amazing rates of interest which exist now. We know that the postponement of these projects will not be a solution because it would be the highest possible price we could pay for a development which should and must take place.

I can assure you, Mr. Speaker, that I will oppose this bill, as I have voted against every budget this government has presented in the last two years. I was dubious about the promises made in the earlier budget of pacing the boom and of making sure that nothing got out of hand. We have a situation now where almost everything about the economic, financial and fiscal state of our country is out of hand. I do not believe that Bill No. C-193 will contribute to the solution of the problem.

• (9:20 p.m.)

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, first of all let me say that I have every sympathy for the minister, an honourable gentleman who has to introduce a bill in which he admits himself the question of morality has not entered. I am sure we all feel for him on this occasion. I support the criticism of the measures proposed in this bill that has been expressed by other members of this party, and also by other members on the opposition side of the house. We all recognize the fact that no government can distribute taxation funds without first taking those funds away from somebody. I am one of those persons who believes in sound finances, and I should like to make a few proposals to the minister by way of alternatives to the measures in this bill. I want the minister to realize that I sympathize with him in the present circumstances. I might also say that we believe in the principle of taxation according to ability to pay, and we think that this bill does not live up to that principle.

I think that this bill would have been entirely unnecessary had the minister been willing to use the national credit of this country

to provide the federal government, the provinces and the municipalities with social capital. In this connection I should like to refer to an address given by Mr. Anderson, who at the time was secretary of the treasury, at a luncheon of the members of Associated Press, New York City, on April 20, 1959. This address was titled: "What about Printing Press money for U.S.?" And I say, Mr. Speaker, what about "printing press" money for Canada? I mention this because this very interesting article was sent to me from Washington. In his remarks Mr. Anderson said:

> I should like to suggest certain guiding principles which I believe should be a part of our basic thinking:
>
> 1. We must realize that long-term economic growth in real terms can be achieved not with but only without inflation.
>
> 2. We must strive for an achievable rate of relatively constant growth—not a succession of sharp ups and downs.
>
> 3. We must not, as we come out of a recession, seek to force the economy into a quick boom which can later injure our long run capacity to produce.
>
> 4. We must put major reliance upon the private sector of the economy to increase production.
>
> 5. We must give maximum free rein to incentive to save, to work, to produce, to invest.
>
> 6. We must maintain the priceless incentive of confidence in the value of money.
>
> 7. We must achieve a budget that is in balance, or better, during periods of high level activity.
>
> 8. We must be willing to seek out the impediments to growth in our economy whether these are found in traditional business practices, in organized labour, in government subsidy programs, or in any other area.
>
> 9. We must encourage the inventiveness and research necessary for new products, new jobs and improved living standards in a growing economy.
>
> 10. We must accept the imposition of discipline and prudent responsibility.
>
> 11. We must not passively allow either inflation or deflation to run its course.
>
> 12. We must—and by "we" I mean businessmen, workers, investors, and not only officials of government—make our day to day decisions with the welfare of the whole in mind, and not merely the advantage of the moment for some narrow segment.
>
> 13. Finally, we must have confidence—and this confidence, I have deep faith, is well justified—that the American people are wise enough and perceptive enough to support the principles which can leave for your children and mine an America not ravaged by economic turmoil, but full of strength and growth and hope.

Then he goes on to deal with the issue of currency.

Mr. Sharp: Mr. Speaker, I wonder whether the hon. gentleman would permit a question at this point. Is my hon. friend, who belongs to what might be termed a quasi-socialist party, indicating that his party is adopting

Robert Anderson as its official mentor in matters economic and financial?

Mr. Herridge: Mr. Speaker, we in this party are always willing to learn, and when we find someone who puts forward sound principles in financial matters we are willing to listen to what he has to say. I am just quoting Mr. Anderson for the information of the minister. Mr. Anderson then went on to deal with the possibility of using the state for the issuing of the money required by the state particularly for investment of social capital.

I recently read with interest representations made to the federal government by chambers of commerce, labour organizations, agricultural organizations and municipalities, all of which indicate a measure of self-interest, instead of considering the problem as a whole. The brief of the chambers of commerce dealt with depreciation allowances and exemptions for certain industries, such as the resource industries and so on.

The brief submitted by organized labour dealt with the question of expense accounts, something that has been very much abused in the past. I have before me an article that appeared in an issue of the *Star Weekly* headed "The expense account gap", one paragraph of which reads:

> It involves plugging the gaping loopholes in tax deductions allowed for entertainment and travelling expenses supposedly incurred for business reasons. The language of the present laws is so loose and imprecise that it has encouraged the creation of a privileged class which uses the loopholes to live high off the hog, writing off anything from country club membership fees to chartered limousines as "business expenses".

For the information of the minister I should like to relate an interesting personal experience I had last year in this respect. I was travelling by train from Vancouver to the Kootenays and there was a group of travellers on the train. One of them was supposed to visit a number of towns in the Kootenays—Nelson, Cranbrook, Fernie—and in my presence he quite openly admitted that he was going to go to Nelson but was not going to visit these other towns at all. Instead he was going to phone the storekeepers concerned from Nelson and take their orders; but he said: "Of course, I shall charge the usual expenses to my account just as if I had gone to those towns, stayed in hotels and incurred the usual expenses".

I am not sure that this sort of thing has been corrected to date by any means. It is something that needs watching very closely. I can well understand organized labour criticizing the expense account racket, as they see it, when they are denied certain exemptions for expenses travelling to work, for the type of clothing referred to by the hon. member for Sudbury (Mr. Germa), and other things of that nature.

The representations made by agricultural groups have dealt largely with estate taxes, succession duties, and so on, looking at these matters naturally from the point of view of those organizations. The representations to the federal government made by the municipalities have dealt generally with urging more grants to municipalities in lieu of taxation on federal buildings in the municipalities, and also the need for social capital in connection with various undertakings. I have before me a copy of "The Listening Post" which is published by the Canadian federation of mayors and municipalities. According to this, their brief called attention to these basic needs:

> (1) long-term federal loans at favourable rates of interest in order to finance projects which are primarily self-liquidating and essential to community development, such as urban roads, bridges and transit facilities, sewers, water supply, recreation space, and the acquisition of land for redevelopment;
>
> (2) grants on a more adequate scale toward the costs of hospitals, schools and other community services which are essential but non-self-liquidating;
>
> (3) continued and expanded grant assistance for employment-creating municipal works, to accelerate re-employment and to provide constructive work in the winter seasons.

The brief then dealt with a municipal development bank and the need for a new housing policy at that date, a matter we are still dealing with, in view of the housing crisis in Canada at the present time. The problem of finance and taxation has, shall I say, been dealt with on a piecemeal basis by all of the interests concerned, each one naturally looking after its own personal interest. It indicates a piecemeal approach to a very serious problem facing the country at this time. It also indicates that there is no over-all set of principles with which to approach the policy of taxation, Mr. Speaker. It indicates a natural self interest of individuals, and that we have treated this subject in a segmented way instead of adhering to the over-all philosophy that taxation should be on the basis of one's ability to pay.

• (9:30 p.m.)

I suggest that for so many in this country at this time to be ignorant of the principles of

Division

taxation, is deplorable. Our people are ignorant of the financial principles on which the present government bases its taxation. I suggest to the minister that here is an opportunity for the Department of Finance and the Department of National Revenue to carry out an educational campaign; here is an opportunity for brochures, pamphlets, literature—or whatever you want to call it—to be issued to our farmers, industrialists or workingmen to explain the policy behind the government's program, the reasons for certain types of taxation, why the government has come to certain conclusions, and so on.

I think it is imperative to educate the Canadian people and to let them learn the basis of taxation as applied by this government. In that way our people will have a better understanding of the principles of taxation and in the future will be able more and more to appreciate our problems, shall I say, in total rather than on the basis of self interest, as happens at the present time. I think there is an opportunity here for the Departments of Finance and National Revenue to inform and to educate the Canadian people with respect to the principles of taxation and the policies pursued by this government. Such knowledge would be useful because it would help our people to appreciate policy and it would help our taxpayers to have a proper understanding of the law as it is applied at the present time. On that basis the government might be able to consider a more rational and, shall I say, principled approach to taxation in the future.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

The house divided on the motion (Mr. Sharp) which was agreed to on the following division.

YEAS

Messrs:

Andras
Badanai
Basford
Batten
Béchard
Beer
Benson
Berger
Blouin
Cadieux (Terrebonne)
Cantin
Caron
Cashin
Chatwood
Choquette
Chrétien
Clermont
Comtois
Coté (Longueuil)
Coté (Nicolet-Yamaska)
Cowan
Crossman
Deachman
Drury
Dubé
Faulkner
Forest
Gendron
Gray
Greene
Groos
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Hymmen
Isabelle
Lachance
Laflamme
Laing
LaMarsh (Miss)
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
MacEachen
Mackasey
McNulty
McWilliam
Marchand
Matte
Neveu
Noël
O'Keefe
Pepin
Pilon
Prud'homme
Reid
Rideout (Mrs.)
Robichaud
Rochon
Rock
Sharp
Stafford
Stanbury
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Tolmie
Tremblay
Trudeau
Turner
Wahn
Walker
Whelan—84.

NAYS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Ballard
Barnett
Bell (Carleton)
Brand
Cadieu (Meadow Lake)
Cantelon
Caston
Chatterton
Churchill
Crouse
Dionne
Fane
Flemming
Forrestall
Fulton
Germa
Gilbert
Godin
Grégoire
Hales
Harkness
Herridge
Horner (Acadia)
Horner (The Battlefords)
Howe (Hamilton South)
Howe (Wellington-Huron)
Johnston
Jorgenson
Keays
Knowles
Laprise
Leboe
Lewis
Loney
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.) (Vancouver-Kingsway)
McCleave
McIntosh
McKinley
McLelland
Madill
Mather
Monteith
Moore
Nasserden
Nesbitt
Noble
Nugent
Orlikow
Pascoe
Patterson
Peters
Prittie
Pugh
Rapp
Régimbal
Ricard
Rynard
Saltsman
Sherman
Simard
Skoreyko
Southam
Starr
Stefanson
Thompson
Valade
Wadds (Mrs.)
Watson (Assiniboia)
Winch—73.

Mr. Speaker: I declare the motion carried.

Mr. Pennell: Mr. Speaker, I was paired. Had I voted I would have voted for the motion.

Mr. Munro: Mr. Speaker, I was paired. Had I voted I would have voted for the motion.

Mr. McCutcheon: Mr. Speaker, I was paired, had I voted I would have voted against the motion.

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to ask the government house leader what business we will be engaged in tomorow.

Mr. Pennell: Mr. Speaker, the government proposes to call first the third reading of the broadcasting bill, to be followed by item No. 48 on today's order paper, second reading of Bill No. S-24; item No. 47, second reading of Bill No. S-23; item No. 49, second reading of Bill No. S-29; item No. 52, second reading of Bill No. S-27; item No. 51, second reading of Bill No. C-190 and item No. 62, the resolution relating to the unification of the Canadian Armed Forces.

Mr. Starr: What will we do tomorrow after we complete all of those.

Mr. Fulton: Could we have an indication in general terms as to when the government intends to call Bill No. C-195?

Mr. Pennell: I am not in a position to give an answer to that question this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

ADMINISTRATION OF JUSTICE—STEVEN TRUSCOTT—CONSIDERATION OF GRANTING OF PAROLE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, some weeks ago, on November 17 last to be exact, I addressed a question to the Solicitor General (Mr. Pennell) in these words, as they appear at page 4393 of *Hansard* for that day:

> In view of the fact that many persons who have been sentenced to life imprisonment have been paroled after serving fewer than ten years, and in view of the fact that the length of time in prison before parole is determined by the governor in council, will the government reconsider the case of a parole for Steven Truscott?

The Solicitor General in his reply indicated that the statistics to which I was referring applied to a time before changes had been made in the regulations under the Parole Act. He therefore felt nothing could be done to meet my request. At that time I posted this question for one of these adjournment debates.

I have no hesitation in appealing once again to the Solicitor General, on behalf of this young man Steven Truscott, who is serving a life sentence at Collin's Bay penitentiary. Indeed I have no hesitation in asking for special consideration for this young man. I do not intend to go into all of the facts relating to this case, but may I point out, as we all know, that the last time a decision was taken in respect of him it was a decision taken by the Supreme Court of Canada, which was not unanimous. Granted that only one of their lordships differed from the others, but it is still a recognized principle in this country that a person is not guilty of murder unless there is a unanimous decision.

• (10:10 p.m.)

I recognize that this was not a trial in the normal sense, but I suggest to the government that the fact that at least one Supreme Court justice had some doubt about this case, and thought that at least there should be a new trial, does warrant asking for special consideration for this young man. My own position is quite clear. Thanks to the Solicitor General and the Commissioner of Penitentiaries, I have had the opportunity on two occasions of visiting Steven Truscott at Collin's Bay penitentiary. On the basis of those visits and the studies I have made of the entire history of this case, I feel there has been a miscarriage of justice. Therefore, it does seem to me that one is justified in asking for special consideration.

But even apart from all that, I think it is a matter of record that this young man's years in prison—they are now nearly nine—have been as near perfect as a prisoner's record could be. I believe that on that basis special consideration should be given to the request that he be paroled before any more of his life is spent behind bars.

When I have urged that this be done, the Solicitor General has replied that the parole board is governed by the regulations under the Parole Act. He has pointed out to me that those regulations have been changed in recent years and that it is not now possible to release after seven or eight years a person sentenced to imprisonment for life, as used to

be the case. But I point out to the Solicitor General that the regulations which govern the operations of the parole board are regulations brought into effect by the governor in council.

The minimum period of time, the ten year minimum that seems to stand in our way in this respect, is not in the act. That ten year minimum is in the regulations, put there by the governor in council. I submit that precisely because this case has had special consideration, has been reviewed by the justices of the Supreme Court of Canada, it would be appropriate for the government to take another look at those regulations with respect to this case.

I would not object if the government asked the parole board whether its members thought the case should be given special attention. But it seems to me that since the whole question of the length of time that must be served as a minimum is one that is determined by the governor in council, in other words by the cabinet, it is appropriate to ask the cabinet to review this case.

I recognize that this young man's ten year period in prison will be reached about the middle of 1969. That does not sound very far off, but in the case of a young man who has spent this length of time in jail for a crime that some of us think he did not commit, and when it is clear that there has been exemplary conduct in prison, it seems to me to warrant special consideration being given to the case.

I know of the sympathy of the Solicitor General in this respect. I think it was largely due to his interest in the case that the Supreme Court review was made a year or so ago. I hope that he will follow it through by taking another look at the possibility of this young man being given a parole without having to serve the full ten years set out in the regulations passed by the governor in council. I thank the Solicitor General for being here tonight to deal with this question. I look forward, hopefully, to a sympathetic reply.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, first of all I wish to thank the hon. member for his patience in waiting for an evening that was convenient to me to be present in the house to deal with his question. I wish also to say that the hon. member's interest in this case is most commendable. Without reflecting in the slightest upon the conduct of this young inmate, I feel I ought not to make any comment on that aspect of the case.

[Mr. Knowles.]

I agree that the response to a like term of imprisonment varies as between one individual and another. Unfortunately, according to the present state of knowledge, decisions regarding the appropriate moment to release a prisoner cannot be made with computer-like accuracy. In 1964 those charged with the responsibility of protecting society decided that the National Parole Board shall not recommend a parole in the case of a person who is serving a commuted death sentence until that person shall have served at least ten years of imprisonment. This order in council was undoubtedly in the minds of many hon. members at the time the house approved the recent bill on capital punishment.

I regret to advise the hon. member that I expect that the ten year period would be continued at least during the five year life of this experimental bill. The only assurance I can give the hon. member is that the National Parole Board will consider the application in sufficient time before the expiration of the ten year period, so that if it receives favourable consideration it will be in the hands of the solicitor general of the day on June 11, 1969, which is the first day on which the governor in council could receive a favourable recommendation.

MANPOWER—REPORTED DECREASE IN RETRAINING PROGRAMS

Mr. J. R. Keays (Gaspé): Mr. Speaker, I should like to discuss tonight the program of occupational training of adults, such as the one proposed in the house on January 19, 1967 by the Minister of Manpower and Immigration, a policy which was intended for those in the uneconomic regions of our country who wish to upgrade their education. At that time the minister proposed, with the agreement of the provinces, some pilot projects which would be undertaken in those regions of weak economic development, where people did not have the full opportunities of obtaining a job unless they had the required training. In his statement on that date, which is contained in information bulletin No. 1, the minister admitted that his department had very little documentation on the problem of how to encourage these unemployed persons to take advantage of courses preparing them for a new job. This admission has caused much unrest in these regions, because of the discrimination which was caused through lack of sufficient knowledge.

The minister in his statement of January, 1967 referred to those uneconomic regions

where the schools for adult education were deprived of trained personnel. He also attributed the problem encountered to the fact that many of the students were deprived of the right attitude, the state of mind and the orientation required to participate fully in the economy of our country. It was therefore resolved to put into effect certain measures which would allow these adults to benefit from their education. Moreover many of these people suffered because of their personal and social inability to adapt to the values and requirements of labour. No doubt the intentions of the minister were of the highest calibre, but unfortunately and by his own admission the officials in his department did not have sufficient experience in such projects undertaken in the past, and this is why the proposed program was called a pilot project.

• (10:20 p.m.)

It seems to me that this problem has not been sufficiently studied. As a result thousands of people in this country are now discriminated against. These are people who are now unemployed and could improve their education by taking one of these occupational training courses for adults.

I should like to point out that in many regions of Canada, and specifically in my riding, there are many people who attended courses during the 1966-67 period and were still at school on March 31, 1967. Because of this fact they qualify to attend new courses commencing this year. I believe that during this period it was sufficiently proven that many of the people who attended these courses should never have qualified for them, but it seems that they were never classified as a result of any investigation. This year those who qualified were primarily those who were at school on March 31, 1967. Even though they were not qualified to take a course the previous year, because they were at school on March 31, 1967 they qualified for a course this year.

This has meant that thousands of people will this year be deprived of a course. I say thousands because at one centre in my riding alone over 800 people who qualified for a course were turned down owing to lack of space. I blame this situation on the government because they did not sufficiently study this pilot project without even trying to assess the number of people who would qualify for a course.

This has meant that the people who would have qualified now have to draw unemployment insurance and sit at home, instead of preparing themselves for some other job. I suggest this is the height of discrimination. I did ask the minister to explain why the necessary space had not been obtained from the provinces under the agreement, and his answer was very short, namely that there was an agreement with the provinces. I realize the minister is not here tonight. However, his parliamentary secretary is, and I only hope that the hon. gentleman does not have a prepared answer. The hon. gentleman did not know what I was going to say, and my experience in the past has usually been that prepared answers do not give a straight answer to the question.

May I again put the matter plainly to the parliamentary secretary. What is the government going to do about all those people who are qualified to take a course, yet have to sit at home and live on unemployment insurance instead of going to school and preparing themselves for the jobs that are waiting for them? On the other hand, what is going to be done about those who are taking courses but have never been members of the labour force? This is something I fail to understand. It is why I feel there is discrimination and that an investigation should be made.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the hon. member for Gaspé should have no fear that I have a prepared answer, because I have not. From perusing the hon. member's question to the minister the other day I was not aware that he would put so much emphasis on the situation in his own region. I know that he was talking, generally, about other regions, but this evening he put much emphasis on the retraining situation in his own region. I am prepared to go back to the department, examine the facts with respect to the hon. member's region, and report back. He talked about an additional 800 places that are required, and that seems a high figure which warrants examination. I assure the hon. member that the matter will be brought to the department's attention and it will be investigated.

Generally speaking, we buy the places or the accommodation for the retraining, and the province is supposed to supply the course. That has been the arrangement, and thousands of places now are being occupied for pre-employment courses across the country. During the winter months demand for such courses is highest and a very high number of places is now being taken up. I think that

retraining courses now are working well, and many of the kinks are being worked out. Whether that is so in the hon. member's region I do not know, but I intend to have the matter looked into and I hope to have an adequate reply for him when we have looked into his own situation.

HOUSING—VANCOUVER—CONSTRUCTION OF HOME FOR SENIOR CITIZENS

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, on February 2 I asked the President of the Treasury Board, the minister who reports for central mortgage and housing, the following question as reported on page 6291 of *Hansard*:

In view of the minister's interest in getting the best use of the money available for housing, can he inform the house why Central Mortgage and Housing Corporation has awarded a contract for the construction of a 19 storey senior citizens home in Vancouver which provides for higher costs and fewer units than other proposals submitted for the same project?

The approximate cost of this project, which is to be located in the west end of Vancouver, is about $1,600,000. Seventy five per cent of this amount will be paid by the federal government and 25 per cent by the provincial government. The city of Vancouver will pay 12½ per cent of the operating losses. The federal involvement here is about $1,200,000. Actually it is a bit more than that.

Instead of preparing plans and calling for tenders, the government invited architects and developers to submit design proposals. A committee which included representatives of the city of Vancouver, the province of British Columbia and C.M.H.C. studied these proposals and made a recommendation.

What I have to say should not be taken as a reflection on the abilities or competence of any architects or builders. I assume they are all capable of designing sound buildings of good appearance. Nor does it matter to me, personally, which firm gets a contract. What does matter at this time of severe housing shortage and high money cost is that good accommodation be provided at the lowest possible price.

I want to draw some comparisons between the proposal which was accepted and one proposal which was not accepted. The proposal which was accepted has 210 units; the other one I referred to has 233 units. The difference there is 23 units, and this is particularly important in this section of Vancouver, since so many elderly people live in sub-standard accommodation.

The size of each apartment in the project which was picked by the committee is about 311 square feet; the units in the other proposal come to approximately 325 square feet, and this is not very much space to live in. The average monthly rental for accommodation in the building selected would be $92 and, in the other, $85. A difference of $7 a month may not appear to be very high, but to some people, those who are living on pensions, it is an important consideration. The total cost of the two projects did not differ greatly—$1,669,131 for the winning proposal as against $1,647,724 for the other to which I have referred. However, since there are fewer units in the proposal selected, the actual cost per unit is considerably higher, and extended over the life of the building, say 50 years, the difference would be great. This means that heavier subsidies will be required because of the higher rentals under the first proposal.

• (10:30 p.m.)

I wish now to read a letter from the president of the Vancouver Housing Association addressed to the council of the city of Vancouver and dated January 12, 1968. It states:

Dear Sirs:

I have been puzzled by the decision of city council to accept a tender for a public housing project for senior citizens in the west end which was very appreciably higher in cost (well over 10 per cent per suite of comparable size) and which contained fewer units than the lowest bid.

One of our members, who has had considerable experience in the construction of senior citizens housing, has studied the plans submitted by the low bidder and, while he did not feel competent to express an opinion on the architectural and constructional features of the project, he considered that so far as the liveability of the units was concerned the plans provided good accommodation at a reasonable cost.

In the circumstances, may I suggest that for the benefit of the taxpayer who will have to foot the extra bill a detailed explanation be given as to the reasons for the selection of the higher tender.

May I, at the same time, suggest that future selection committees appointed to consider plans submitted should include persons with extensive personal knowledge of the needs of elderly people and with firsthand experience in public housing management.

Yours very truly,

Vancouver Housing Association

The letter is signed by Mrs. C. McAllister, president of the association.

There is one further point I should like to mention. The proposal which was not selected did provide on the ground floor suites for physically handicapped persons, obviously a desirable feature. The proposal selected by the committee did not include this feature in

its original presentation, though I believe there have been some changes in the plans since that time. The question I should like to have answered is this: Why, at a time of acute housing shortage and shortage of money, was a selection made which provided fewer and smaller units at a higher cost? It seems to me there is considerable waste here.

Mr. J. E. Walker (Parliamentary Secretary to Minister of National Revenue): I think that in matters of this kind we could all find ourselves in disagreement. I will say that this has been a co-operative effort. I should like to read an answer which has been prepared very thoughtfully, and I am able to do so because the hon. member was good enough to word his question in such a way that it was quite evident which aspects of the subject he had in mind.

The senior citizens housing project to be located in the west end of Vancouver is being developed at the request of the city of Vancouver under the federal-provincial partnership provisions of the National Housing Act. To meet the city's request, Central Mortgage and Housing Corporation, on behalf of the partnership, called for proposals to be made by builders for the construction of approximately 200 units.

Under the terms of the partnership arrangement, proposals submitted by builders were to be judged by a review committee composed of provincial and corporation representatives as well as the city's director of planning and a local architect representing the provincial architectural institute. Prospective proponents were advised that the review committee was required to judge proposals on the quality of planning and design, economy of maintenance and the amount of the bids.

Seven developers submitted bona fide proposals ranging in quality and price from $7,072 to $14,207 a unit. The review committee unanimously recommended acceptance of a proposal submitted by Frank Stanzl Construction Limited at a price of $7,910 a unit, as it considered that the over-all quality of design of this proposal, comprising 211 units, was of a high standard and, on balance, best met the objectives and conditions provided for in the call. The city, the province and the corporation endorsed the committee's recommendations. As a result, a contract was awarded to the proponent selected by the committee. An announcement to this effect was made last week.

I would just like to add, Mr. Speaker, that I think there is always room for disagreement in this sort of operation, but I would also like to stress the fact that it was a co-operative effort, an effort to do something by way of senior citizens housing in Vancouver, and I suggest the people represented by the city, the province and the architectural institute, as well as C.M.H.C., might be just as well qualified to judge the design as those who have disagreed with the awarding of the contract.

Motion agreed to and the house adjourned at 10.39 p.m.

HOUSE OF COMMONS

Wednesday, February 7, 1968

The house met at 2.30 p.m.

TRANSPORT AND COMMUNICATIONS

Eleventh report of standing committee on transport and communications—Mr. Macaluso.

[*Editor's note: The text of the foregoing report apepars in today's Votes and Proceedings.*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ACCESS TO FEDERAL DOCK, VICTORIA BEACH, MAN.

Question No. 852—**Mr. Schreyer:**

1. Is the Government of Canada dock at Victoria Beach, Manitoba, restricted as to public access?

2. If so, (a) is the restriction seasonal, (b) by whom was this restriction enacted and has the federal government made any representations relative to this restriction?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. No restriction of public access for legitimate wharf business.

2. (a) and (b). Not applicable.

TRAINING COURSES TAKEN BY INDIANS

Question No. 862—**Mr. Orlikow:**

1. How many Indians in each province took courses under the provisions of the Manpower Training Act in each month in the years 1965, 1966 and 1967?

2. How many Indians in each province took courses under the provisions of the Technical-Vocational Training Act in each month in the years 1965, 1966 and 1967?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. A breakdown of monthly figures showing the number of Indians who took courses covered by the Occupational Training for Adults Program, which became effective on April 1, 1967, is not available. However, the following table shows the number of those enrolled in training from April 1, 1967 to November 15, 1967. These figures represent only those Indians who could be identified as such:

Province	Number Enrolled
Maritimes	22
Quebec	317
Ontario	373
Manitoba	353
Saskatchewan	145
Alberta	20
British Columbia and Yukon Territory	98
Total	**1,328**

2. The figures in the following table cover Indians in training under programs 5 and 6 of the Technical and Vocational Training Assistance Act. Figures are not available for the other programs under the legislation.

Known Indian enrolments in TVTA (Programs 5 and 6)
From April 1, 1964 to April 1, 1967

Province	1964-65 TVTA	1965-66 TVTA	1966-67 TVTA
Maritimes	Not available	9	144
Quebec	176	113	333
Ontario	435	799	1,360
Manitoba	171	459	1,845
Saskatchewan	35	246	770
Alberta	1	40	19
B.C. and Yukon	92	No breakdown	No breakdown
Total	910	1,666	4,471

APPLICATIONS TO MEDICAL RESEARCH COUNCIL

Question No. 888—**Mr. Brand:**

1. Have applications and renewal applications to the Medical Research Council for support of work to be conducted in the fiscal year (a) 1967-68 (b) 1968-69, been approved?

2. If so, what was the total number and total dollar value of applications and renewal applications submitted to the Medical Research Council for support of work to be conducted in the fiscal years of 1967-68 and 1968-69?

Questions

3. How many applications for support for 1967-68 and for 1968-69 were approved in full, approved in part, deferred for later consideration, and rejected?

4. What was the total dollar value approved for 1967-68 and for 1968-69?

5. What was the dollar value of applications approved by the Medical Research Council after the autumn 1966 and autumn 1967 meetings on its Grants Review Committee expressed as a percentage of the total of the dollar value of applications for each year?

6. Is the percentage change in Part 5 indicative of the change in the judgment standards applied or a change in the calibre of the applications submitted, and to what extent is the change attributable to one or to the other?

Hon. C. M. Drury (Minister of Industry): In so far as the Medical Research Council is concerned, the answer is as follows: 1. Yes. The Medical Research Council took action on applications for grants in aid of research for 1967-68 at four meetings. Applications for 1968-69 have been considered at one meeting to date; applications have also been, or will be accepted for consideration at three further meetings.

2. The total number of applications and renewal applications submitted to the Medical Research Council for grants in aid of research to be conducted in 1967-68 was 1,511; the dollar value of those applications totalled $22,036,314.78. The applications for grants in aid of research submitted to the Medical Research Council to date for 1968-69 number 1,468, with a total dollar value of $25,497,408.76.

3. No. of applications for grants in aid	1967-68	1968-69 (First meeting only)
Approved in full	803	457
Approved in part	363	113
Defererd for later consideration	46	207
Rejected	299	76

A further 615 applications have now been submitted for 1968-69 for consideration at the second meeting in March 1968.

4. The total dollar value of applications for grants in aid approved for 1967-68 was $14,906,310.23. The total dollar value approved, to date, for 1968-69 is $10,112,895.00.

5. The percentage of the total value of grant applications approved in November 1966 was 60 per cent; in November 1967, 42 per cent.

6. The percentage change in Part 5 was due to the large number of applications deferred at the November 1967 meeting for further consideration. Deferment of this number of applications is required because of uncertainty at the time concerning the total number of applications to be received for 1968-69 and because of uncertainty concerning the funds which would be available for the grants in aid program.

[Mr. Brand.]

CENTENNIAL MEDALS, FORT WILLIAM CONSTITUENCY

Question No. 899—**Mr. Badanai:**

1. How many Centennial Medals were awarded to citizens in the Constituency of Fort William?

2. What are the names of the recipients?

3. Who made the recommendations for the awards?

Hon. Judy V. LaMarsh (Secretary of State): 1 and 2. The distribution records of the Centennial Medal are not set up in such a way that the names of recipients in any particular location can be extracted.

3. Nominations were solicited from federal and provincial levels of government and from national associations in the fields of the arts and sciences, education, welfare and charitable organizations, veterans groups and many others.

*SEIZURE OF TAX RECORDS, WINNIPEG

Question No. 935—**Mr. Sherman:**

Have certain companies in Winnipeg had their records seized during January, 1968, by investigators of the Taxation Division of the Department of National Revenue and if so (a) have they been accused of any breaches or irregularities under the Income Tax Act (b) under what authority were these seizures made (c) have any similar seizures been made in Canada in the past twelve months and, if so, where and when?

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): 1. No. (a) Not applicable. (b) Not applicable. (c) Not applicable.

SNOW REMOVAL CONTRACTS, NORTHWESTERN QUEBEC

Question No. 942—**Mr. Laprise:**

1. Has the Department of Public Works called for tenders for the removal of snow for the 1967-68 season from office buildings at (a) La Sarre (b) Amos (c) Normetal (d) Senneterre (e) Macamic?

2. If so, in what newspapers and on what date?

3. At what price and to whom have these contracts been awarded?

Hon. G. J. McIlraith (Minister of Public Works): 1, 2, and 3: (a) La Sarre: Tender call for snow removal was advertised in newspaper *L'Echo d'Abitibi-Ouest* on October 30, 1967. A contract was warded to Carmel Aubé, La Sarre, at $1,400 for two years. (b) Amos: No tender call, existing contract was renewed. (c) Normetal: No tender call, existing contract was renewed. (d) Senneterre: Snow removal is included in the general cleaning contract. (e) Macamic: No tender call, existing contract was renewed.

[*English*]

NEWSTART PROGRAM, PRINCE EDWARD ISLAND

Question No. 947—**Mr. Macquarrie:**

1. What projects are (a) in being and (b) in prospect in the Newstart program for Prince Edward Island?

2. What is the total amount of expenditure by the Government of Canada involved in these projects?

3. What members of the Public Service of Canada are assuming responsibility for this program in Prince Edward Island?

4. Where will such personnel be located?

5. What is the amount already expended in inaugurating Newstart in Prince Edward Island?

6. What benefits are expected to accrue to the residents of Prince Edward Island as a result of the Newstart program?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. (a) None. (b) Prince Edward Island NewStart Incorporated is at present developing its projects, and a statement of the number of projects in prospect would be premature.

2. A precise estimate is not yet possible, but it is anticipated that the total will be between $2.5 million and $3.5 million.

3. No members of the public service of Canada are assuming responsibility. Prince Edward Island NewStart Incorporated is a non-profit corporation established by the federal and provincial governments under the Societies Act of Prince Edward Island. In addition to financing, it will be able to get technical assistance from the Department of Manpower and Immigration.

4. Not applicable.

5. As of December 31, 1967—$40,000.

6. The Prince Edward Island NewStart Incorporated will address the training needs of some of the economically disadvantaged adults on the island. The methods developed will help these people to secure better jobs. The primary aim is to experiment with methods of improving adult training programs generally.

QUESTIONS PASSED AS ORDERS FOR RETURNS

YUKON PAYROLL, FEDERAL AND TERRITORIAL

Question No. 814—**Mr. Nielsen:**

For each of the first three quarters of the year 1967, what was the payroll in the Yukon for (a) employees of the federal government (b) employees of the territorial administration?

Return tabled.

NATIONAL CAPITAL COMMISSION GREEN BELT EXPROPRIATIONS

Question No. 835—**Mr. Thompson:**

1. How many property owners were involved in the expropriation by the National Capital Commission for the Green Belt?

2. How many of these owners have not yet received final settlement from the NCC?

3. Will these properties be returned to the former owners if the Green Belt is abandoned?

4. Which owners of property expropriated for the Green Belt received settlement from the NCC from May 1, 1963 to date?

5. In each case, what was (a) the date of expropriation (b) the legal description of the property (c) the acreage (d) the date of settlement (e) total price paid by the NCC (f) the purpose to which each of these properties has been or is to be put?

6. When were the properties on lots 13, 14, 15 and 16, concession 2, Ottawa front, expropriated by the NCC?

7. If settlement has not been made, what offer was submitted by the NCC to each owner concerned?

8. What amount was received by the owners who were paid for these properties?

Return tabled.

OPERATING SURPLUSES OF PROPRIETARY CORPORATIONS

Question No. 883—**Mr. Caouette:**

1. What operating surpluses have been returned by the "proprietary corporations" since their inception?

2. In connection with the corporations which have not had operating surpluses, is it intended to reorganize their structure and management?

Return tabled.

Mr. R. R. Southam (Moose Mountain): On a question of privilege, Mr. Speaker, I have had two questions on the order paper for almost

two months now, Nos. 867 and 868. I do not see why there should be any difficulty about answering either of them, but I should particularly like an answer to No. 868 because it concerns the winter works program and this program will be over soon.

Some hon. Members: Oh, oh.

Hon. Paul Hellyer (Minister of Transport): In this connection it might interest the hon. member to know that this session there have been 996 questions placed on the order paper, 876 of which have been answered. There are only 122 outstanding. I am sure he will agree that this is a good performance.

Some hon. Members: Oh, oh.

Hon. R. A. Bell (Carleton): I rise on a point of order which is also a question of privilege. Starred question No. 387 has been on the order paper for 4½ months. The very purpose of starred questions is to enable members to get expeditious answers while avoiding the loading of the question period. This particular question relates to one which was asked on Friday and again yesterday by the hon. member for Winnipeg North Centre. Much too long a time has gone by since this question was first put down by me. It could have been answered by the end of September.

Hon. E. J. Benson (President of the Treasury Board): I would simply like to say that this is a question which involves Your Honour and the commissioners of internal economy of the house. It is a matter for the commissioners and Your Honour to decide, and when this has been done an answer will be forthcoming.

Mr. Bell (Carleton): Mr. Speaker, the question was deliberately phrased so that it does not involve Your Honour. It asks what is the intention of the government. Your Honour has no right to introduce legislation. If there is to be legislation it must be introduced by the government since it involves, in this case, the expenditure of money.

Mr. Speaker: Order, please. I can assure the minister and the hon. member that I have no intention of introducing legislation. I think the point of order made is well taken. There is no question of privilege. I assume the hon. member has made his representations for consideration by the government.

[Mr. Southam.]

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, would you be kind enough to call notice of motion No. 30?

Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

[*English*]

AUTHORIZATION FOR NON-PAYLIST ALLOTMENTS

Motion No. 30—**Mr. Bell (Carleton):**

That an order of the house do issue for a copy of all Treasury Board orders listed in sessional paper No. 41A tabled by the President of the Treasury Board on the 1st day of November 1967, authorizing non-paylist allotments from finance vote 15 during the fiscal year 1966-67.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, we cannot accept this motion. Treasury Board minutes authorizing the allotments in question are minutes of the Queen's Privy Council, and governments have always taken the stand that minutes of a committee of the Queen's Privy Council are not subject to being produced in parliament. The minutes are made available for the examination of the Auditor General and this constitutes, I believe, an adequate safeguard that the authorizations respecting the allotments are in order. I believe the precedent should be maintained that minutes of committees of cabinet should not have to be tabled.

Hon. R. A. Bell (Carleton): Mr. Speaker, perish the thought that I should be a party to an undesirable precedent, particularly since I expect to be on that side of the house within a matter of months.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Benson: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Benson: On a question of privilege—

Mr. Speaker: The hon. member has the floor.

Mr. Benson: On a question of privilege—

Mr. Bell (Carleton): Mr. Speaker, I shall withdraw the motion—

Mr. Speaker: Order, please.

Mr. Benson: Mr. Speaker—

Mr. Starr: The hon. member for Carleton is on a question of privilege.

Mr. Benson: He is not. On a question of privilege I would like to say we would not welcome the hon. member to the Liberal party on this side of the house.

Some hon. Members: Oh, oh.

Mr. Speaker: Can we have order, please?

Mr. Bell (Carleton): Mr. Speaker—

Mr. Speaker: Order. It is very difficult for the Chair to follow the exchange between the minister and the hon. member. I gathered that the minister was rising on a question of privilege, and I am not sure whether he proposes to pursue the matter. If not I will recognize the hon. member for Carleton.

Mr. Bell (Carleton): Mr. Speaker, the minister will not be here in this house at that time. I wish to withdraw the motion, Mr. Speaker, and I will take other steps to show the appalling abuse of the contingency fund.

Some hon. Members: Hear, hear.

Mr. Speaker: Shall the motion be dropped?

Some hon. Members: Agreed.

Order discharged and motion dropped.

DOMINION-PROVINCIAL RELATIONS

DETERMINATION OF JURISDICTION RESPECTING OFF-SHORE DRILLING

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. In view of the announcement of the decision of the government of the province of Quebec to grant prospecting rights in the gulf of St. Lawrence to certain French oil companies, does the government agree with this course of action proposed by the province of Quebec and, if not, what action does the federal government intend to take?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I wonder if the question is well put, for I do not know exactly what happened in that area between Quebec and France. The reports I have seen in the papers, I think, would not allow the question to be asked in the manner that the hon. member did.

As regards the continental shelf of the gulf of St. Lawrence, the situation at present is as follows: the two levels of government, the central government and the provincial governments, claim to have jurisdiction.

Both governments, Ottawa and the provinces, have issued exploration permits on the continental shelf of the gulf and some of these are competitive.

[*English*]

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my supplementary question to the minister has to do with the question of the boundaries of the St. Lawrence river and the gulf of St. Lawrence. Has the government considered conferring with the provinces of Quebec, Prince Edward Island and New Brunswick to define the boundaries of the St. Lawrence river between the river and the gulf of St. Lawrence?

[*Translation*]

Mr. Pepin: Mr. Speaker, this is a legal matter which is now under study. The Prime Minister announced a few weeks ago that he was preparing a report on this. I feel we should wait till he has brought it before the house.

[*English*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, now that the Supreme Court of Canada has ruled on the reference made to it with regard to off-shore mineral rights in respect of the British Columbia coast, is the federal government negotiating with the provinces concerning the sharing of the proceeds from these resources, as I think the Prime Minister indicated the government would do?

Mr. Pepin: Mr. Speaker, I can only repeat what the Prime Minister said; that is, that he would have an announcement to make on that subject.

Mr. Starr: In due course.

Mr. Pepin: In due course.

FISHERIES

POSSIBLE RADIOACTIVE CONTAMINATION FOLLOWING PLANE CRASH

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct this question to the

Minister of Fisheries. In view of the statement by a British authority, Dr. Anthony Michaelis, to the effect that the radioactive plutonium at the site of the crashed United States plane near Thule, Greenland may create a very serious danger to the fishing grounds off Newfoundland, may I ask the minister whether his department or any other department of the government is examining this potential danger and, if so, whether any action has been taken to prevent this if it is scientifically possible to do so?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, first may I advise the hon. member that the statement made by Dr. Michaelis as reported by the Canadian Press is rather hypothetical. He said "if". It is not really based on actual fact.

After consultation with the experts of the Atomic Energy Control Board of Canada and the radiation protection division of the Department of National Health and Welfare, the oceanographers of the Fisheries Research Board have assured me that there is no possibility of any significant radioactive contamination, as a result of this incident, of any waters used by Canada or Canadian fisheries.

Mr. Douglas: May I ask the minister whether any scientific team from his or any other department of government has visited the site of the unfortunate accident in order to assure themselves that every possible measure is being taken to prevent any danger to the fishing grounds off Newfoundland.

Mr. Robichaud: Mr. Speaker, I cannot assure the hon. member that such a team has visited the site, but as the hon. member is well aware my officials as well as the Atomic Energy Control Board of Canada and the radiation protection division of the Department of National Health and Welfare have been in contact with the proper authorities in this regard. Also, as I have stated, we have the assurance that there is no possibility of any radioactive reaction in waters this side of the Atlantic.

Mr. Douglas: May I ask a further supplementary question, Mr. Speaker. What does the minister mean by his statement to the effect that the Atomic Energy Control Board has been in touch with the proper authorities? Does he mean the government of the United States and, if so, what branch of that government?

[Mr. Douglas.]

Mr. Robichaud: Mr. Speaker, I am not in a position to tell the hon. member what branch, if any, of departments of the United States government has been contacted, but I am aware that the Atomic Energy Control Board has been following this incident since the bombs were dropped, and we have the assurance from them to the effect that there is no danger to our Canadian waters.

[*Translation*]

AGRICULTURE

REQUEST FOR BILINGUAL COMMISSIONAIRE AT BUILDING ENTRANCE

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to put a question to the hon. Minister of Agriculture.

In view of the fact that the offices of his department are now perfectly reorganized in a new building, could the hon. minister tell us whether he intends to replace sergeant No. 337, who greets us at the entrance to this building, by a bilingual commissioner?

Mr. Speaker: This question could be put on the order paper.

[*English*]

COMMONWEALTH RELATIONS

INQUIRY AS TO MEETING OF PRIME MINISTERS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I had intended to direct this question to the Secretary of State for External Affairs. I regret his continued absence from the house; I trust it is not due to internal affairs. As this question is related to the question I asked the Acting Prime Minister yesterday there may, however, be an answer to it today. When Prime Minister Harold Wilson of the United Kingdom visits Ottawa following his talks in Washington will the subject of a 1968 commonwealth prime ministers' conference be on the agenda for discussion?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, Mr. Wilson is coming to visit the Prime Minister, and I think it is reasonable to assume that this particular question will be among the very many items to be discussed.

POST OFFICE DEPARTMENT

INQUIRY AS TO STAMP COMMEMORATING COL. JOHN McCRAE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the Postmaster General whether his department has decided to issue a stamp to commemorate the late Colonel John McCrae, a doctor, lawyer and poet, who gave the world the poem "In Flanders Fields".

Mr. Speaker: Order, please. I think that question should be placed on the order paper.

Mr. Hales: Mr. Speaker, I think the Postmaster General is ready to give an answer.

Mr. Speaker: Perhaps he could give the answer in writing.

TRADE

TOBACCO—IMPORTS FROM SOUTH AFRICA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask the Minister of National Revenue whether he is now in a position to tell the house what government policy is to be in respect of tobacco presently being imported duty free from South Africa; and has the government as yet completed its investigation to ascertain whether all this tobacco came from the Union of South Africa? I ask this question because government policy in this regard will affect plans of Canadian tobacco growers having regard to the size of this year's crop. This must be decided now. A major tobacco company may well be suffering injury because of some uncertainty as to the source of this tobacco.

Mr. Speaker: Order, please. The hon. member's time has expired.

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, in reply to the speech delivered by the hon. member for Oxford, I wish to state that there has only been a single importation of tobacco from South Africa, that there has not been any lately and that the department is carrying on its investigation, in order to give a more elaborate answer to the hon. member's long speech.

[*English*]

NORTHERN AFFAIRS

REPRESENTATIVES OF TERRITORIAL COUNCILS AT DOMINION-PROVINCIAL CONFERENCES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. Now that the Prime Minister has personally intervened to have an elected member of the Yukon legislative council, the member for Whitehorse East, seated as an accredited observer at the constitutional conference, will the Acting Prime Minister assure the house that representatives of the Yukon legislative council will be invited to participate in future conferences of this nature?

Mr. Speaker: Order. I suggest the hon. member is asking for a statement of policy, and I doubt whether the question can be asked in this form.

Mr. Nielsen: May I rephrase the question, Mr. Speaker. In view of the assurances the Prime Minister has given this house that direct representation will be had in respect of elected representatives of the two northern councils, and now that one such representative has been seated, will the Acting Prime Minister assure us that this policy of the government will be followed in the future?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I will be very pleased to refer this question to the Prime Minister, as I know how important it is to members of the territorial councils and to my hon. friend.

HEALTH AND WELFARE

MEASURES TO COMBAT PROBLEMS CAUSED BY ALCOHOLISM

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wanted to direct a question to the Minister of National Health and Welfare, who has just stepped out of the chamber, but perhaps some other member of the government will take it as notice. What consideration is the government giving to combating the increasing health and welfare problems caused by alcoholism in Canada?

Mr. Speaker: Order. That is a very general question which I believe should be placed on

the order paper. If there is special urgency in respect of this matter the hon. member might give notice and it can be discussed later.

Mr. Mather: Ten o'clock, Mr. Speaker.

HOUSING

REQUEST FOR INTRODUCTION OF PROPOSED MEASURE TO REDUCE DOWN PAYMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to direct a question to the minister responsible for housing. Can he give the house an explanation as to why he is holding up the appearance on the order paper of the resolution preceding the bill to amend the National Housing Act to reduce down payments, which he promised would be put on the order paper on Monday?

Mr. Speaker: Order, please. I suppose the question is in order, although it does contain an allegation and to that extent it would not be acceptable. However, I think the minister should be allowed to reply.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, because of the very important conference which has been going on we have not as yet had a cabinet meeting this week. We will probably have one tomorrow, at which time I will bring this matter to the attention of the cabinet. As the hon. member knows, resolutions have to be approved by cabinet and the Prime Minister. Let me assure him that it will be on the order paper very soon.

Mr. Starr: You could do it at eight o'clock in the morning, before the conference starts, if it is that important.

INDUSTRY

SAINT JOHN, N.B.—DESIGNATION UNDER AREA INCENTIVE PROGRAM

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Industry. In view of the very nice personal letter the minister sent me about designated areas, may I ask him whether this means he is going to reconsider the designation of Saint John under the area incentive program.

[Mr. Speaker.]

EXPO '67

INQUIRY AS TO DISPOSITION OF ASSETS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Acting Prime Minister. The government has announced that Robert Shaw will preside over the winding up of Expo '67. In this regard will the government inform the house what priority is to be given to the settling of the multi-million dollar deficit associated with Expo '67, what claims the government will make on the assets of Expo '67—

Mr. Speaker: Order, please.

Mr. Coates: —and whether the government will derive any benefits from the continuing version of Expo '67 that will be operated by the city of Montreal?

Mr. Speaker: Order.

POLLUTION

TAX INCENTIVES TO PLANTS INSTALLING CORRECTIVE DEVICES

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I would like to address a question to the Minister of Finance. In view of the very serious situation, regarded by many as worse than water pollution, will the Minister of Finance say whether tax incentives will be extended to control air pollution?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have answered two or three questions of this kind recently, and I would refer the hon. gentleman to *Hansard*. I do not have the exact references.

BUSINESS OF THE HOUSE

REQUEST FOR MEETING OF NORTHERN AFFAIRS COMMITTEE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the acting government house leader. I am receiving copies of letters addressed to the chairman of the parliamentary committee on northern affairs. I wonder whether the government house leader could discuss this matter with the chairman of the committee on northern affairs so these representations might be heard.

Hon. L. T. Pennell (Solicitor General): I have taken notice of the hon. member's suggestion, Mr. Speaker.

NATIONAL DEFENCE

NATO—INQUIRY AS TO POSSIBLE WITHDRAWAL OF CANADIAN FORCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Acting Prime Minister. Is the government giving consideration to withdrawing Canada's air and land forces from Europe?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this question should really be directed to the Secretary of State for External Affairs or the Minister of National Defence. As has been explained on numerous occasions, the policy which was set out in the white paper of 1964 indicated a certain reduction in the forces that we would have in Europe. This has been the policy in the years since and is still the policy of the government. The Secretary of State for External Affairs and the Minister of National Defence are now in the process of working out with our NATO allies what the contribution will be for the next year, and a projection for the next five-year period.

INDIAN AFFAIRS

CANCELLATION OF SCHOOL PROJECT, CAPE CROKER RESERVE

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, my question is to the Minister of Indian Affairs and Northern Development. What action has the minister taken with regard to the separate school situation on the Cape Croker Indian reserve, to which I drew attention yesterday?

Mr. Speaker: Order, please. I have the impression that this is a repetition of a question that was asked yesterday, and the suggestion was made that it might be placed on the order paper or that the hon. member might give notice for consideration of the question at the time of adjournment.

Mr. Loney: With due respect, Mr. Speaker, I suggest that since the health and welfare of approximately 90 Indian children depends on immediate action by the Department of Indian Affairs, the matter is indeed urgent.

Mr. Speaker: Certainly, and I will take that into account in making sure that the matter is given preference and priority at the time of adjournment.

FISHERIES

MARITIME PROVINCES—REGISTRATION OF LOBSTER FISHING VESSELS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. On February 6 the minister released a notice that all lobster fishing boats in the maritime provinces must be registered by the Federal Department of Fisheries as the various lobster fishing districts opened for fishing in 1968.

Can the minister assure the house that the required serial numbered licence plates are now available, and that the implementation of this legislation will not curtail lobster fishing in district No. 3 which opens on March 1?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I can assure the hon. member that the registration plates are available, and no lobster fisherman will be deprived of his right to fish lobsters if he qualifies for a licence due to the fact that there might be delays in supplying the plates. Our officers in the field have been instructed accordingly, and I am positive there will be no delays in the distribution of the plates.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a supplementary question for the Minister of Fisheries. In view of the opposition in some areas to lobster fishing on Sundays, could he advise us whether anything has been done by his department to discover the feelings of fishermen in various areas with regard to this matter?

Mr. Robichaud: Yes, Mr. Speaker. I have issued instructions to officers in the field that when fishermen apply for their 1968 lobster fishing licences they should be asked whether they are in favour of or against lobster fishing on Sundays. I can assure the hon. member that if it is the wish of the majority of lobster fishermen that no lobster fishing should be carried out on Sundays, the regulations will be amended to that effect.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question for the Minister of Fisheries. Considering the fact that industries throughout this country may operate on Sundays, how can government legislation prevent any man, whether in the fishing industry or otherwise, from working on Sundays?

Mr. Speaker: Order, please. I suggest this is now a legal matter, and I am not sure whether the minister should give a legal opinion at this time.

Inquiries of the Ministry

AIRPORTS

INQUIRY AS TO MUNICIPAL USE OF NATIONAL DEFENCE FACILITIES

On the orders of the day:

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I wish to direct a question to the Minister of National Defence, notice of which I gave him yesterday. Is the government giving consideration to a change in policy with regard to the use by municipalities of airports of the Department of National Defence where civilian services are being phased out?

Mr. Speaker: Order. I suggest to the hon. member that he is now asking for a statement of policy which normally should be made by a minister on motions.

PUBLIC SERVICE

REPORTED RECRUITING OF SENIOR OFFICERS IN UNITED STATES

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I ask the Secretary of State whether a recruiting team of the Public Service Commission is now in Washington seeking senior officers for the public service of Canada, and if so, what is the reason for it.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I am informed by the Public Service Commission that indeed there is such a recruiting team in the United States specifically seeking classification specialists who are required by the bureau of classification revision, and that this was undertaken only when it became very clear that it was impossible to fill these needs from labour resources within Canada.

Mr. A. D. Hales (Wellington South): I have a question for the Minister of National Defence. Is it a fact that the Department of National Defence has a team of its own seeking to recruit employees?

AIR CANADA

WINNIPEG—TRANSFER OF EMPLOYEES FROM BASE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of Transport. In view of the continued practice of Air Canada of transferring certain of its employees out of Winnipeg, can the minister say why he takes the position that this is a matter exclusively for negotiation between the union and the company?

[Mr. Speaker.]

Mr. Speaker: Order. I would think the question as asked is not in order. The hon. member is asking why the minister has taken a certain position, and this cannot be considered an acceptable question.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I suggest the hon. member may ask a related question, in view of the fact that I have not accepted the first one.

Mr. Knowles: May I ask the Minister of Transport whether the often stated government policy regarding transfers from the Winnipeg air base still stands?

Mr. Hellyer: I did not say yesterday that this was a matter to be negotiated exclusively between the company and the union. I said I was continually involved, and I am involved, because the government is interested in this matter and its relationship to the policy which was laid down by the government and the undertaking given by the Prime Minister.

Mr. Speaker: Order. May I suggest to the minister that he is attempting to reply to a question which has been ruled out of order.

Mr. Knowles: Yes, Mr. Speaker, but the minister did not answer my question, which was in order. Would the minister try again?

Mr. Hellyer: Mr. Speaker, the two questions were related in a sense, and I attempted to answer my hon. friend's question by saying that the government is interested in and concerned about the question of transfers because it is related to the undertaking of the Prime Minister which, as I said, would be fulfilled. For that reason I have been involved in negotiations with both parties. But, as I said yesterday, I am circumscribed by the fact that there is a contract between them, and this is a limitation on the flexibility which is available to me, representing as I do the government interest in the question.

[*Translation*]

AGRICULTURE

CHEESE—INQUIRY AS TO PAYMENT OF PREMIUM

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to put a question to the hon. Minister of Agriculture.

Can the hon. minister tell the house whether the cheese subsidy will apply in 1968?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, should the dairy policy be modified, any change will be announced in the house in the normal fashion.

[*English*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Has he any plans under consideration to increase the efficiency of the dairy policy as it now affects farmers with small herds?

Mr. Greene: As the hon. member may be aware, early in January the dairy commission announced its policy with respect to quota entitlement, which gave consideration to the owners of smaller herds and reduced the minimum quota considerably to enable the owners of smaller herds to continue to qualify for subsidy.

SHIPPING

HALIFAX—SUGGESTED EXTENSION OF PALLETIZING FACILITY

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of Transport. I should like to ask him whether he can advise the house and the people who use the port of Halifax whether the National Harbours Board and the officials of the various government agencies involved in the port have co-operated in any way with the Danish Maersk lines in the very successful palletizing trials which were carried out last week, and if it is the intention of the government, because of the apparent success and tremendous savings brought about by this facility, to extend it to the rest of the piers in the port of Halifax.

Mr. Speaker: Order. I wonder whether this is a matter of urgency. Perhaps the question might be placed on the order paper.

Inquiries of the Ministry

AIR TRANSPORT

VANCOUVER—INQUIRY INTO C.P.A. PLANE ACCIDENT

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to ask the Minister of Transport whether an investigation will be carried out into the accident of the C.P.A. jet liner in Vancouver early this morning.

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. I am sure we all regret this tragedy but at the same time give thanks that it was not more serious and that there was not a greater loss of life than was the case. A headquarters team of investigators has been dispatched from the department to investigate the accident, and will be on the scene later today. A local Department of Transport investigation team was on the scene shortly after the accident, and is still there. A full report will be made public in due course. The 707 and its crew was leased by Canadian Pacific Airlines from Standard Airways of Seattle, as my hon. friend probably knows.

NORTHERN AFFAIRS

YUKON—INQUIRY AS TO WHITE PAPER ON CONSTITUTIONAL REFORM

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development and ask him when he expects to table the white paper on constitutional reform with respect to the Yukon.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I expect to table it when it is completed.

Mr. Nielsen: I have a supplementary question, Mr. Speaker. Can the minister put aside his flippancy for a moment and give the house an indication of when that might be?

Mr. Laing: Mr. Speaker, I am not attempting to be flippant, but the hon. member has pressed this matter while knowing all along that we have embarked in its preparation. I should like to have the economic report which is presently being prepared in the Yukon before we proceed with or finalize the constitutional report, and this may take a month or two.

Canadian Policy on Broadcasting

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

Hon. Judy V. LaMarsh (Secretary of State) moved the third reading of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions.

Mr. Ralph Cowan (York-Humber): Mr. Speaker, on the motion for third reading of this bill I wish to move in amendment that the house go back into committee of the whole to correct a slight mistake in clause 28. This clause was not discussed in detail in committee of the whole. The trouble is that under this bill, when a licence is granted to the operator of a community antenna television operation he is required by the terms of the licence to maintain the integrity of all the programs received. He cannot alter a program. In fact he will not know what is coming over the air, since he is only a receiving station.

Many of the C.A.T.V. operators are licensed to receive programs from the United States. They must maintain the integrity of the program being broadcast. If some candidate or a supporter or opponent of a referendum in Canada chooses to advertise over a station in the United States, the program will come over community television in Canada and the operator can be brought into court under this clause 28 as it now stands.

I should like to move, in committee of the whole, that certain words be deleted from clause 28. The words which cover C.A.T.V. operators are "a receiving undertaking". I have been told that the situation is covered by the Canada Elections Act, section 99, subsection (2) which reads:

> Every person who, with intent to influence persons to give or refrain from giving their votes at an election, uses, aids, abets, counsels or procures the use of any broadcasting station outside of Canada, during an election, for the broadcasting of any matter having reference to an election, is guilty of an illegal practice and of an offence against this act punishable on summary conviction as provided in this act.

This section does not cover the case of a citizen of the United States or a citizen of some other country than Canada, going on the air in the United States in an effort to influence the voting within 48 hours somewhere in Canada. In order to delete this phrase from clause 28, which refers directly to C.A.T.V. operators, I should like to move, seconded by the hon. member for Edmonton-Strathcona:

[Mr. Laing.]

> That the said bill be not now read a third time but that it be referred back to the committee of the whole for the purpose of reconsidering clause 28 thereof.

Mr. Speaker: Is the house ready for the question? Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. Will anyone wanting to stand in support of calling in the members, please stand.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment (Mr. Cowan) which was negatived on the following division:

• (3:20 p.m.)

YEAS

Messrs:

Aiken
Alkenbrack
Allard
Asselin (Charlevoix)
Baldwin
Ballard
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bower
Brand
Cadieu (Meadow Lake)
Cantelon
Caston
Chatterton
Churchill
Coates
Cowan
Crouse
Danforth
Dinsdale
Dionne
Fane
Flemming
Forbes
Forrestall
Fulton
Gauthier
Godin
Grafftey
Grégoire
Grills
Gundlock
Hales
Hamilton
Harkness
Hees
Herridge
Horner (Acadia)
Horner (The Battlefords)
Howard
Howe (Wellington-Huron)
Irvine
Johnston
Jorgenson
Keays
Korchinski
Laprise
Latulippe
Leboe
Loney
MacDonald (Prince)
MacEwan
MacInnis (Cape Breton South)
McCleave
McIntosh
McKinley
McLelland
Madill
Mandziuk
Monteith
Moore
Muir (Cape Breton North and Victoria)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Pascoe
Patterson
Peters
Pugh

Rapp
Ricard
Rynard
Scott (Victoria (Ont.))
Simard
Simpson
Skoreyko
Southam
Starr
Stefanson
Thompson
Valade
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Winch—89.

NAYS

Messrs:

Allmand
Asselin (Richmond-Wolfe)
Badanai
Barnett
Basford
Batten
Béchard
Benson
Berger
Blouin
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cantin
Cashin
Chatwood
Choquette
Chrétien
Clermont
Comtois
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Crossman
Deachman
Douglas
Drury
Dubé
Duquet
Forest
Gendron
Germa
Gilbert
Goyer
Granger
Gray
Greene
Groos
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Howe (Hamilton-South)
Hymmen
Klein
Knowles
Lachance
Laflamme
Laing
LaMarsh (Miss)
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
Macaluso
Macdonald (Rosedale)
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
McNulty
McWilliam
Mather
Matheson
Matte
Neveu
Nixon
Noël
O'Keefe
Olson
Orange
Ouellet
Pelletier
Pennell
Pepin
Pilon
Prittie
Prud'homme
Reid
Richard
Robichaud
Rochon
Roxburgh
Ryan
Saltsman
Schreyer
Sharp
Stafford
Stanbury
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Tolmie
Tremblay (Richelieu-Verchères)
Tucker
Turner
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Yanakis—107.

Mr. Munro: I was paired. Had I voted I would have voted against the motion.

Division

Mr. MacRae: I was paired. Had I voted I would have voted for the motion.

Mr. McCutcheon: I, too, was paired.

• (3:40 p.m.)

Mr. Robert McCleave (Halifax): Mr. Speaker, I shall detain the house but a few minutes to point out some of the views of the official opposition on this measure. I promise I will not go through any convolutions in which the members of a party support a motion and then do not vote for it, as the N.D.P. did when they forced a vote upon us within the last few minutes.

This measure, in the form of the white paper on broadcasting, came before the standing committee on broadcasting, films and assistance to the arts in December, 1966. That committee made its report to the house in mid-March, 1967. Its proceedings will be found running from page 1342 to 2117 of the committee reports. Subsequently the measure was debated on second reading in the house and was further considered in committee of the whole. At least 90 per cent of the debate that took place on this very vital topic cannot be quarreled with, and speaking on behalf of my colleagues I can say we took as responsible a position as we possibly could toward a subject that is extraordinarily vexatious to a great number of Canadians. I will deal with the points of vexation a little later.

If we have a quarrel it is with the government. First and foremost there was its delay in appointing top officers to the C.B.C., and more particularly in filling the office of president, sometimes described as the second most important position in the country, second only to that of the office of the Prime Minister (Mr. Pearson). Many months ago Mr. Ouimet indicated that he wished to retire as president, and we were confronted with the suggestion that his replacement should be appointed only after this bill had received parliamentary approval. Mr. Ouimet finally solved that dilemma by saying he was moving out willy-nilly, and subsequently new officers were appointed.

I suggest that during that time, when C.B.C. employees were under a great deal of stress, the government allowed to remain at the top level of the C.B.C. a vacuum which could only disturb the morale of the employees and prevent the C.B.C. from carrying out its responsibilities to the country. We had the example—and the Secretary of State (Miss LaMarsh) tabled the correspondence the other day—of defiance continuing from within the middle ranks of the C.B.C.

To reinforce that point I refer to page 6127 of *Hansard* for January 29 and the text of a letter sent by a Mr. Claude Sylvestre, Secretary of the Association of Producers, to the Secretary of State on November 6. I quote from that letter because I think it is symptomatic of the viewpoint of some within the public service of Canada, within the C.B.C., who are defiant not only of their own top people but of the will of parliament. In his letter Mr. Sylvestre wrote:

> We believe that our prime role, as producers, is to reflect and to interpret the living reality in a country. We do not believe that official government thinking is necessarily the kind of objective thinking which should be the basis of political and cultural information.

Note the clever use of the word "government", when he should really be saying that parliamentary thinking does not reflect the views of our country.

> The C.B.C. is obliged to bring to light all forms of power in the sense that it must allow a confrontation of forces and debates on the relative values of any given society. If we are to be the vehicle for or to promote one political line then we are willingly conniving with an organ of propaganda.

What political line are they being asked to promote, Mr. Speaker? I think the political line, if that is the expression that must be used, is nothing less than the unity and self-preservation of the country that all of us are sworn to serve in this chamber.

I continue to quote from the letter:

> We have at all times refused to do so; we refuse to do so today, when what you are saying is in short that the Left will be tolerated on the condition that it be reactionary. And in this way our function as producers will remain while governments come and go.

That, sir, is a clear statement of defiance by an element that, for its numbers, has great importance in promoting ideas on a country-wide basis or on a very large regional basis.

The Secretary of State in what I thought was a good reply, dated November 10, quoted from Mr. R. B. Bennett who brought the original legislation dealing with the C.B.C. before this house many years ago. She quoted Mr. Bennett as follows:

> Properly employed radio can be a most effective instrument in nation-building with an educational value difficult to estimate.

Farther on she quoted Mr. Bennett as follows:

> Without such control radio broadcasting can never become a great agency for the communication of matters of national concern and for the diffusion of national thoughts and ideas and without such control it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened.

Sir, the word down through the years, from the wisdom of that particular statesman through royal commissions, committees of inquiry, parliamentary committees and the like, has been that the C.B.C. can be and should be a great weapon in fostering national identity and national purpose. I only wish that the Secretary of State had been a little less ladylike in replying to Mr. Sylvstre's group and had told them where to go in very short order. I think this was defiance. Further, I think it was defiance that perhaps the Secretary of State and the government brought on themselves simply by failing, when Mr. Ouimet became a lame-duck president, to appoint somebody who would step in and clear up that very gray and uncertain area that exists between top management of the C.B.C. and the group at the producers' level.

While the government has procured two people who in the long run will undoubtedly prove their value and service as the chief broadcasting executives of the C.B.C., still there must be something seriously amiss with the corporation if those appointments could not have come from within its own ranks. I think the C.B.C. should be a place where people can embark on long-term careers, starting at no matter what level but always having the chance to reach the top. It is a matter of personal regret to me, considering the series of crises which have beset the C.B.C. over the last few years, that apparently nobody at the top level was considered of sufficient merit to be appointed to either one of the two topmost posts.

Changes were made in this bill during its consideration in committee of the whole, and I would be remiss if I did not thank the Secretary of State for being amenable to three changes that seemed of particular interest and value to my colleagues and myself. Changes were made in clause 2 covering the important declaration of principles dealing with the national system and the private system. The hon. member for Digby-Annapolis-Kings (Mr. Nowlan) proposed one of the changes and I a second, both of which were accepted, and for that we are grateful to the minister.

A change was also made in the penalty clause. To us it seemed important that we should not stigmatize this industry, and I

think the minister made an obeisance to common sense when she agreed to that change.

The major change was the deletion of clause 47, which had been the subject of considerable palaver behind the scenes, thus saving days and days of debate. Again the official opposition is grateful to the minister for deleting that clause dealing with five-year budgets. We must be jealous of the right of parliament to exercise control, and therefore I think that by and large we have mollified the worst features in this legislation.

• (3:50 p.m.)

However, I believe there are still areas of weakness which remain in what we as a parliament have done. I do not think we have met head on the expansion problem, the extension of radio and television service to Canadians who either do not receive it now in any shape or form or who receive only one type of service and would like the advantage of having freedom of choice. I do not believe we have resolved the concern of many Canadians who believe there should be more effective control within the public system on the part of top management with regard to those who are on the production line. Indeed, the minister herself has referred to rotten management within the C.B.C. In that area we can only hope that Dr. Davidson, a good sensible Nova Scotian, and Mr. Picard from Montreal will be able to come to grips rapidly with problems which of this type have been raised by several hon. members.

Third, I do not think we have really solved the problem of parliamentary control of the budget of the Canadian Broadcasting Corporation. Millions of Canadians have never had the idea sold to them properly—indeed, many parliamentarians have not either—why the corporation should use such a large amount of public funds. These three areas of challenge face the new officers. As I say, the Conservative opposition wish them well in the discharge of their duties. However, until we can see the results in these three areas we still have to be convinced that this legislation is in the best interests of the public.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I will ignore the opening observation of the hon. member for Halifax (Mr. McCleave) about the division. It seems to me that a comment of this nature is the last thing which should come from the ranks of the official opposition. The government has put off, temporarily I hope, the question of five-year financing for the C.B.C. The minister said there will be a separate bill on that subject later. In the interval I hope that members who have some doubts about five-year financing will use the time to frame other proposals. Five years may be too long a period but I think one year is too short. Some period such as two years or three years will, I trust, be agreed upon eventually. I think the important point in respect of any large organization, whether it be the C.B.C. or indeed another government department or crown corporation, is that for both capital and operating purposes the financing should be for a period of longer than one year.

There is a tendency here to do things simply because they have been done in the past. It has been our custom to examine and pass the estimates of every department and agency each year. I hope that in time this practice may change. It would be no great blow to democracy. I point out to hon. members that in the United States the state legislatures meet only once every two years and pass the budget then for that period. In the United Kingdom the British Broadcasting Corporation never comes to parliament for money because it has other means of financing. I believe that any organization as big as the C.B.C. or, indeed, as big as many government departments, could operate more efficiently if the officials knew what the financing of the organization would be for a period of two or three years. We may reach the point where the estimates of departments, agencies and crown corporations will go on a three-year cycle. This would mean that we would examine one-third of them each year. Perhaps this would mean that there would be a more searching examination than there is at the present time.

When we deal with estimates here we do not actually go into the separate items in great detail. We use the time devoted to the consideraion of the estimates as an opportunity to make speeches on various subjects. We all do this and it seems to be a defensible practice. But the actual detailed spending receives very little close scrutiny. I suggest that in future we might adopt this other method of operation. I look forward to the proposed government bill in respect of long-term financing for operating costs and any counter measure which other members may have.

There are two other points with regard to the bill to which I should like to refer briefly. There is the clause which urges Canadian

broadcasters to use Canadian talent and creative resources. I hope that this will be considered seriously by the broadcasters and by the new council. I have discussed this matter in detail before so I will not do so again today. However, the production centres of Hollywood, New York and London are full of Canadians who have gone there because there were not sufficient employment opportunities in Canada. They are always very grateful for the training they received in this country on the broadcasting networks and in our theatres. However, employment opportunities have not been present here because we have not been willing to spend sufficient money to keep them employed full time in their occupations. There is a very long list of Canadian actors, producers and writers who are employed in the United States and the United Kingdom. I hope this point will be considered seriously by the members of the council.

My final point has to do with the composition of the Canadian Radio-Television Council. Obviously the type of person appointed to this council is of the utmost importance. On both the board of the Canadian Broadcasting Corporation and the Board of Broadcast Governors we have had in the past very talented people. We have also had some people of very ordinary ability whose appointments were purely political. The new regulatory authority will have very great powers and it would seem to me that the persons appointed to this council should be of the very top calibre. I hope that in their selection political considerations will not be a major factor. I imagine that at the present time the government is trying to find the people who will take over the duties of the council. I hope the government will be successful in its efforts in this regard and will be able to fill these positions in less time than it took to find competent people for the C.B.C. The future of broadcasting in this country will be dependent upon these people.

The Acting Deputy Speaker (Mr. Tardif): Is the house ready for the question? Shall the motion carry?

Mr. Monteith: On division.

Motion agreed to and bill read the third time and passed.

• (4:00 p.m.)

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING CALENDAR, FINANCIAL AND PREMIUM YEARS

Hon. J. J. Greene (for the Minister of Finance) moved the second reading of Bill No. S-24, to amend the Canada Deposit Insurance Corporation Act.

[Mr. Prittie.]

The Acting Speaker (Mr. Tardif): Is it the pleasure of the house to adopt the said motion?

Mr. Monteith: No, Mr. Speaker, certainly not. We are waiting for an explanation from the Minister of Finance.

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, I apologize for having kept my hon. friends waiting for a few moments but I was detained in my office by a true blue supporter of the Conservative party who wanted to meet me.

Mr. Speaker, we are now on second reading of the Canada Deposit Insurance Corporation Act. The main object of the bill is to amend the Canada Deposit Insurance Corporation Act with a view to allowing it to co-ordinate the deposit insurance granted under its terms with deposit insurance granted under any provincial deposit insurance plan.

Under the terms of the Canada Deposit Insurance Corporation Act, which was passed earlier this year, the deposits entrusted to banks, trusts and loan companies incorporated under federal acts are insured within the statutory limits. The corporation is also authorized to issue insurance policies to institutions incorporated under provincial acts, with the agreement of the province of incorporation, the deposits entrusted to those institutions being insured to the same extent as those entrusted to federal institutions.

At the present time, the act requires that every deposit of a member institution shall be insured within the limits provided in the act. The corporation is not authorized to insure only certain deposits of the member institution to the exclusion of others. It cannot insure deposits in some provinces to the exclusion of deposits in other provinces.

Since the passage of this legislation earlier this year, the province of Quebec has established a deposit insurance plan which applies to all deposits accepted in Quebec by the institutions which accept deposits and transact business in that province. The administrative authority, the Quebec deposit insurance board, is also authorized to insure deposits accepted outside Quebec by institutions incorporated in Quebec.

In order to reduce to a minimum the duplication of coverage, costs and inspection

between the federal and the provincial plans, in the case of an institution covered by both, discussions were held between officials of the federal government and of the government of the province of Quebec. This matter has also been discussed in June by officials during a federal-provincial meeting dealing with financial institutions. The agreement arrived at following these discussions was summed up in an exchange of letters between the Minister of Finance and the premier of Quebec, letters which have been tabled in the house on July 9. This bill is mainly intended to allow for the implementation of this agreement.

The following are the main provisions of the agreement: with regard to institutions incorporated in the province of Quebec, the Quebec deposit insurance board will insure deposits in the province, and the Canada Deposit Insurance Corporation will insure deposits outside of the province. With regard to institutions incorporated in the other provinces and exercizing their activities in Quebec, the Canada Deposit Insurance Corporation, with the consent of the province of origin, will insure all deposits other than those made in Quebec, and the Quebec deposit insurance board will insure deposits made in Quebec. This provision requires that the Canada Deposit Insurance Corporation be authorized to insure not all but some of the deposits of a member institution, and it will be granted this power by the present amendment. The amendment will also allow the corporation to enter into agreements with the province of Quebec or, as the case may be, with the Quebec deposit insurance board, in order to co-ordinate the two plans. Those agreements will have to deal with several questions, such as the definition of the location of a deposit. The amendment will also enable the governor in council to pass regulations, as needed, in order to authorize the corporation to comply with the provisions of those co-ordinating agreements when they are not provided for in the legislation. There is also the authority to exchange information concerning provincial institutions insured both by the corporation and by the Quebec deposit insurance board.

Although the main object of the bill is to enable the Corporation to co-ordinate its insurance with the insurance of the Quebec deposit insurance board, the amendment has been drafted in general terms, so that similar arrangements may be concluded with any province which may have established a deposit insurance system.

As far as the federally chartered institutions are concerned, the federal government has already assumed the responsibility of setting up financial and control requirements. A very exhaustive system of regulation and control has been in force for a long time. Deposits entrusted to those institutions are insured under a statutory provision of the Canada Deposit Insurance Corporation Act. We therefore believe that each province should accept the control and insurance which apply to those institutions under federal legislation. The provinces should not add the insurance or the inspection provided for in their own legislation. The amendment applies therefore only to the insurance of provincial institutions and not to that of federal institutions.

During the discussions between officials, it was recognized that when a province adopts a deposit insurance scheme, the insurance of the institutions incorporated under provincial legislation can create problems only if, following a lack of premium revenue, the adequate reserves cannot be constituted, except over a long period of time. To remove that difficulty, it was agreed during the discussions that, provided the authorization is granted by parliament, the Canada Deposit Insurance Corporation will be willing to grant short-term loans, against sufficient security, to a provincial agency entrusted with the administration of a deposit insurance scheme in order to allow that agency to meet short-term liquidity requirements. It was felt that this auxiliary supply of liquidity would enable the province to adopt and administer a scheme with lower reserves and revenue than would otherwise be necessary. It would be understood that these short-term loans would be consistent with agreements concluded between the corporation and the provincial agency and would be granted provided the province refrained from levying a tax or establishing a system of premiums which would cause expenses to federal chartered institutions as far as deposit insurance in the province is concerned, where deposits are already insured by the Canada Deposit Insurance Corporation.

• (4:10 p.m.)

The amendment under consideration will permit the corporation to extend such short-term loans, subject to terms and conditions provided by the governor in council and to an agreement which will also have to be approved by the governor in council.

Another subject dealt with in the amending bill is technical; it would provide a better method than the one now provided in the act

to assess the premium of any member institution for the year during which it becomes a member institution.

The amending bill describes the premium year as running from the first of May to the 30th of April of the next year and provides that, for the premium year during which an institution became a member institution, a premium on a prorata basis will be payable for the period of the premium year to run at the time the institution becomes member institution. This amendment provides a more equitable method than the one now in the act and will clear up any doubt as far as the premium payable for the first year of deposit insurance is concerned.

An amendment allows the corporation to approve methods for calculating the total amount of deposits serving as a basis for premiums. This provision has given rise to a few technical difficulties, since only deposits to a maximum of $20,000 per person with each institution are covered by deposit insurance. An institution must therefore co-ordinate its obligations toward every person individually, in order to know the exact amount of insured deposits for the calculation of premiums. In view of the practical problems raised by such calculations, it has been deemed advisable to allow the use of approximate methods. Under its regulations, the corporation recognizes an approximate method in calculating the appropriate total. Under a proposed amendment, the corporation is authorized to use or accept approximate methods which may prove suitable.

The bill contains a further amendment providing for the permanent insurance of deposits entrusted by a person to two or more member institutions which have merged. At the present time, the act provides for a maximum insurance of $20,000 per depositor in any institution. Where a depositor has deposits in more than one member institution, he can be covered in each of them up to a maximum of $20,000. Were the act not amended, the merging of two member institutions could result in reducing the maximum deposit insurance of $20,000 granted a depositor in each of the two merging institutions, to a $20,000 maximum insurance with the new institution after the merger. The amendment will provide that the deposits taken over at the time of the merger will remain insured in the new institution. Therefore, the depositor will not see his deposits go without insurance because of the merger. The money entrusted after the merger by a person to the remaining institution will not be insured as long as the total amount of the deposits of that person taken over at the time of the merger does not fall below $20,000.

At present, the corporation defines the term "deposit" by regulation, subject to the approval of the governor in council. A provision in the present bill will abolish the right to modify the definition of the term "deposit" by a regulation of the corporation after one year from the day when the present bill comes into force. Any change in the definition of the term "deposit" made after that date will require a special act of parliament. This provision was added to the bill by an amendment presented by the Senate committee on banking and commerce. The government believes that the present procedure in order to define the term "deposit" and change the definition will do for a while yet; therefore, it did not suggest that the definition of the term "deposit" be established by the act. However, the government is not opposed to this change in the bill as it allows the present method to remain in force for another year.

[*English*]

Hon. J. W. Monteith (Perth): Mr. Speaker, the minister has given a lengthy outline of the technical changes proposed in this bill. I do not propose to deal with them at any length. I do, however, say to the house that I feel the government is very lax in not paying proper attention to the business of the house.

Some hon. Members: Hear, hear.

Mr. Monteith: We had the same experience last Monday evening when we had to wait for some time for the Minister of Finance (Mr. Sharp) to appear. Even though the minister said that this afternoon a prominent member of the Conservative party was visiting him, I suggest that he should have told that gentleman to get out of his office so he could attend the House of Commons. In fact, the minister should have been waiting here when we finished dealing with the previous piece of legislation. This situation prevailed the other evening. There are so many amendments in this bill to an act that has been in force a very short time that it indicates to me a lack of proper preparation before the original legislation was presented to the house. I am not going to say anything critical about the actual items in the legislation, but I think this could well be a lesson to the government to have its legislation better prepared so that it

does not in future have to bring in amendments such a short time after the passage of the original legislation.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

Clauses 1 to 4 inclusive agreed to.

Title agreed to.

Bill reported.

• (4:20 p.m.)

Mr. Deputy Speaker: When shall the said bill be read the third time, at the next sitting of the house?

Some hon. Members: Agreed.

Mr. Pennell: Mr. Speaker, perhaps I could obtain the feeling of the house regarding item 49 on today's order paper, second reading of Bill No. S-29, an act to provide for the dissolution of Northern Ontario Pipe Line Crown Corporation. I understand there was an agreement to adopt this measure without debate, but before having it formally called is it possible to obtain the feeling of the house on this matter?

Mr. Peters: Mr. Speaker, I have no intention of debating this matter but I would like to say a brief word on it. If at some future time Trans-Canada Pipe Lines wanted to construct another loop or undertake a similar endeavour to raise money, we might find it advantageous to have kept this link in operation.

Mr. Deputy Speaker: Perhaps it would be better, before I allow the hon. member to continue, to put the motion before the house.

NORTHERN ONTARIO PIPE LINE CROWN CORPORATION

PROVISION FOR DISSOLUTION OF CORPORATION

Hon. L. T. Pennell (for the Minister of Energy, Mines and Resources) moved the second reading of Bill No. S-29, to provide for the dissolution of Northern Ontario Pipe Line Crown Corporation.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as I was saying, if the circumstances had been such that Trans-Canada Pipe Lines was going to loop its line, the financial arrangements would obviously have had to be different from those made in the case of the new company, the Great Lakes Pipe Line Company. I think it is for this reason it was agreed that this bill should not be brought forward until that decision was made. However, I am quite sure that the arrangements which will be made now for the financing of the construction of sections of the pipe line to be looped under the agreement which Trans-Canada has with the government will not be the same as those which were made previously to build the original Trans-Canada pipe line.

For this reason I agree to the passage of this bill. May I say, however, that in the years when the Northern Ontario Pipe Line Crown Corporation was in existence it was possible for the general public to ascertain the rate of the flow of gas, its quantity, and the tariff being charged because this information was contained in the report of the corporation which was presented to parliament through the minister. From this point of view the report served some purpose. I have always suggested that we should double the salary of the president of the crown corporation and I believe my suggestion has been supported on a number of occasions. The deputy minister has been acting as the president of the crown corporation and has received no remuneration for that job. I think the work performed by the deputy minister in supervising the operation of this pipe line company has served a purpose, and we hope that the time will come again when the government will find it necessary to re-establish this type of corporation to assist in the development of areas where the business community may not be able to raise the money required.

For this reason I am of the opinion that we will be doing a service by winding up the business of the Northern Ontario Pipe Line Crown Corporation. However, I should like to say that I believe it has served a valuable function and that its report to parliament has been particularly useful in that it made available some statistical information which might have been more difficult to obtain otherwise.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

Clauses 1 and 2 agreed to.

On clause 3—*Transfer of property and obligations.*

Mr. Barnett: Mr. Chairman, might the committee be informed what are the rights,

property, liabilities and obligations which shall become rights, property, obligations and liabilities of Her Majesty? Are we becoming richer or poorer as a result of the dissolution of the corporation?

Mr. Pepin: Mr. Chairman, this is a good occasion on which to thank the house for its co-operation in this matter. I might also take this opportunity to thank the people who have been serving in this corporation in the past. As the committee knows, they served without receiving any financial compensation, so I think the committee should offer a vote of thanks to them for having done so.

With respect to the financial situation in which my hon. friend is interested I may say that all administration costs of the corporation have been paid from the revenue received and there remained, as of December 31, 1966, a surplus of $693,484.80. Since that date the sum of $690,000 has been transferred to the crown. This morning I asked for a report on what was left in the piggybank. I do not have it with me but I believe it amounts to roughly $3,400. A cheque has already been prepared for the transfer of that money to the Receiver General of Canada. Since 1963 this corporation has only had annual meetings of the board of directors, made submissions to parliament in annual reports and carried out necessary correspondence.

• (4:30 p.m.)

As the hon. member for Timiskaming said, there is no reason therefore, for keeping this corporation in existence. If, however, the federal government decides to go into that kind of operation again it will be a simple matter to create a new corporation at that time. I feel that the present bill is a straight housecleaning operation and I am delighted to observe that my friends in the house agree.

Clause agreed to.

On clause 4—*Repeal of 1956, c. 10.*

Mr. Barnett: In connection with clause 4 I should like to say I have a feeling that the repeal of chapter 10 of the 1956 statutes is to settle a few ghosts that occasionally haunt this chamber still and which some of us remember.

Mr. Pepin: I was deliberately taking a calm, mundane approach to the whole thing in order that I would not awaken those ghosts to which my hon. friend has referred so kindly.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Starr: Now, by leave.

Mr. Pepin moved third reading of the bill.

Motion agreed to and bill read the third time and passed.

FISH INSPECTION ACT

AMENDMENTS RESPECTING CONTAINERS, PROCESSING, ETC.

Hon. H.-J. Robichaud (Minister of Fisheries) moved the second reading of Bill No. S-27, to amend the Fish Inspection Act.

Mr. Crouse: Is the minister going to make a statement?

Mr. Robichaud: If the house agrees, it might be more appropriate for me to explain this bill in the committee of the whole. The bill consists of three minor amendments to the Fish Inspection Act. It might be more appropriate for me to give my explanation when the bill is before the committee of the whole.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I listened with interest to the remarks made by the Minister of Fisheries in connection with the proposed amendments to the Fish Inspection Act. Generally speaking, the people in the fishing industry, as represented by the Fisheries Council of Canada and in my home province of Nova Scotia by the Fish Packers Association, are in agreement with the amendments proposed in this bill. Quite rightly, the people engaged in the fishing industry are proud of the fact that they have in the past been shipping fancy quality fish and fish products not only to all parts of Canada and to the east and west coasts of the United States but also to the United Kingdom, Europe and Australia. It is in their best interests that the Fish Inspection Act be clear and concise so that it will assure quality fish being shipped by Canadian processors not only to their markets in Canada but to their export markets as well, and also that fish and fish products shipped into this country are up to our standards of quality.

The first amendment is of a minor nature. It simply expands the meaning of the word "container" as defined in the original Fish Inspection Act to include the wrapper or confining band used in the packing or marketing of fish. I can understand the necessity for this change in wording because marketing procedures for some types of fish have changed considerably since the 1949 Fish Inspection Act was introduced. I refer here to the packaging of dry salted cod which used to be marketed in large wooden boxes and sold in bulk quantity at the retail level. At the moment, confining bands are also used in the marketing of whole lobsters and crabs which have been cooked and frozen. I therefore agree with the proposal to amend this section. In clause 1, paragraph (h)—

Mr. Speaker: Order, please. I must remind the hon. member that on second reading he can only discuss the principle of the bill. He cannot refer to the details of the proposed amendments. I realize the hon. member wants to consider the matter in a general way. Perhaps we might allow him to continue his contribution, but at the same time he might keep in mind the confining of his remarks to the principle of the bill, so far as that is possible, rather than the details of the clauses.

Mr. Robichaud: It may be that the hon. member would prefer to go into these details when we are considering the bill clause by clause. As you have just said, Mr. Speaker, normally on second reading we do not refer to the individual clauses of a bill. The remarks which the hon. member is making now are really proper on either clause 2 or clause 1 of the bill.

Mr. Crouse: Thank you, Mr. Speaker, I appreciate your suggestion and I shall endeavour to confine my remarks to the principle of the bill. I had hoped to deal briefly, since I believe I will be the only speaker for our party on this measure, with some of the clauses. If you will bear with me, Mr. Speaker, since the clauses are not too contentious, I should like to refer to clause 1, paragraph (h), the amendment which proposes expanding the meaning of the word "processing" to include the canning of fish. This also seems to me to be a valid change since the canning of fish all over Canada plays a very important role in the marketing of our fisheries products. We have only to think of our vast salmon canning industry, as well as our tuna, lobster, herring, mackerel, clams, fish cakes, sardines and cat food, to realize the vast importance of the canning of fish to the industry as a whole. As we search for ever greater markets for our fish products, this aspect of the industry will play an ever increasing role. In my opinion, fish canning should be included under processing.

I now come to the final amendment in this short bill. This amendment changes the words in section 10 from the original wording, which was:

> No person shall import, export, sell for export or have in his possession for export any fish intended for human consumption unless the fish is wholesome and fit for human food.

The new wording of the section reads:

> No person shall import, export, sell for export or have in his possession for export any fish intended for human consumption that is tainted, decomposed or unwholesome.

I should like to state at once, Mr. Speaker, that I agree with the intent of this amendment. Certainly no one with any interest in the fishing industry could approve of shipping fish for human consumption that was tainted, decomposed or unwholesome.

• (4:40 p.m.)

The fishing industry at the present time is going through a very trying and difficult period. The high labour and operating costs which are affecting other industries are also having their effect on the fishing industry, and the situation is so desperate that only the strongest financially backed fishing companies can hope to survive. This condition has been brought about by an increase in fishing activity without a resultant expansion in our markets. Fish processors have also found it practically impossible to pass on their increasing costs of procuring, processing and packaging, and high interest, marketing and transport charges, when selling their product in competition with the product of other countries in which costs are obviously lower.

The fact that those who follow the Roman Catholic faith are no longer required to eat fish on Friday has had a damaging effect on the marketing of our fish and fish products, both in Canada and in the United States. When one considers these facts and realizes that Canadians per capita, only consume about 13 pounds of fish annually, one realizes the extent of the marketing problem that faces our industry.

Somehow Canadians must be made to realize that seafood offers them top value in today's high-priced economy. When you buy at the retail level one pound of fish fillets for 69 cents you are getting 16 ounces of protein

without any fat or bone. There is absolutely no waste, and at the same time you are giving your family valuable minerals and protection against goiter through the iodine content of salt water fish. It is also well known that doctors recommend that those who are overweight or suffer from heart disease eat more fish and cut down on starchy, fatty foods.

With all these factors to encourage the increased consumption of fish there should be little difficulty in marketing our fish production. But apparently we have fallen down in our efforts to teach Canadians the proper methods of preparing fish. I know that the fisheries department, through its cooking school, has been active in this regard; fish recipes have been brought forward. Nevertheless, more must be done. Perhaps we should borrow a page from the French in this regard. They place more emphasis on the cooking and preparation of fish than on the cooking and preparation of meat in their diet. One of the first steps we must take is, of course, to ensure that our fish arrives at market in A-1 condition, and to ensure that is the purpose of this amendment.

While I do not disagree with the intent of the amendment there are one or two matters relevant to the act which I wish to point out to the minister.

The Fish Inspection Act of 1949 and the regulations under it cover a large area. The act has wide powers. From reading sections 4 and 5 we gain some idea of the heavy responsibilities that are placed on the shoulders of our fish inspectors. Section 4 of the act reads as follows:

4. (1) An inspector may at any time

(a) enter any place or premises, or any steamship, vessel or boat, or any railway car, truck, carriage, car, aircraft or other vehicle used for the carriage or storage of fish and may open any container that he has reason to believe contains fish,

(b) require to be produced for inspection or for the purpose of obtaining copies thereof or extracts therefrom any books, shipping bills, bills of lading, or other documents or papers, and

(c) take any samples for inspection.

Section 5 reads:

5. A person interested in a decision of an inspector in respect of any inspection, grading, marking or other matter under this Part or the regulations thereunder may appeal to the Minister in accordance with the procedure prescribed by the Governor in Council.

There is no provision in the act for an appeal, except to the minister. Of course, when you are dealing with a perishable product like fish this procedure takes much valuable time which one can ill afford.

Sections 6 and 7 of the act read as follows:

6. For the purposes of this Part, inspectors may administer oaths and take and receive affidavits, declarations and affirmations.

7. (1) Whenever an inspector believes on reasonable grounds that an offence against this Part or any regulation thereunder has been committed, he may seize all fish and containers by means of or in relation to which he reasonably believes the offence was committed.

(2) All fish and containers seized pursuant to subsection (1) may be detained for a period of two months following the day of seizure, unless during that period proceedings under this Part in respect of those fish and containers are undertaken, in which case the fish and containers may be further detained until such proceedings are finally concluded.

(3) Where a person is convicted of an offence against this Part or any regulation thereunder, the fish and containers by means of or in relation to which the offence was committed, upon such conviction, in addition to any penalty imposed, are forfeited to Her Majesty and may be disposed of as the Minister may direct.

These sections are pertinent to our discussion since they contain the only authority under which an inspector can enforce the changes which are contained in the new subsection 1 of section 10 as set out in clause 3 of the bill. For example, let us assume that an inspector takes a sample of fish for inspection and as a result of his analysis he condemns the shipment. We must ascertain the conditions under which the tests were made. Was the fish sample, for instance, taken on Friday afternoon? Was it placed in the trunk of a car and then conveyed to a fish inspection site on Saturday? The place may have been closed and it may be that the fish was not examined until the following Monday. Section 4(c) of the act says that the inspector may at any time "take any samples for inspection". But the act does not say whether he must put this sample on ice or take it immediately for inspection. These matters are not spelled out, and they should be spelled out more clearly. Also, if the inspector were vindictive he could put a fish processor out of business by being seemingly overzealous in carrying out his duties. This, of course, would be tantamount to an outright fraud perpetrated by the federal government on the fishing industry. I agree with the intent of this bill but I am concerned about abuses that might arise under the powers that are granted to fish inspectors.

In view of my concern and the concern of some men in the industry with whom I have discussed this matter, I think the minister should give thought to bringing in further amendments to this act. For example, if any action is taken by an inspector to condemn a shipment of fish, would it not be desirable to have the inspector's opinion substantiated by another inspector or by scientists of the Fisheries Research Board? I ask the minister, if a fisheries inspector says that a bacteria count is too high, what avenues are open for the fish packer or processor to make an immediate appeal, keeping in mind always the perishable nature of his product? Part of subsection (2) of section 7 says:

> All fish containers seized pursuant to subsection (1) may be detained for a period of two months—

Let me give an example of what I mean. A fisherman may land 30,000 pounds of swordfish worth something like 40 cents a pound to the fisherman—that represents a $12,000 catch—and during unloading one or two of the swordfish might be laid against an oil cask, thereby becoming contaminated. If those two fish were seized by an inspector and the entire catch were also detained, substantial loss to the fisherman and processor could be the result. I also wish to ask the minister what efforts his department is making at the retail level to ensure that fresh fish which has been so carefully packaged, inspected and shipped is kept on ice or under refrigeration prior to sale.

• (4:50 p.m.)

According to a return recently tabled the Department of Fisheries expended $34,525,757 on the administration of Canada's fisheries for a 12-month period. I believe this is money well spent upon one of our great primary industries. But if the minister would in future direct some of these funds toward solving the marketing problems which now confront the industry, and the training of competent fishermen, of whom there is a great shortage at the present time, I believe the money spent would bring even greater benefits to the industry.

Mr. Frank Howard (Skeena): Mr. Speaker, this is one of those bills which have a centennial flavour about them inasmuch as they were introduced in the Senate last year. It seems regrettable, bearing in mind the multitude of problems within the fishing industry, that the government should have been content to bring down a measure of such small significance as the one new before us. Naturally I am more familiar with the situation on the west coast, though having listened to the representations made by representatives of the Atlantic provinces in the house from time to time I have come to appreciate that the problems on the Atlantic coast, while different, are of no less importance.

I had hoped that the minister would have produced a bill covering more than one page and concerned with whether, for example, a container means something which has a wrapper or a confining band about it or whether we need to include the word "canning" in the act, although, as we all know, canning was being carried on in this country many years before most of us came to this chamber.

The minister himself appeared to recognize the insignificance of this bill in relation to the total consequences of his department's activities when he declined to make an introductory speech on second reading saying he would prefer to wait until we got into committee and were dealing with details. That is all the bill involves—details. We are asked to consider whether or not canning should be regarded as a part of processing, though it has been commonly understood for many years that this is so. Then we are asked to approve the addition of a few words relating to the import or export of fish, intended for human consumption, that is tainted, decomposed or unwholesome.

I am not saying that these items are unimportant in themselves. Certainly they are important; otherwise they would not be the subject of legislation. But in relation to the total responsibilities and activities of the department and the almost insurmountable problems which confront the fishermen of this nation I am surprised that the minister and the government should have been content to introduce in our centennial year a bill consisting of a single page of legislative provisions. Perhaps this accurately reflects the interest of the government in fisheries matters. Otherwise it would hardly have contented itself with making a few inconsequential amendments of the kind before us.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, while I am not directly involved in fish inspection or with the Department of Fisheries, I was very interested to note several years ago that the fishing regulations had not been changed for a long period of time. I think 1952 was the year in which they were last altered.

It was interesting to recall that when we were discussing the adoption of a bill of rights for Canada certain points which the hon. member for Queens-Lunenburg (Mr. Crouse) made today were raised by him in that debate. I understood at that time that the method of fish inspection is, as the hon. member told us, about as undemocratic a process as can be found. An inspector may board a boat, seize it and hold the fish until they rot. He can do this without a warrant and the owner has no right of redress. He cannot claim compensation and is not entitled to take advantage of due process of law as granted by the Bill or Rights. It was certainly my hope that we could apply the safeguards contained in the Bill of Rights to the provisions of the Fish Inspection Act. This would prevent repetition of many of the abuses which have taken place in the past.

I agree with the hon. member for Skeena (Mr. Howard) that the amendments proposed here are of a minor character. In one instance we are concerned only with a change in technology. In another there is a change in wording, presumably to take account of a decision in a court case which concerned this subject. A far more important amendment to the act which I had hoped the minister would introduce would concern itself with changes in the method of inspection. I am sure that the Bill of Rights could legitimately have been applied in this field so as to limit the authority of the inspection branch of the Department of Fisheries and see to it that the work is done with a greater sense of responsibility toward the various interests concerned. The bill before us provides as follows:

> No person shall import, export, sell for export or have in his possession for export any fish intended for human consumption that is tainted, decomposed or unwholesome.

Who is to decide whether fish is intended for human consumption or whether it is unwholesome? I presume it will be the inspectors, perhaps the same inspector we heard about previously who went aboard a ship and said: "This ship is in quarantine and I shall hold it until we decide what we shall do about it." I suppose it is the inspector who will decide what is to be done and the owner of the ship can either like it or lump it because there is no appeal from the inspector's decision. Changing the wording of the legislation will not make much difference if the process of inspection under the statute is abused. Charges were made a number of years ago, probably before the minister assumed his present office. He shakes his head. I can remember when the Bill of Rights was before parliament. The officials of the feed grain inspection service and of the fisheries inspection service were singled out as offenders every day of the year against the rights of individuals to a proper hearing. Before we make any changes I think we should have a report from the minister on the reason for these changes and on what the inspection branch is going to do. It seems to me that we are modifying the provisions on behalf of one side rather than providing protection.

• (5:00 p.m.)

I have heard of the serious situation in the fishing industry. I have talked to one hon. member who had an unsatisfactory personal experience in that industry within the last year, and I know that the industry is not in a healthy state. I agree that we must enforce regulations in order to ensure high standards, but in order to correct the abuses that existed previously I wonder whether we are giving the inspectors too big a weapon to use without the restrictions that would normally apply under other legislation. Here the right is being given to enter private premises, to seize books, to tie up a ship loaded with fish, and to grade fish to a certain standard. When a ship is tied up for a certain length of time its fish cargo becomes unmarketable. I think the act should be modified more extensively than is proposed by this bill.

The Acting Speaker (Mr. Tardif): Order. It is understood that if the Minister of Fisheries speaks now he will close the debate.

Mr. Robichaud: Mr. Speaker, I wish to reply briefly to some of the remarks that have been made. I agree that this bill is making only a minor change in the Fish Inspection Act, but I would like to remind the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters) that the fish inspection regulations were amended in 1967 after full consultation with the industry from coast to coast. For two years, 1965 and 1966, we held a series of meetings with representatives of the industry at different points from coast to coast. We also consulted fishermen's organizations and unions and discussed the proposed changes in the regulations with them. On May 11, 1967, an order in council was issued establishing the new regulations.

Hon. members have referred to incidents in the past, but I am not aware of cases where fishermen or dealers were deprived of their rights. Fish is a perishable product. It must be inspected at the time of landing. Section 13 of the new regulation provides:

> Where an owner of fish or fish containers or any person acting on his behalf is not satisfied with a decision of an inspector regarding the acceptability under these regulations of the fish or such containers, he may appeal the decision to the minister who shall order a reinspection.

In other words, it is stipulated that the minister shall at once order a reinspection, and the owner or his agent is entitled to be present at that reinspection which is usually carried out not by the officer who made the original inspection and seizure but by scientists or two or three other representatives of the inspection branch. We depend largely on our fish export markets and we must have fish inspection regulations which are effective and which will protect the Canadian fishing industry.

The hon. member for Queens-Lunenburg (Mr. Crouse) referred to the difficulties which the industry is at present experiencing, particularly because of the devaluation of the pound sterling. This is a problem which affects mainly the salt fish industry. I would point out that we are now taking action at the retail level in areas where we have jurisdiction, and here I refer to the domestic market. In the larger cities we have officers who are in continuous touch with the retail market and who supervise the handling of fish. Only a month ago my department issued a booklet showing how to handle fish at the retail level, and it has become so popular that we have been forced to ask for additional reprints. This booklet clearly defines how fish should be handled at the retail level.

Again, Mr. Speaker, I ask that I be permitted to give any further explanations with respect to the bill when we study it clause by clause in committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

On clause 1—

Mr. Peters: Mr. Chairman, I wish to thank the minister for bringing my attention to the amended regulations. I would like to ask him how successful they have been. The complaint made some years ago concerned the lack of an appeal process, and I would like to know to what extent this process is now being used. I do not seek exact figures but I would like to know in what percentage of case it has been used.

• (5:10 p.m.)

Mr. Robichaud: Mr. Chairman, since the new regulations have been in force there have been three or four cases where there has been an appeal. In all these cases no further representations were made to me by the owner. This led me to believe that they were satisfied concerning the appeal. There has been one case, however, in respect of which the matter is before the court. I believe this is the only one. I would not be in a position to discuss it now because I do not believe the case has been settled. It is a fact that the industry is taking advantage of these new regulations, particularly in respect of the right of appeal. I must accept the appeal because the regulations state that the minister shall order a reinspection. This is done at once. There has never been any case where there has been undue delay in respect of the reinspection.

Mr. Barnett: Mr. Chairman, I have a question I should like to direct to the minister while we are considering clause 1 and have the proposed amendments to the Fish Inspection Act before us. Could the minister tell the committee why it has not been considered desirable that the Fish Inspection Act should in any way apply to fish entering into interprovincial trade within the country? I understand that the act and the regulations apply only to fish products being imported into or exported from Canada. I have the impression that in the field of agricultural products, meat, for example, the federal inspection services operates in respect of meat moving across provincial boundaries. I wonder why the same regulation has not been considered necessary with regard to the movement of fish products.

Mr. Robichaud: Mr. Chairman, I believe the fish inspection regulation applies in some cases to the movement of fish from province to province. However, the Fish Inspection Act is only effective in a province if approval by order in council of the province concerned has been received. I know that it applies in several provinces. In the Atlantic provinces, for example, where the fishing industry is of major importance, the fish inspection regulations have been accepted in most cases in respect of the movement of fish from province to province. The Fish Inspection Act is

applicable in respect of fish moving from province to province if such fish is to be exported. This applies particularly with regard to freshwater fish which moves, for instance, from Manitoba to Ontario before it is exported.

Clause 1 agreed to.

Clause 2 agreed to.

On clause 3—*Dealing in tainted, decomposed or unwholesome fish.*

Mr. Crouse: Mr. Speaker, in my earlier remarks I mentioned the necessity for the rapid examination of any fish that may be seized by an inspector. I know the minister is aware that this may not always be possible. I notice from the Halifax *Chronicle-Herald* for February 6 that work is being carried out to provide wharfage and a working area at St. Margaret's Bay for the Fisheries Research Board. I should like to ask the minister whether this new branch of the Fisheries Research Board on the Atlantic coast between Halifax and my home town of Lunenburg is to be equipped to handle samples of fish seized by an inspector so that the examination could be speeded up. Will this branch be able to certify as to the freshness and wholesomeness of the sample or in effect approve the inspector's original contention that it should be rejected? Is it the intention of the department to utilize this new branch of the Fisheries Research Board in this manner?

Mr. Robichaud: The inspection is not normally done by the Fisheries Research Board. It is done by the fish inspection branch of the Department of Fisheries. However, there have been cases involving dispute concerning the decision taken by the fish inspection branch when samples have been sent direct to the board, for example, to confirm bacteria counts or for other major reasons. I can well understand the concern of the hon. member that there should be very little time elapse between when the samples are taken and when the inspection takes place.

At different points along the coast close to major fish landing points we have fish inspection laboratories where inspections are carried out. We have received very few complaints. In fact I do not know of any since we established the new inspection laboratory on the northeast coast of New Brunswick, from where I had received some complaints in the past. There are four major fish centres in that particular area. Since that new laboratory has been established we have received no complaints from the industry concerning delays in respect of inspection of samples taken by our officers.

Mr. Crouse: I realize that the minister may not have all the information at hand in order to answer this question. However, I should like to know the number of inspection centres available at the present time in the four Atlantic provinces, for example.

Mr. Robichaud: I do not have the details but I will obtain them for the hon. member. I know there are a number of centres. We have a central laboratory in Halifax. This is the central laboratory for the eastern division. We have one at Shediac, New Brunswick, and three or four in Nova Scotia. There is one at Charlottetown, Prince Edward Island. Should the owner not be satisfied with inspections at local laboratories he may take advantage of the central laboratory in Halifax. He may be represented there or appear himself to witness the inspection.

Mr. Crouse: As I mentioned earlier, some people in the industry are concerned about the clause which states that any fisheries inspector may take any samples for inspection. Apparently there have been instances where samples have been picked up and have been placed in the trunk of the inspector's car on one afternoon and not delivered to the Halifax inspection centre until the following day. The minister is well aware that if there had been any doubt about the quality of the sample when it was taken, for example, on Wednesday afternoon, it certainly would have deteriorated by Thursday morning when it was delivered to the inspection laboratory in Halifax. I wonder whether any method could be instituted which would speed up this inspection service or whether any teeth could be put into this clause which would ensure that samples picked up for inspection are properly iced and immediately taken to the inspection centre. This seems to be a very valid concern on the part of some of the fresh fish producers of Nova Scotia.

Mr. Robichaud: Mr. Chairman, there may have been such incidents before the new regulations were introduced. The new regulations which were passed by order in council dated May 11, 1967, I believe were implemented around July 1 of that year. Since then I have not received any complaints. Our officers are instructed that if they are handling fresh fish the fish must be kept well iced and

delivered to the inspection centre with the least possible delay. If they are handling frozen fish the fish must be kept frozen. So I do not see any problem. If they are handling samples of canned fish there is no problem, because there can be a delay between the time the samples are taken and the time when they are inspected in the laboratory.

• (5:20 p.m.)

This is a matter which was fully discussed with the fisheries associations of Nova Scotia, New Brunswick, Prince Edward Island and other provinces. As these matters were discussed I now feel free to say that such problems no longer exist as a result of the co-operation we have received. Our inspection officers have had very strict orders to abide by the instructions they have received to this effect.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

An hon. Member: By leave, now.

Mr. Robichaud moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

NATIONAL DEFENCE

REFERENCE TO COMMITTEE OF REGULATIONS AND ORDERS IN COUNCIL

Hon. Léo Cadieux (Minister of National Defence) moved:

That certain regulations and orders in council relating to the unification of the Canadian Armed Forces laid before the house on Thursday, February 1, 1968, be referred to the standing committee on national defence.

Mr. Frank Howard (Skeena): Mr. Speaker, I have no intention to delay the passage of this motion or to comment in detail, but I should like to point out that this practice of the government in taking action to refer a subject to a committee for examination is a practice that should be extended. Let me point out that in 1964 the standing committee on privileges and elections was unable to complete its study, apart from a consideration of the Canada Elections Act, because the session came to an end. It did make a report and certain recommendations to the effect that the committee be set up again at the earliest possible time during the following session. We have heard nothing about this since. Likewise, the committee on Indian affairs held several meetings and attempted to obtain authorization to visit a number of Indian communities. It did not get that authorization before that session ended. That committee hopefully thought the government would take the initiative to refer the same subject matter to the committee again. This has yet to happen.

I hope the Minister of National Defence (Mr. Cadieux) can persuade his colleagues, at least those who are interested in the business of the country rather than a certain election, to see that some action is taken in respect of these two vitally important matters. I refer particularly to the subject matter considered by the committee on privileges and elections and the subject matter referred to the committee on Indian affairs. One of these matters is very important to me. It is more important to me than regulations and orders resulting from the unification of our armed forces.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to make one or two brief comments. During a meeting of the defence committee some seven or eight months ago we were told about the urgency of adopting the unification bill. A Liberal majority on that committee prevented us from hearing all the witnesses we wished to call on the basis that the unification bill was an urgent matter the government wished to conclude. The government wanted to get the bill passed in order to end uncertainties in the armed forces. At this time, some seven or eight months later, we are presented with regulations necessary to make some of the provisions of that bill effective. The bill itself was only proclaimed on February 1 of this year, just a week ago.

It is very clear that the urgency suggested by the government at that time was merely a smokescreen to hide the facts in order that the measure could be passed as quickly as possible without hearing all the evidence of the witnesses. This is a perfect example of steamroller tactics, as demonstrated clearly by subsequent events.

I should now like to ask the minister how soon he proposes that the committee will meet to consider this matter and whether he has in mind that if the committee objects to some of these provisions the government will change the regulations. Is this motion designed purely for show and intended only to fulfil an undertaking given at the time the committee considered the unification bill?

Reference to Committee on National Defence

Mr. Deputy Speaker: Order. I must remind the house that if the minister speaks now he will close the debate.

Mr. Robert McCleave (Halifax): Mr. Speaker, I should like to know what provisions there are for those who leave the service because they do not wish to serve in a unified force. I have in mind those who may be serving the last half of a final five year re-engagement period who no longer wish to remain in the forces. Will they lose those benefits which would otherwise accrue to them if they had served the full term, leave benefits and the like?

Mr. Deputy Speaker: I must again advise hon. members that if the minister speaks now he will close the debate.

Mr. Cadieux (Terrebonne): Mr. Speaker, in respect of the time the committee will meet I must say this is out of my hands and in the hands of the steering committee. We have accepted the suggestion of the hon. member for Vancouver East (Mr. Winch) that there should be a joint meeting of the committees on external affairs and defence to discuss NATO and NORAD commitments. As a result of the suggestion of the hon. member for Edmonton West (Mr. Lambert) my predecessor referred the subject matters of certain orders in council to the committee. When the request was made it was suggested by the hon. member for Edmonton West, I believe, that the regulations would not be changed in principle as a result of integration.

A question was raised by the hon. member for Calgary North regarding the time required to rewrite regulations and orders, the implication being that since we had only produced them there was no urgency. I would like to point out that Queen's Orders and Regulations represent something like 1,000 pages. Most of them had to be rewritten in terms of the new structure of the forces; they had to be translated into French and they had to be printed. This, of course, takes time. In this particular instance only eight orders in council will be referred to the committee, as was requested. Therefore I think we are simply honouring a commitment. When the committee will meet is not at my command but I am trying to expedite matters in this respect. The procedure we are adopting today was suggested by an hon. member on the other side of the house and I accepted it.

[Mr. Harkness.]

• (5:30 p.m.)

The hon. member for Halifax (Mr. McCleave) asked me a question about an officer or man who was not willing to serve in the new environment. The hon. member asked what would be the position of such a man. I believe his position would be just like that of any other serving officer or man who leaves the services in normal circumstances. This is his option. We would not force anybody to serve against his will. There are no special provisions except that he has to declare himself, I believe, according to the law, within two months after proclamation of the act. After that the provisions already in the act are applied.

Mr. McCleave: Mr. Speaker, the question I asked the minister was whether that person would lose benefits. Perhaps it would be better to have somebody raise this question in the committee. I do not want to take up the time of the house now. It may be too technical a question to answer here.

Mr. Cadieux (Terrebonne): Mr. Speaker, if the hon. member is referring to some kind of penalty I am sure there is no penalty involved. The man would be entitled to the normal benefits. That is the interpretation I place on the act. This question can be aired in the committee and I have no objection to that, but it seems to me that the obvious answer is that there is, of course, no penalty involved.

Motion (Mr. Cadieux) agreed to.

FINANCE

LEGISLATIVE AMENDMENTS RESPECTING COMPOSITION OF COINS

Hon. Jean Chrétien (for the Minister of Finance) moved the second reading of Bill No. S-23, to amend the Currency, Mint and Exchange Fund Act and the Criminal Code.

He said: Mr. Speaker, the amendments contained in this bill cover two separate matters. The first group of amendments provides for the introduction of a pure nickel coinage in place of our present silver alloy coinage. The second provides authority for the Minister of Finance (Mr. Sharp) to invest some of the resources of the exchange fund account in certain short term securities of the International Bank for Reconstruction and Development.

Hon. members may recall that on December 23, 1966, the Minister of Finance

announced that the government intended to change from a silver coinage to a pure nickel coinage some time during 1968, and that proposals to amend the Mint, Currency and Exchange Fund Act would be presented to parliament to authorize this change. The reason for making an advance announcement of our intentions, of course, was to give the automatic vending industry and other interested parties time to make the necessary arrangements required to cope with a new coinage.

Before dealing with these matters it might be helpful if I were to explain why it became necessary to plan to abandon the use of silver in the coinage and to use pure nickel in its place. As the Minister of Finance said last year, this decision was forced upon us by events over which the government of Canada had no control. We have had a silver coinage since the early years of confederation, and during the last century there has been virtually no change in the coins. The problem today is that silver has become a scarce commodity. There is very little increase in annual production year by year, but a large increase in demand.

Apart from the traditional uses of silver, the increase in demand has resulted in part from the many new industrial uses found for this metal. As a result of the growing scarcity of silver, most countries have found it necessary in the last several decades to abandon the use of silver in favour of less scarce and less expensive coinage materials, so that Canada is now one of the few countries in the world still maintaining a silver coinage. However, the increasing scarcity of silver was not a problem until about three years ago, when it became apparent that the reserves of silver maintained by the United States were being depleted more rapidly than heretofore. This meant that the ceiling price of $1.29 per ounce was bound to be exposed to strong upward pressures, thereby making silver uneconomic as a coinage material.

In the face of this situation the government of the United States in 1965 announced its intention to discontinue the minting of silver coins and began to issue coins made of cupronickel and copper toward the end of the same year. Since the new laminated United States coins performed in exactly the same way as silver alloy coins when used in coin machines —and, of course, their unusual construction was decided upon with this end in mind—the change-over raised no difficulties with respect to coin machines. For our part, we felt that coins made of a homogeneous metal or alloy would be more attractive than a laminated coin, and our researches into the suitability of various alternative metals led to the choice of nickel.

We have been pleased to observe that there have been no doubts expressed by the Canadian people as to the suitability of pure nickel as a replacement for the silver alloy used in the coinage. The new coins will be reasonably similar in appearance and ring to our present coins. The nickel counterparts of the two silver coins most widely used, that is, the 10-cent and 25-cent pieces, of course will have exactly the same dimensions as the present coins and will be roughly similar in weight. Since pure nickel is a harder material than silver alloy, the new coins will wear better and will resist corrosion more effectively. Indeed, experience with the use of 5-cent nickel coins since 1922 has already demonstrated that nickel is eminently suitable for use as coinage. At the same time, having regard to the pre-eminence of Canada as a nickel producer, its wider use in our coinage is most appropriate.

The only problem created by the changeover to nickel coins arises from the widespread use of coins in the vending machine business, and from the fact that the coin selectors used in them are designed to reject magnetic metals, including nickel. In the last few decades, and particularly in the last few years, the sale of goods and services by means of vending machines has become quite large. It is estimated that there are between 400,000 and 500,000 of these machines in Canada carrying a relatively sophisticated coin selector for the purpose of testing the genuineness of the coins.

• (5:40 p.m.)

In addition to these there are many other coin operated machines, and I am thinking of those used in parking meters, for example, which usually employ more simple methods of testing the coins and are therefore not likely to be affected by the changeover to nickel. Since our existing silver coins and the new coins will continue to circulate side by side for years to come, it will be necessary for the sophisticated type of coin selectors to be replaced by others capable of accepting the new nickel coins as well as the existing silver coins. It is also desirable, of course, in the interest of the tourist trade at points on our border with the United States, that such replacement selectors should be able to accept

both varieties of United States coins, as is the case with the present coin mechanisms.

During the last two years, therefore, the officials have been exploring these technical questions with the representatives of the automatic vending industry and with the manufacturers of coin mechanisms. As a result, various manufacturers have now designed new types of coin selectors which it is expected will meet the requirements that I have just mentioned. I am also glad to report that these mechanisms are to be produced in Canada rather than in the United States, as has largely been the case up to now.

I would like to be able to announce the date on which the distribution of the new 10-cent and 25-cent coins made of nickel would commence. However, this is not yet possible. After consulting with the various interests concerned I feel we must provide more time for the new coin selectors to be tested, purchased and installed. Almost a year ago the Minister of Finance said that the change-over would take place some time during 1968. This decision has not been changed.

A firm of management consultants has been engaged by the department to investigate and report upon the availability of new coin selectors and the time required to instal a sufficient number of them in vending machines. I would expect that after this report has been received and studied, perhaps within the next month or so, I will be able to give a more firm advance notice of the date on which the mint will begin issuing the new nickel coins. I would also expect to announce the decision of the government concerning proposals for compensation. The department is now exploring the practical feasibility, as well as the desirability, of compensating these vending machine operators for a part of the expense that they will incur in replacing their present coin selectors with new ones.

An explanation concerning some of the coins described in part II of the schedule may be helpful. Hon. members will recall that on August 18 last the Minister of Finance announced that for a short period a special issue of 10-cent and 25-cent coins containing 50 per cent silver and 50 per cent copper would be issued. Up until then our coins contained 80 per cent silver. This change was made necessary by the increase in the price of silver which took place at that time after the United States lifted the ceiling on the price of silver. These new silver coins will continue to be issued by the mint until such time as we are ready to begin issuing nickel coins later this year. They are therefore included in the schedule along with the proposed nickel coins.

We are also providing authority in the bill for the issuance of 50-cent and one dollar coins containing 50 per cent silver to cover the possibility that we might wish to mint such coins in the future for numismatic purposes only.

Our discussions with the representatives of the automatic merchandising industry have led to the suggestion that it would be sensible to take advantage of the opportunity presented by the change-over to a nickel coinage to reduce the size of our 50-cent and one dollar coins. The present coins are regarded by the public as being too bulky to be carried around. It was therefore felt that a reduction in the size of these two coins, and particularly that of the 50 cent piece, might turn out to be a convenience to the public and probably to the vending industry. With this in mind, and after consulting with various interested groups, the bill proposes that the weight and size of the 50-cent and one dollar coins made of nickel will be somewhat smaller than the present coins of the same values.

One other amendment should be mentioned. The existing statute establishes the Royal Canadian Mint in Ottawa. The present bill proposes that the mint may be established anywhere within the national capital region. This change is intended to give the government a greater freedom with respect to the possible relocation of the mint. We intend to build a new mint in the next few years to replace the present structure which was built in 1908 and is now overcrowded and inefficient. A modern factory-type building will enable the mint to produce a larger output of coins without resorting to shift work, and also enable it to seek some export business, as it should. No decision has yet been taken on a new location.

I would like now to turn to the two amendments which deal with the exchange fund. This is a special account in the name of the Minister of Finance in which the government holds most of its foreign exchange assets, that is, its gold and U.S. dollars.

Under the act at present the minister may purchase with money in the account (a) gold; (b) U.S. currency, U.S. dollar bank deposits or treasury bills or other obligations of the United States; (c) other currencies freely convertible into gold or U.S. dollars and deposits in these currencies; (d) securities of or guaranteed by the government of Canada; and (e) securities of the International Monetary Fund

maturing not later than five years from their date of issue. These latter securities are issued by the I.M.F. in connection with our obligation under the "general arrangements to borrow" to provide, along with the nine other most industrialized member countries of the I.M.F., up to $6 billion of additional resources to the I.M.F.

The bill before the house will broaden somewhat the investment powers of the exchange fund. Clause 5 of the bill will amend the act to enable the fund to purchase securities of the International Bank for Reconstruction and Development maturing not later than two years from their date of issue.

The securities which the exchange fund would expect to purchase with this authority are the special issues of two-year central bank bonds which the I.B.R.D. first brought out in 1964 and which are offered only to central banks and other government institutions. These bonds are denominated in U.S. currency and are offered every six months. The last issue was on September 15, 1967 and was sold to central banks and other governmental institutions in 43 countries and to one international organization. The issue was for $100 million U.S. and paid an interest of 5¾ per cent. The characteristics of these bonds and their attractive yields make them an appropriate investment for some of the money in the exchange fund.

• (5:50 p.m.)

In addition, they offer a vehicle for us to provide some further financial support to the International Bank, support well warranted by the bank's success and effectiveness in the field of economic development. With the tightness in capital markets of the world and the bank's desire for additional loanable funds, the bank has been encouraging more governments and governmental institutions to invest in these securities. In this amendment we have an excellent opportunity to serve directly Canada's interest by providing an attractive alternative investment for the exchange fund and at the same time assisting the I.B.R.D. in its important work in the field of economic development.

The second amendment to this part of the act is technical in nature. The present act provides for the transfer to the consolidated revenue fund at the end of each year of that portion of the exchange fund's net income derived from interest and discounts on the securities held in its portfolio. It does not provide, however, for the transfer of other income realized by the exchange fund, most of which is derived from trading operations.

The Auditor General and the public accounts committee of this house recommended the transfer of these other profits to the consolidated revenue fund, and the Department of Finance undertook to obtain the necessary authority. While we were awaiting an opportunity to open up this act for amendment we did, in fact, obtain the authority by an item in supplementary estimates (A) for the fiscal year ending March 31, 1968, vote 23a. This vote authorized the transfer of these other profits for the calendar year 1964 and subsequent years. The amendment in clause 6 of the bill before us will supersede this item.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to bring forward once again a matter that I brought to the attention of the Minister of Finance (Mr. Sharp) on the orders of the day a few weeks ago. I refer to the frustration experienced by the Canadian people as a result of their inability to procure by purchase 50-cent pieces and dollars as mementoes of the celebration of the Canadian centennial. I have been told on good authority that these are available but not to the general Canadian public. There are people who have large amounts of these 50-cent pieces and dollars. For example, a large well known retail firm in this country is offering 50-cent pieces for sale but you have to pay $3 for them. As a result of the way the distribution of these 50-cent pieces and dollars has been managed the Canadian public is being rooked.

Consequent upon the change-over from silver to the new metal, about which the minister has advised us, people are not able to purchase these coins. Not only from the firm I have mentioned in Canada but if you write to Iola, Wisconsin, you can get silver dollars or 50-cent pieces. If you write to Turner, Montana, you can also get 50-cent pieces. As a matter of fact, in the *Numismatic News* for January 29, 1968, the heading on page 31 reads: "Less than 1 per cent of the people in the United States and Canada will ever own a Canadian commemorative centennial set of coins". The article reads in part:

> This is one of the most highly recommended sets with a solid future. Do you realize that many Canadians have never seen a set, let alone own one? They have been waiting for their banks to get these coins but the mint was forced to stop regular minting of dollars and halves early in the year because silver was worth more than their face value. With 1967 now gone, no bank will have them

but the public still wants them. Yes, the prices have been going up because of greater demand than supply and prices will continue to rise as supplies are getting smaller every day. You can test this yourself by just advertising to buy, and if you have any luck in buying please sell us your surplus. We need rolls and sets.

I quote from an advertisement in this newspaper:

We made a fortunate purchase! Would you like some truly Gem BU Dollars and halves of 1967? These have never seen the inside of a bag. These are just as they came off the coining presses. Limited supply—only two rolls of each per order. True Gem 1967 dollars, $77.50 per roll; true Gem 1967 half dollars, $77.50 per roll.

You can obtain these coins by writing to Turner, Montana. People have to pay these exorbitant prices simply because of the mismanagement and lack of foresight of the government in assuring that the coins were not sold in huge lots to foreign purchasers so that Canadians could be rooked if they desired a centennial dollar or 50-cent piece. You can write to Bloomington, Illinois, and obtain these coins. This firm is selling Canadian dollars at $55 per roll and half dollars at $75 per roll. There are Canadian proof-like rolls of half dollars available at $72 per roll. I must say that I feel this is another example of mismanagement of the country's affairs by this government.

Mr. Howard: It might be hazardous to ask to call it six o'clock now but I shall try anyway.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the house agree to calling it six o'clock now?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to ask the Solicitor General what he intends to bring before the house tomorrow.

Mr. Pennell: Mr. Speaker, we propose to continue debate on item No. 47 which is now before the house. This will be followed by item No. 60, second reading of Bill No. S-22. Then we would go on with item No. 46, second reading of Bill No. S-21; item 43, second reading of Bill No. S-18, an act to amend the Publication of Statutes Act. If the Minister of Labour is available we will be able to call item No. 57, but I enter a caveat regarding that item. I suppose there is some doubt in the minds of hon. members if we will get that far.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, February 8, 1968

The house met at 2.30 p.m.

CANADIAN CONSTITUTION

REPORT BY PRIME MINISTER ON FEDERAL-PROVINCIAL CONFERENCE

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the house may desire that I should make a short report on the constitutional conference which ended yesterday afternoon, and which I think successfully began the process of reshaping our constitution by federal-provincial co-operation, which is of course the only way it can be done.

At the beginning, Mr. Speaker, I wonder if I may be permitted to pay a tribute to the officials of the federal government who did so much of the preparatory work, and did it so well. As the house may know, some weeks ago a special secretariat was set up to work on this problem. That secretariat consisted of officials of the government, whom I will not mention by name, who did their work with that distinction, efficiency and devotion which we expect to receive and do receive from the Canadian civil service.

Some hon. Members: Hear, hear.

Mr. Pearson: They were greatly assisted by three distinguished experts in the field of constitutional law who gave their time to the work of the secretariat. Perhaps I could mention them by name, Dr. Carl Goldenberg and Professors Head and Strayer. We are very grateful to them for the work they did, which was of great value to the federal participation in the conference and which will be of great value in the work ahead.

The conference decided, Mr. Speaker, and perhaps this is the most important agreement that was reached, to undertake a comprehensive review of the constitution of Canada with the objective of introducing whatever changes may be agreed to be necessary to make it adequate to meet the problems of Canada today and in the future. The conference also agreed that the heads of the governments of Canada, who are responsible to the people of Canada, should and would assume responsibility for this review. To this end there will be further sessions of the constitutional conference as required.

To ensure that the work is carried forward without delay and is effectively co-ordinated in accordance with the directions of the conference, the conference agreed on the establishment of a continuing constitutional committee consisting of senior advisers qualified in this field and designated by each government, the federal government and the provincial governments.

The constitutional conference and the committee will be assisted by a secretariat to be provided by the federal government, but to which members will be nominated by the provincial governments if they so desire. We will be getting in touch with the provincial governments at once with a view to receiving nominations from those governments to this central secretariat. The continuing committee of officials is authorized to set up sub-committees on specific questions, with the approval of the constitutional conference.

• (2:40 p.m.)

It was also agreed that the following questions should be examined by committees set up for that purpose under the authorization of the constitutional conference and the continuing committee of officials. First, the question of official languages; I will return to that in a moment. Second, the question of fundamental human rights. The federal government submitted a charter of human rights on this subject which received support from four provincial governments for enshrinement in a constitution of Canada, and it was agreed that a special committee should go into this whole subject. Third, a committee on the distribution of powers. This is a fundamental aspect of the whole question. Fourth, reform of institutions linked with federalism, including the Senate and the Supreme Court of Canada. Fifth, the problem of regional disparities which received consideration at the conference. Sixth, the question of amending procedure and provisional arrangements. Finally—and this is broader than the question of constitutional change—the whole question

of federal-provincial machinery for consultation.

As I am sure hon. members know, the conference discussed at some length the recommendations of the royal commission on bilingualism and biculturalism with regard to linguistic and cultural equality. I think those of us who took part in the meeting of this conference can be grateful that this report was before us. It seems to me that it alone is abundant justification for the work done by this royal commission. On this subject the conference agreed on the following paragraphs as recommendations of the conference which will be before the special committee dealing with the subject.

First, recognition by this conference that, as proposed by the royal commission on bilingualism and biculturalism and as a matter of equity, French speaking Canadians outside of Quebec should have the same rights as English speaking Canadians in Quebec.

Second, recognition, as the royal commission on bilingualism and biculturalism has recommended, of the desirability of proceeding by government action as speedily as possible in ways most appropriate in each province and without diminishing existing rights recognized by law or usage.

Third, establishment of a special committee to examine the report of the royal commission on bilingualism and biculturalism and the views expressed at this conference on this report and on other matters relating to language rights and their effective provision in practice, and to consult on methods of implementation, including the nature of possible federal assistance, and on the form and the method of constitutional amendment.

Those, Mr. Speaker, are the main subjects that were discussed at the conference. I do not intend to give any exhaustive review of this conference this afternoon or to outline what it accomplished in the constitutional and political development of this country. I think it was a very good first step in federal-provincial consideration of this vital subject. The position of the federal government in relation to the matter generally was set out in a booklet "Federalism for the Future" which was circulated to members of the conference and which, if the house agrees, I would be glad to table in English and French at this time.

If it is agreeable to the house I am sure it would be useful to arrange for a day's debate, perhaps next week, on this whole question of constitutional change and the federalism of the future. If this could be done by general agreement the whole matter could then be discussed at greater length.

[Mr. Pearson.]

Mr. Speaker: Has the right hon. Prime Minister leave to table the documents to which he has referred.

Some hon. Members: Agreed.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, the Conservative party and Her Majesty's loyal opposition share the feeling of satisfaction which we believe is felt all across the country that this conference, concluded yesterday, has had a significant measure of success and that its results represent an encouraging step forward on the way to perfecting a grand design for the second century of Canadian confederation.

Some hon. Members: Hear, hear.

Mr. Fulton: For his part in convening the conference and for his conduct of it as chairman, credit is due to the Prime Minister of Canada. We wished him well on its eve; its success was important for the welfare of Canada, and we are happy to record our appreciation of his part now that it is over. There is no doubt that his conciliatory attitude and experience were of real value in helping the conference to surmount one or two difficult and awkward moments.

Remarkable and encouraging, especially coming as it did practically in the opening moments, was the degree of unanimity expressed on the matter of language rights. While there were some important differences, credit is surely due to those who, being most fundamentally concerned, such as the prime minister of Ontario, accepted so clearly and so calmly the responsibility for the pattern of the future in this area.

[*Translation*]

It should be emphasized, I think, that in the field of linguistic rights, the provinces are primarily responsible, as pointed out by the Quebec premier, Mr. Johnson, among others. There are, therefore, numerous points to be discussed and settled before an agreement can be reached, and any progress will depend, to a great extent, on the points on which the provinces will agree. We trust that the federal government will be willing to carry out its commitments, that is, to help the provinces in that field, if required.

[*English*]

It is noted, Mr. Speaker, that the conference made no mention of the position of those

Canadians whose mother tongue is neither French nor English. This is a matter which the provinces, therefore, may well have to consider in the committee, perhaps on the basis set out in the government white paper which we believe probably expresses the views they actually hold.

While we can take satisfaction, in this area and others, for what progress there was, it would not be realistic if we overlooked the fact that in order to find solutions we have still very much further to go than the distance we have come. In two of the most important areas especially, the examination of the division of constitutional powers and a program to deal with regional economic differences, little more was accomplished than a preliminary statement of position. Important though that be, it certainly means that most of the practical work lies ahead. Clearly, too, with respect to the division of powers, the width of the gap between two of the positions was also demonstrated.

I express the hope that there will be no intransigence in the working out of details, so the committee set up to work in this area may be allowed to approach its task in the spirit of good will and dedication that is so vital to success. It is obvious that a great deal remains to be done in the way of mutual exchanges of opinions, education as to each other's points of view, and efforts to bring them into reconciliation. It is important that we assist the country to understand its various parts.

• (2:50 p.m.)

In this matter of understanding, just as in the field of practical and acceptable redivisions or transfers of power, may I emphasize that there can be, in our view, no one way streets. This must be a two way traffic.

Here I must make a serious suggestion to the Prime Minister and to the house. Before I come to that, however, we desire to record our regret that it was not seen fit or possible to include representatives of the Yukon as delegates at this conference. We also record our very real desire to see progress made in the immediate future in constitutional advancement in that territory.

The whole of Canada's constitutional arrangements are, of course, of concern to the parliament of Canada, but no two areas are of more concern than the two I have mentioned, the division of powers and the closing of the gaps of economic differences between our regions. That is what confederation is all about. These are fields of interest essentially involving federal interest and concern. There can be no question, therefore, that they are matters of primary concern for the parliament of Canada.

I must therefore express our concern that there should be set up without further delay adequate arrangements for meaningful discussion of these matters by parliament, and for effective consultation between the government and parliament before final positions in these various fields are taken by the government.

I note that the Prime Minister has indicated the possibility of setting aside a day next week to discuss these matters. I feel this will be welcome, but express a reservation in this respect. It will be appreciated that this is the first time the Prime Minister has mentioned the matter. My reservation is that in the light of the seriousness of this whole matter and its enormous scope, one day's debate may not be adequate. I say this because we take the firm position that after all this is the parliament of all Canada; this is the forum in which the views of those who speak for all Canada can be collectively expressed; and this is the body, therefore, which should and indeed must be fully consulted before commitments are made in this field.

Some hon. Members: Hear, hear.

Mr. Fulton: It will not be enough to say after agreement is made in committee or at the conference, "Oh, we will refer it to you for approval at that time", because such agreement can only be arrived at on the basis of a commitment by the government of Canada. Such a commitment should, in our view, only be made after consultation here.

Accordingly, while I note that the Prime Minister has referred to a day's debate and has also implied that a parliamentary committee may be appointed, we ask for a definite commitment and urge that such a committee be appointed just as early as possible. The government will find this party, which has repeatedly urged this course, ready to serve and work with our colleagues in other parts of parliament on such a committee just as soon as it can appropriately be constituted.

In connection with the process of education, consultation and reconciliation which is so essential to success in the constitution-making process, I should like to repeat the view we have expressed before, that the greater the extent to which such meetings are held in public, the greater the advantage to Canada. I am certain there will be agreement

that this was amply demonstrated as a result of the extent of public awareness and interest in the proceedings of the conference just concluded. I should like to congratulate all the governments on their initiative in this respect. I hope the same policy will be followed with respect to meetings of our parliamentary committee and with respect to further meetings of the governments in constitutional conferences.

Finally, Mr. Speaker, I should like on behalf of this party to express our appreciation to the members of the other governments concerned who took part in this conference and submitted their views and positions to the scrutiny of public examination. I would like to pay special tribute to the prime minister of Ontario, not only for his participation in and manner at the conference just concluded, but also for his farsighted Canadianism in the preliminary conference or confederation of tomorrow which he called and which was held in Toronto last November. It is not my purpose to be critical—the conference here has been a success—but many millions of Canadians share the view that the gap-filling initiative of Prime Minister Robarts was a prerequisite to that success.

[*Translation*]

Therefore, Mr. Speaker, the Progressive Conservative party shares in the general satisfaction about the marked success of this conference, especially the contribution made by the Prime Minister of Canada (Mr. Pearson) and by all those who took part in it. We trust that the measures taken immediately to ensure consultations with parliament will not only acknowledge the concern and responsibility of that institution, but will also contribute, to a large extent, to the successful strengthening of confederation, so dear to us all.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, those of us who were invited and were privileged to attend the constitutional conference which ended yesterday had a feeling that we were taking part in an event which was of tremendous historical consequence for our country and its future.

I want to join the hon. member for Kamloops in expressing my personal appreciation, not only as a member of parliament but simply as a Canadian, for the way in which the Prime Minister presided over that conference with wit and wisdom and the flexibility which were necessary if the conference was to succeed at all. I am sure I can say without any exaggeration that the success it did achieve was due to the manner and way in which he chaired the discussions, particularly when they became a little thorny at certain times.

In view of the fact that we are to have a debate on the subject I need not speak for too long, but permit me to make the following points. Some of them will imply some criticism, but I intend to make them merely to underline my belief that if we are to hold our country together and develop a viable constitution relevant to our day, then rigidity must go and flexibility must take its place. When the confederation of tomorrow conference was first called, the reaction of some leaders of the party on the other side of the house was very lukewarm and almost unfriendly. It became absolutely clear during the last three days that the initiative taken by the premiers of the provinces of Canada was not only necessary but an indispensable prelude to the discussions which took place this week.

The second point I want to make, from which it seems to me we ought to learn, is that for a very long time the attitude of certain important spokesmen in this parliament was against the concept that it was necessary to have a comprehensive review of the constitution. What in effect they said to the people of Canada and to the members of parliament was that all we need to do is concern ourselves with the language rights and perhaps with other human rights, but that when these matters have been dealt with the problem facing Canada at present will solve itself and there will be no need for a total or comprehensive review of the constitution.

• (3:00 p.m.)

It became perfectly clear from the first hour of the conference that there was a need to be concerned with a comprehensive review of the constitution. In his statement yesterday the Prime Minister said, on behalf of his government, that the federal government was in favour—I think this was the word, and I am taking it from memory so I will be corrected if I am wrong—of entering into a total review of the constitution. In the statement the right hon. gentleman made today he called it a comprehensive review.

It has been obvious to some of us for some time that this kind of review and study of what needs rearranging, what needs bringing up to date, was essential for the future of this

country. It was a great step forward when that was recognized and acknowledged, not by all the heads of government who were there because there were still one or two who questioned it, but by the vast majority of heads of government who were there. I think, Mr. Speaker, now that the federal government has taken the initiative one can rest assured that it will continue that initiative. I hope, as the hon. member for Kamloops said, we will be prepared to discuss all aspects of the constitution and all phases of our federal-provincial arrangements as well as the rights of Canadians everywhere.

I was particularly glad, Mr. Speaker, as were my colleagues the leader of my party and the hon. member for Greenwood, who attended the conference as observers for this party, to note that the majority of the heads of provincial governments were prepared to accept the principles set out in the first volume of the B and B report. Furthermore, and to me this was even more important as I am sure it was to others, not only did they accept the principles but in the case of Ontario, New Brunswick, Manitoba, Saskatchewan if I remember correctly, and Nova Scotia, steps had already been taken to put into practical effect the application of those principles. I feel that without regard to the party or the politics involved, the people of Canada ought to be grateful to the governments of those provinces, whatever their political stripe, for having been imaginative enough to take these steps even before the conference was held, and to give the undertakings that are essential for a united Canada in the future.

Our leader said, of course, when the B and B volume was tabled that we gave full support in principle to the recommendations in that volume, and we still do. We are in full support also of the idea of entrenching a charter of human rights in the constitution, even though that came up against some difficulties. We hope they are only temporary difficulties, and that eventually the constitutional conference will agree to making that a fact.

Finally, Mr. Speaker, the right hon. gentleman reported, and of course correctly, that on his suggestion the conference which met on Monday, Tuesday and Wednesday of this week has been, as it were, declared a continuing constitutional conference consisting of the heads of governments. It is obvious you cannot make essential, fundamental constitutional revisions without the consent or acceptance of the people of Canada. It is obvious, too, that the heads of governments are the only ones who can take part in such discussions and make commitments. I am sure it is agreed that unless the people of Canada everywhere are prepared to accept these revisions at some point or other, we will have great difficulty.

I congratulate the Prime Minister, therefore, and the premiers of the provinces for two things, in my opinion both equally important. The first is that the conference was open so the people of Canada could participate in the discussions; and second, that observers from the opposition parties were invited to attend so that members of this parliament might have first hand experience of the proceedings. I hope this arrangement will continue at future meetings of this conference.

The final point I should like to make, Mr. Speaker, is one we have made many times. My leader and the hon. member for Greenwood have asked many times that a parliamentary committee be appointed without delay, and that it be given the opportunity to study fully all the implications and all the suggestions made from all quarters. I want to join the hon. member for Kamloops in pressing the Prime Minister not to delay the appointment of such a committee. Such a committee will have sense enough, I am sure, not to attempt to reach rapid conclusions or to lay down firm guide lines. We are all aware of the fact that constitutional revision is a matter for lengthy discussion and temperate debate, but the sooner members of this parliament begin to consider this problem in depth collectively, the better will be the chance that what the government is able to accomplish will have the support of this parliament as a whole.

I congratulate the Prime Minister on the success that has been achieved so far. As he indicated by a story he told, it is only a first step. We are all aware of the great difficulties still ahead. We all have confidence in the desire of all Canadians and all governments to see this country united and stronger, and any revisions of the constitution necessary to achieve that end will undoubtedly be agreed to in time.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we were informed today that a government in another country has resigned because

of its inability to solve a language problem. I think we should thank the right hon. Prime Minister of Canada (Mr. Pearson) for having proposed this federal-provincial conference on the language problem which concerns us so much in Canada today. This conference was intended to prevent in Canada what happened in other countries.

We see that Canada is not the only country with a language problem. We are indebted to the Canadian government and to the right hon. Prime Minister for having taken steps to ensure that this federal-provincial conference contribute to a better understanding between the premiers of the ten provinces, so that what has just happened in Belgium may be prevented from happening in Canada.

Mr. Speaker, I would also like to thank the Prime Minister for taking the necessary steps so that the proceedings of that conference could unfold before all the Canadian people. Thus all Canadians were able to hear what went on between the provincial premiers and the Prime Minister of Canada as well as between them and some of their advisers. We noticed that those discussions were very frank and, as a matter of fact, the Canadian people were able to see what was happening and know what their repreesntatives thought.

Things are a little different from what they were 40 or 50 years ago when politicians could say something in one city and then make an entirely different speech in another city without the electors or the public being any the wiser. Through television, we have been able to show the general public all that happened during this conference.

As an observer for my party at the conference, I noted how easy it was for the Prime Minister, with his old diplomatic skill, to chair the proceedings of this conference. I believe that everyone present noted his skill. As a matter of fact, some even praised his ability in timing coffee breaks.

I agree with the Prime Minister that we should be grateful to the secretariat for being so helpful to all who attended, and we should not forget the maintenance men who had to mop up the floor and do some repairs at the very beginning of the conference. In spite of this mishap, the proceedings were a great step toward national unity.

I also noticed the unanimous agreement of all participants to what the right hon. Prime Minister suggested, that French-speaking Canadians receive the same treatment outside Quebec as that granted to English-speaking Canadians in Quebec. Mr. Speaker, I would point out to the house that the hon. member for Villeneuve (Mr. Caouette), leader of the Ralliement Créditiste, has been calling for just that for at least ten years. On many occasions, here in the house, he has called for French-speaking Canadians to receive the same treatment in the other provinces as that given to English-speaking Canadians in the province of Quebec. This is now recognized by all the premiers of the country. It shows that everyone, in his own area, is ready for a linguistic breakthrough and this portends better days for the two founding peoples of Canada.

Mr. Speaker, I appreciate the Prime Minister's suggestion that a more exhaustive debate should be held on that matter next week. One day might be enough to enable each party's spokesman to express his views, provided however, as suggested by the hon. member for York South (Mr. Lewis) that a special committee be appointed to study the matter thoroughly.

Mr. Speaker, the Prime Minister of Canada and the provincial premiers should be thanked for taking part in that conference and for agreeing to the establishment of a committee made up of high officials, in addition to a conference of premiers, responsible mainly for revising the Canadian constitution. That was the main objective of the federal-provincial conference, because obviously it was not the premiers' role to come to a conclusion during those three days; there was not enough time.

The committee of officials, who will have to make suggestions and advise the conference of premiers will have a beneficial effect. But I noticed, during these three days of discussions, that the provinces seemed to attach much more importance to equalization payments. That proves that the provinces are especially concerned with economic and financial problems. I understood that what the provinces need, most of them at least, is money. Therefore, I think that the committee of officials and the conference of premiers will be able to deal with all these subjects and that in the near future, suggestions will be made with a view to amending the constitution and do justice to all classes and all governments in Canada.

Some hon. Members: Hear, hear.

• (3:10 p.m.)

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we have listened with a great deal

of interest to the statement just made by the Prime Minister on the discussions at the conference that has just concluded. In view of the recommendation that a debate be held on this subject next week my remarks are going to be very brief.

I should just like to say that any and all attempts to resolve our problems and eliminate the frictions that affect our country are commendable. In this most recent conference matters of real concern were discussed both frankly and forcefully. It is far too early to assess the results of this conference. To some, viewing the prospects through spectacles rose tinted by hope and optimism, it might appear that there is clear sailing ahead. To others, who prefer to face the issues realistically, the problems and objectives outlined require careful analysis and sound thinking before conclusions are reached and decisions made.

I believe the obstacles on the path the government of Canada has chosen to follow are very real, and this is particularly true with respect to proposed amendments to the constitution. As pointed out in various briefs, in particular those submitted by the premiers of British Columbia and Alberta, attempts over the past years to find an acceptable formula for domiciling the constitution of Canada in Canada have thus far proved unsuccessful, and if this essential first step is impossible of achievement the consideration of further steps is somewhat premature.

This institution of parliament should clearly understand that the suggestions made by the federal government propose a definite shift from our traditional concept of legislative supremacy to one of constitutional supremacy with the ultimate power in the Supreme Court. It remains to be seen, Mr. Speaker, whether the Canadian people want such a change to be made.

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the fact that unemployment has now reached the point where more than 6 per cent of the work force, amounting to nearly half a million people, are unemployed, would the Prime Minister take the first opportunity early next week to outline to the house and the country the initiatives the government intend to take to stimulate the economy and halt this steady growth of unemployment which we have had in this country during the past 12 months?

Right Hon. L. B. Pearson (Prime Minister): Naturally, Mr. Speaker, this is a very worrying matter. I hope there will shortly be an opportunity to discuss this subject in the light of general economic conditions.

FINANCE

REPORT OF TASK FORCE RESPECTING FOREIGN OWNERSHIP IN CANADA

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question to address to the President of the Privy Council arising out of the answers he has given on previous occasions in connection with this matter. When may we expect him to table the report of the special task force working under his command on the question of foreign ownership in Canada?

Hon. Walter L. Gordon (President of the Privy Council): Mr. Speaker, I am informed that the French translation will be available tomorrow, and barring accidents in connection with its reproduction I would expect to be able to table the report a week from today.

Hon. George Hees (Northumberland): I have a supplementary question for the Prime Minister, Mr. Speaker. Following the presentation of that report to the house, would the Prime Minister indicate when the government expects to announce its position on this important matter to the house and the country?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend knows that the presentation of the report of a task force, which in itself is not a normal procedure but is one that I think should be followed on this occasion, is followed by government consideration of the subject matter of the report. As soon as that has been completed the government will then be able to make known its position.

[*Translation*]

GOVERNMENT PUBLICATIONS

INQUIRY AS TO FRENCH EDITION OF TELEPHONE DIRECTORY

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, further to the favourable steps taken in the

last three days, I should like to put a question to the right hon. Prime Minister.

Can he tell us whether steps have been or will soon be taken for the Canadian government telephone directory to be published in French for the use of members?

Mr. Speaker: I believe that question should be put on the order paper.

[*English*]

CANADIAN CONSTITUTION

INQUIRY AS TO STUDY BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am basing my question on a statement attributed to the Prime Minister during a press conference yesterday. I should like to ask the Prime Minister whether he could advise the house if he has now reached a final decision on the desirability of setting up a parliamentary committee to study and make recommendations concerning constitutional reform.

Right Hon. L. B. Pearson (Prime Minister): I listened with great interest to the observations made here this afternoon, and I agree that this parliamentary committee should be set up with the minimum of delay. I think perhaps we ought to have a day's discussion of the subject generally, and we should try to arrange this on a day which would be convenient to all hon. members—shortly, I would hope—and after that set up the committee to go into this question during the present session and, I would hope, in coming sessions.

Some hon. Members: Hear, hear.

Mr. David MacDonald (Prince): I should like to ask the Prime Minister whether a full verbatim transcript of the proceedings of the conference will be available for the information of members of the committee and others who are interested or involved.

Mr. Pearson: I think that is a very good idea. The sessions were all held in public with the exception of half an hour devoted to the agenda. The proceedings are therefore public and I think a document of this kind would be very useful.

Mr. Erik Nielsen (Yukon): A supplementary question. May I first of all thank the Prime Minister on behalf of the Yukon Territorial council for seeing to it that one of the elected representatives on the council was accredited to the conference as an observer. In view of the wide and important spectrum of subject matters to be discussed by the special committee to be set up, would the Prime Minister give serious and favourable consideration to the inclusion as members of that special committee of representatives from the elected bodies of the Yukon and the Northwest Territories?

Mr. Pearson: I should be glad to give serious consideration to that matter.

An hon. Member: How about giving it favourable consideration?

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Prime Minister along similar lines. Will there be provision for the first Canadians, the Indian community of Canada, to be heard in the course of this committee discussion?

Mr. Pearson: I would think so. I was conscious, as I am sure many others were conscious, of the fact that in our discussions this week when we talked about founding races and all that sort of thing we were overlooking the two real founding races of this country; while we might not have said very much about them in our discussions they were, I thought, in everybody's minds. I hope they can be associated in an appropriate way with the further consideration to be given to this subject.

Mr. MacDonald (Prince): Is the Prime Minister now ready to say, as a result of the very successful reporting of this conference, whether we may expect similar opportunities for radio and television broadcasting of proceedings in the house and in parliamentary committees?

Mr. Pearson: As the hon. member knows, this is not really a matter which concerns the government so much as it concerns the house. I appreciate the fact that, in general, progress has been made in the consideration of this matter with a view to reaching a conclusion. I would hope we could come to a decision without more delay and make arrangements which would be acceptable to hon. members. I would hope—and I speak as one member of the house—that we could begin by opening certain of the committees to television and radio, and then move to the house on appropriate occasions.

An hon. Member: What about cabinet meetings?

Mr. Andrew Brewin (Greenwood): I wonder whether the Prime Minister in raising this question would call the attention of the responsible authority to the fact that another venerable legislative chamber, the House of Lords, is permitting its proceedings to be televised.

Mr. Pearson: I cannot conceal my surprise at the fact that the hon. member for Greenwood has put forward the venerable House of Lords as a pattern we should follow in this modern House of Commons.

Some hon. Members: Oh, oh.

[*Translation*]

[*Later:*]

Mr. Gérard Laniel (Beauharnois-Salaberry): Mr. Speaker, I should like to put a question to the Prime Minister.

At the close of the constitutional conference, after the premiers have decided to provide themselves with some instruments to pursue the work related to the constitution, and since, moreover, that federal members, as well as members of the various provincial legislatures, are unable to keep in touch with each other, would the Prime Minister agree that the government should promote the formation or creation of an association of Canadian parliamentarians which would constitute the very instrument required to enable both federal and provincial private members to meet every year, in order to discuss constitutional matters, not necessarily before television cameras or journalists?

[*English*]

Mr. Pearson: That is a very interesting idea, Mr. Speaker. I would be glad to look into it.

COMMONWEALTH RELATIONS

INQUIRY AS TO MEETING OF PRIME MINISTERS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I wish to direct a question to the Prime Minister. During the forthcoming visit to Ottawa of Right Hon. Harold Wilson, Prime Minister of the United Kingdom, is it the intention of the Prime Minister of Canada to propose and discuss the holding of a commonwealth prime ministers' conference here in Ottawa either late this year or in 1969? Further, could we be told what subjects are likely to be on the agenda for discussion?

Right Hon. L. B. Pearson (Prime Minister): There will be no agenda. As the hon. member knows, on these occasions we do not have any formal agenda. However, I would be very surprised indeed if we did not discuss the possibility of a prime ministers' conference. I would think the views of Mr. Wilson would be of great importance in this regard, and I should like to hear what he has to say on this subject before coming to any conclusion myself. I think other subjects likely to come up are all those which concern international affairs throughout the world at this time.

Mr. Nesbitt: Will the fact that two prime ministers of commonwealth countries have indicated they would like to see the next meeting held in Ottawa influence the government's position when discussing this matter with Mr. Wilson?

Mr. Pearson: Yes, as would certain views I have had conveyed to me from other members of the commonwealth indicating that from their point of view it would probably not be desirable to hold a commonwealth prime ministers' conference until later this year.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister without Portfolio, the minister from Newfoundland (Mr. Granger). I do so in order to promote a spirit of Canadian unity. My question is prompted by correspondence I have received from people in British Columbia who in increasing numbers are desirous of visiting Newfoundland and places such as Heart's Content and Heart's Desire.

An hon. Member: And Come-By-Chance.

Mr. Herridge: They indicate that they do not know how to get there, whether by air, water, rail, road, or saddleback by trail. Would the minister bring this situation to the attention of the government travel bureau to see whether the necessary guidance could be provided?

Mr. Speaker: Order. It is not my understanding that this question relates to the minister's administrative responsibility.

Mr. Robert Simpson (Churchill): Mr. Speaker, this question is for the Prime Minister. In view of the remark the Prime Minister made

on television last night to the effect that he would like to see only 40 nations represented at the United Nations, would he indicate to the house which nations he believes those should be?

Mr. Speaker: Order.

BUSINESS OF THE HOUSE

CONSIDERATION OF MEASURES RESPECTING NATIONAL PARKS AND HISTORIC SITES

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to direct a question to the Minister of Indian Affairs and Northern Development, and ask him whether he intends to proceed during this session of parliament with order No. 5 which has been on the order paper since May 10, 1967 and with order No. 30 which has been on the order paper since June 26, 1967?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): I think it would depend entirely on the speed with which we can deal with the business which is before the house. I think we are ready in respect of item No. 5.

INDUSTRY

SYDNEY, N.S.—ADDITIONAL FEDERAL ASSISTANCE RESPECTING STEEL PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is for the Prime Minister. May I ask the right hon. gentleman whether during his extremely busy and, I am sure, trying week he had an opportunity to meet with the premier of Nova Scotia to discuss with him federal financial assistance to the steel industry at Sydney? If so, can we be given a progress report at this time?

Right Hon. L. B. Pearson (Prime Minister): Yes, I had the privilege of a talk with the premier of Nova Scotia outside the conference. He referred to his letter to me, and I told him that this letter would be considered immediately by the cabinet. We gave it preliminary consideration this morning, and we shall continue this consideration next Tuesday. I believe the premier would like to make this letter public, and if he does so this afternoon I shall see that it is tabled tomorrow.

[Mr. Simpson.]

DOMINION-PROVINCIAL RELATIONS

MEETING OF MARITIME PREMIERS TO DISCUSS UNION

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): This question is directed to the Prime Minister. Has the right hon. gentleman any information with regard to a meeting of the premiers to discuss the possible union of the Atlantic provinces? Did I understand the Prime Minister to say there are to be representatives from the federal level at such a meeting? Is the federal government interested in this proposal and will it be represented should a meeting of the premiers take place?

Right Hon. L. B. Pearson (Prime Minister): I am afraid I cannot give the hon. member a progress report on this very important matter, Mr. Speaker. I learn from the press that they had a discussion in connection with maritime union, a consummation no doubt devoutly to be wished if it meets with the wishes of the people of the Atlantic provinces.

[*Translation*]

MANPOWER

REQUEST FOR INCREASED TRAINING FOR UNEMPLOYED

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

Due to the alarming increase of unemployed, does the minister intend to amend the unemployed retraining legislation in order to increase the number of months during which the unemployed can study a trade, and does he intend to increase the number of trades which the unemployed can take up under that legislation?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, the Adult Occupational Training Act has not been designed to cope with unemployment. It is meant to retrain workers in accordance with the needs of the market and to improve their technical qualifications.

Now, if my hon. friend wants to deal with unemployment, he would have to do so from a point of view other than that of the Occupational Training Act.

Mr. Grégoire: Mr. Speaker, I wish to direct a supplementary question.

Is it the intention of the minister to move an amendment to that legislation so that it may become more effective and the unemployed may become more qualified in order to find jobs, thus reducing unemployment?

Mr. Marchand: Mr. Speaker, we are prepared to consider any improvement to the legislation. If the hon. member wants to suggest a few, we are prepared to consider them.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish to direct a supplementary question to the hon. minister of external affairs.

In view of the fact that the number of unemployed is close to the half million mark, and in view of the concern shown in the past by the hon. minister in this field, is he in a position to offer some suggestions to the hon. Minister of Manpower and Immigration in order to alleviate unemployment which is a calamity?

[*English*]

FINANCE

INVESTMENT IN U.S. SECURITIES BY CANADIAN MUTUAL FUNDS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance. On Monday I directed a question to him concerning the great transfer of investment by Canadian mutual funds from Canadian to United States securities. In his absence the President of the Treasury Board undertook to look at the figures and took the question as notice. Can the minister reply now to this question?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, it has been the policy of the government to encourage Canadians to invest their savings in Canadian development, and in the case of mutual funds there is a tax incentive to this end. On the other hand, it has not been government policy to direct or to impose restrictions on how and where Canadians invest their savings. I remain convinced that our objectives of economic growth and stability can best be achieved by providing a climate which encourages investment in Canada.

Mr. Aiken: As a supplementary question, Mr. Speaker, I would like to ask the minister whether he has inquired if investors find it more advantageous to invest in United States securities than in Canadian securities?

Mr. Sharp: Yes, Mr. Speaker, and perhaps I can give some figures that will interest the hon. gentleman. In the last two years there has been a fairly large increase in the investment by Canadian mutual funds in foreign securities. On the other hand, in 1967 there was a large increase in the sales of foreign securities and a decline in the net purchase by Canadians of outstanding Canadian securities held in foreign countries. The net effect has been that in the first 11 months of 1967 trading in all outstanding securities produced a net outflow of capital some 40 per cent below that in the corresponding period in 1966.

Mr. W. B. Nesbitt (Oxford): As a further supplementary question, is it not a fact that the purchase last year of approximately $485 million worth of United States securities by mutual funds depressed the stock market in—

Mr. Speaker: Order. The question as phrased is argumentative.

ATLANTIC DEVELOPMENT BOARD

SUGGESTED INCREASE IN FINANCES AND ACTIVITIES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I wish to direct a question to the Prime Minister. Will the government give consideration to immediately increasing the financial resources and scope of the Atlantic Development Board in view of the very serious economic disparity, acknowledged at the constitutional conference, so far as the Atlantic provinces are concerned?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will look into that question. It was brought to our attention yesterday by spokesmen from the Atlantic provinces and, speaking on the matter, I had the privilege of pointing out to them the greatly increased assistance that had been given, and rightly so, to that area in recent years.

Mr. David MacDonald (Prince): As a related question to that asked by the hon. member for Cumberland, Mr. Speaker, may I ask the Prime Minister whether the government plans to call a special conference to consider the conflicting purposes of the federal government programs regarding the Atlantic region?

Inquiries of the Ministry

Mr. Pearson: Mr. Speaker, these matters of overlapping and conflict are continually under consideration, and they were also brought to our attention yesterday.

[*Translation*]

IMMIGRATION

STEPS TO INCREASE NUMBER OF IMMIGRANTS FROM FRANCE

On the orders of the day:

Mr. Speaker: The hon. member for Compton-Frontenac.

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the hon. Minister of Manpower and Immigration.

Mr. Bell (Saint John-Albert): A supplementary question, Mr. Speaker.

[*English*]

Mr. Speaker: Order. The Chair has recognized the hon. member for Compton-Frontenac.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I should like to direct a question to the hon. Minister of Manpower and Immigration.

Is it the intention of the hon. minister to increase immigration to Canada in 1968, and especially from France?

Mr. Speaker: The hon. member will admit that this question is of a general character and not very urgent, and that it could easily be placed on the order paper.

[*English*]

NATIONAL CAPITAL

INQUIRY AS TO ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, may I direct a question to the Prime Minister. Is he in a position today to indicate the approximate date when it is proposed to establish the parliamentary committee on the national capital?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Minister of Public Works has this matter under active consideration and I am informed will be bringing forward a motion to set up the committee fairly soon.

[Mr. MacDonald (Prince).]

AGRICULTURE

POTATOES—IMPORTS FROM U.S. INTO WESTERN CANADA

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, may I direct a question to the Minister of Agriculture. It is based on a very serious situation that exists in western Canada caused by unprecedented imports of United States potatoes into that area. Is the minister in a position to state whether or not an application of value for duty will be made, as requested by the potato producers of western Canada?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the situation is under very close study by the officials of the Department of Agriculture. To date there has been a limited flow of United States potatoes but the situation is a dangerous one and has to be watched very carefully. At the present time there is no intention of applying value for duty as a case cannot be made that there has been injury caused by an appreciable flow of potatoes.

INDIAN AFFAIRS

SASKATCHEWAN—MEDICAL DECISIONS RESPECTING STERILIZATION AND CONTRACEPTIVES

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Can he tell the house whether he has received letters of protest from certain medical authorities in Saskatchewan regarding actions by officials of the Department of Indian Affairs in making arbitrary and long distance medical decisions contrary to those made by the local doctors with respect to treaty Indians, concerning medical sterilization and the use of contraceptive pills?

Mr. Speaker: Order, I am not sure whether this matter is urgent in any way. If it is, the hon. member might consider the possibility of asking the question again at the time of adjournment this evening.

Mr. Brand: Mr. Speaker, if I could speak very boldly to the matter of urgency, medical decisions on sterilization in some instances can be extremely urgent, particularly if there is disease present and the danger of one of nature's propensities becoming evident. If we have to wait for the time it will take the

minister to answer a question on the order paper I am afraid I do not know what will happen.

Mr. Speaker: I am afraid I cannot enter into an argument with the hon. member on medical grounds. I think it might be the part of wisdom to allow a reply from the minister.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I believe I might have been able to save a great deal of time. The question should be addressed to the Minister of National Health and Welfare.

Mr. Brand: On the contrary. I should like to point out that this decision was made in a directive from the Department of Indian Affairs and Northern Development.

UNEMPLOYMENT INSURANCE

REQUEST FOR IMPROVED SERVICE BY FIELD OFFICES

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is addressed to the Minister of Labour who is responsible for the operation of the unemployment offices. Would the minister give consideration to improving the services rendered by these offices, particularly in areas where offices have been closed and amalgamated into one central office?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I will be glad to give consideration to this suggestion and discuss it with the officials of the commission. If the hon. member has any suggestion of a helpful or constructive nature and will send it to me I will see that it is referred to the commission for consideration.

VETERANS AFFAIRS

INQUIRY AS TO REPORT ON PENSION COMMISSION

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. Would he inform the house whether the Woods committee report has been translated?

Hon. Roger Teillet (Minister of Veterans Affairs): No, Mr. Speaker. I have no information other than what I gave the house last week. I will make inquiries, but I understand that it should be in my hands by the middle of this month.

Mr. Chatterton: In view of the fact that it has already taken four months to complete the translation, will the minister now in any event study the report in English so that a decision may be expedited?

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—DISCUSSIONS WITH PREMIER

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, my question is directed to the right hon. Prime Minister. Has he recently had conversations with the premier of Prince Edward Island concerning the Northumberland strait crossing project and, if so, was the outcome encouraging or otherwise?

Right Hon. L. B. Pearson (Prime Minister): Yes, indeed. I had the pleasure of having lunch with him today and found as always that he was very energetic and sincere in putting forth the point of view of Prince Edward Island in respect of the causeway and other projects of interest to him and to my hon. friend.

Mr. David MacDonald (Prince): Mr. Speaker, I should like to ask the Prime Minister whether he can give the house some information in respect of the recent lay-off of a considerable number of engineers and other employees by the government consultant charged with the design and supervision of the construction project. Would he also indicate whether this will mean another slowdown in respect of this important project?

Mr. Pearson: I am unaware of that particular situation. I will look into it.

FLOODS

BRITISH COLUMBIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, my question is for the Minister of National Defence. It is based on a telegram I received just before coming into the house to the effect that the provincial government has made a request to the federal government for assistance in respect of the flood in the Bella Coola valley. Has the minister received such a request and what action is being taken as a result thereof?

Inquiries of the Ministry

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I have checked as of 2.30 this afternoon with the area commander and have been informed that no request has been received from the provincial authorities.

AGRICULTURE

REQUEST FOR REVIEW OF FARM PRODUCTS PRICES

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Has the Canadian Federation of Agriculture asked the federal government to convene a meeting to review the declining prices that producers are now receiving for some of their farm products such as eggs, potatoes and hogs? If so, will the minister inform the house whether such a meeting will take place?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, such a request has not been drawn to my attention. It may have come in in the last day or so. If such a request is received I will certainly be very happy to meet with them in this regard.

SASKATCHEWAN

EXTENSION OF TERM OF LIEUTENANT GOVERNOR

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, my question is for the Prime Minister. I am prompted to ask it because of my interest in the charming gentleman who previously held my seat of Kindersley and who subsequently has been so popular as Lieutenant Governor of Saskatchewan. Is the Prime Minister extending Lieutenant Governor Hanbidge's term as lieutenant governor of Saskatchewan, and for what period?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not sure whether I have the right to answer that question but I shall be glad to do so in any event. I have written the Lieutenant Governor of Saskatchewan to ask him if he would stay on for another year. I felt so sorry for him after the football game last December.

Mr. Cantelon: May I direct the attention of the Prime Minister to the fact that the year before the shoe was on the other foot.

[Mr. Howard.]

ADMINISTRATION OF JUSTICE

ALLEGED IMPROPER CONDUCT IN ARREST OF U.K. FUGITIVE

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. Has the Solicitor General any statement to make concerning whether R.C.M.P. officers forcibly prevented a bailiff in Montreal from serving a superior court injunction on the Scotland Yard detective who had trailed the British train robber, Charles Wilson, to Quebec?

Mr. Speaker: Order. I think this question should be placed on the order paper.

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT OF BUSINESS FOR TODAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Solicitor General in his capacity as acting house leader. In view of the fact that there is a change in the order of business for today, would the minister now indicate to the house what the order of business will be?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, it is proposed to continue with item No. 47, the debate on the amendments to the Currency, Mint and Exchange Fund Act and the Criminal Code. Then we would proceed with item No. 43, second reading on Bill No. S-18, to amend the Publication of Statutes Act; item No. 50, second reading of Bill No. S-28, to amend the Defence Production Act; item No. 61, second reading of Bill S-32, to amend the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act. This would be followed by item No. 60 and item No. 46.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR STATEMENT ON FEDERAL POSITION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address this question to the right hon. Prime Minister. In view of the fact, according to my information, that the Prime Minister has indicated his decision on medicare to the press, will he change his mind and not wait until next week to tell the house? Is he prepared to give his views and decision in respect of medicare now?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not said anything to the press except that I would be making a statement in the house on Monday. I wish I were in a position to make it now, but I have not had an opportunity to prepare the statement. I have been rather busy in the last few days. I hope my hon. friend would agree that I should have the week end to think about the form in which I might make the statement.

CRIMINAL CODE

METHOD OF PROCEDURE IN DEALING WITH AMENDING LEGISLATION

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, this question is for the acting house leader. Because of the widespread interest throughout the country in the amendments to the Criminal Code, would he announce as soon as possible how the house will proceed to deal with this matter so that people will know whether or not they should be making representations in the form of briefs?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I have taken notice of the hon. member's question.

THE CANADIAN ECONOMY

HEATING OIL AND GASOLINE—REPORTED PRICE INCREASES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, may I address this question to the Minister of Finance. On two previous occasions I drew his attention to the increase in the prices of gasoline and domestic heating oil. He informed the house that he had asked officials of his department to inquire into the matter. Can he now inform the house what the result of that inquiry was?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I regret that I am not yet in a position to report. I have received some information. However, I have asked for some supplementary information and will make a statement as soon as possible.

EXTERNAL AFFAIRS

TABLING OF DOCUMENT "FEDERALISM AND INTERNATIONAL RELATIONS"

Mr. Speaker: Order. I understand the parliamentary secretary to the Secretary of State for External Affairs wishes to ask for permission of the house to revert to motions. Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Chairman, I wish to ask the consent of the house in order to table the French and English versions of a paper distributed yesterday to the members of the federal-provincial conference, emanating from the Secretary of State for External Affairs and entitled "Federalism and International Relations".

Mr. Speaker: Is it agreed that the parliamentary secretary to the Secretary of State for External Affairs will table this paper?

Some hon. Members: Agreed.

Mr. Grégoire: Mr. Speaker, before this paper is tabled, I should like to ask the right hon. Prime Minister whether all the candidates for the leadership of the Liberal party intend to publish a similar paper and table it in the house?

[*English*]

Mr. Speaker: Is it agreed that this document be tabled?

Some hon. Members: Agreed.

FINANCE

LEGISLATIVE AMENDMENTS RESPECTING COMPOSITION OF COINS

The house resumed, from Wednesday, February 7, consideration of the motion of Mr. Sharp for second reading of Bill No. S-23, to amend the Currency, Mint and Exchange Fund Act and the Criminal Code.

Mr. Frank Howard (Skeena): Mr. Speaker, we listened last evening to the Minister of National Revenue (Mr. Chrétien) give us an outline of the purpose behind the bill. I should like to suggest to the government, as I did by way of a question before the Christmas recess, a certain course of action which should be followed in the minting of coins, with particular reference to metallic or silver dollars as we have referred to them in the past. Even though they may be made of nickel this year I still have a tendency to call

them silver dollars because that is the designation they have been given since 1935 when they were first minted in this country.

There is a way to mint dollars with a silver content and still make a rather handsome profit so far as the operations of the mint are concerned. Up until last year silver coinage contained 800 parts of silver. In a silver dollar this amounted to 0.6 ounces of silver which, at the almost standard price until about a year ago of $1.29 per ounce, meant that each coin contained about 77.4 cents of silver.

I should like to refer to silver dollars for numismatic or collection purposes. Silver dollars minted in the past for general circulation and for use as currency have actually been used by people such as numismatists, collectors and others who put them away for their children or for other purposes. Very few of them have actually been used by people in the conduct of their business. Very few silver dollars minted in Canada since 1935 have ever got into general circulation. While I am talking particularly about silver coinage for numismatic purposes, what I have to say applies equally to the silver dollars that went into general circulation because, as I say, almost all of them end up being taken out of circulation rather than being used as currency.

The number of silver dollars minted in the past few years for numismatic pusposes, sold in sets or singly in a plastic cover, in 1964 amounted to approximately 2.85 million, in 1965 approximately 2.7 million, and in 1966 approximately 700,000 or slightly less. If we took a high average of about 2,500,000 silver dollars during a year and minted that many this year with a content of silver of 50 per cent, or 500 parts instead of 800 parts, we would have a substantial saving. This would be the same silver content as used in dimes and quarters during the latter part of last year. In terms of the maximum price for silver of about $2.30, which was about the peak last year, using 50 per cent silver in silver dollars we could mint them with a content value of 88.125 cents of silver.

I do not intend to go into these statistics in any greater detail except to point out to the government that in years past silver dollars of the numismatic type were sold for $1.25. They contained 77.4 cents of silver. In other words, the income in relation to the value of the silver showed a profit picture of 47.6 cents. If we made a silver dollar this year with a 50 per cent silver content and distributed it to numismatists, collectors, dealers and others for $2 instead of $1.25 we would bring in at least $1 to the coffers of the government for each silver dollar sold.

The minister says it is not possible to do this because it is difficult to obtain silver as it is being used for other purposes including the space program in the United States, the film industry and the like. Late last year I checked to see if it was possible to obtain silver in quantity. I found it would have been possible on a long term purchase contract to obtain sufficient amounts of silver for use in silver dollars. It may not be too late even now to purchase the silver. As I listened to the Minister of National Revenue I understood him to say there was a provision in a schedule to this bill whereby dollars may be minted with a silver content as well as of pure nickel. The minister would be well advised to make inquiries into this suggestion of minting silver dollars this year with a 50 per cent silver content to be sold for $2 each. Not one single silver dollar, I submit, would end up in general circulation. They would end up in the possession of collectors or people who put them away to commemorate a certain anniversary. The mint and the federal treasury would end up with a substantial profit by minting silver dollars this year in this way.

It may be that at some time in the future it will be impossible to mint silver coins but it certainly would be possible to do so this year. This year is the sixtieth anniversary of the mint. I understand the mint is preparing a presentation case which will contain the nickel dollar and that it is a beautifully designed article. Even though nickel is a shiny substance and withstands wear for a long period of time, as suggested by the Minister of National Revenue last night, it cannot possibly equal the brilliance and lustre of silver. It would seem to me that the two together, a silver dollar and the presentation case that is being prepared by the mint in any event, would make an ideal collectors' item this year to commemorate the diamond jubilee, the sixtieth anniversary of the mint. There are a few other items to which I wish to refer but I think it might be more appropiate to deal with them when we get to the committee stage.

• (4:00 p.m.)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I think that this bill comes at the right time

since, in my opinion, it is indirectly connected with national unity and it can therefore be considered as complementary to the federal-provincial conference which has just ended.

Currency, which appears often in this bill, is a subject of interest to all Canadians from sea to sea. All classes of society are interested in currency. All governments, federal, provincial or municipal, are interested in currency. Political parties also are interested in currency, whether they be a left-wing, right-wing or centre party. In fact, we are all interested in it.

The passing of this bill will make it possible not only to change the size of some coins but to use nickel instead of silver. Currency, up to now, consisted of a silver alloy. If silver is a precious metal, nickel is not less shiny.

In view of the fact that our country ranks first in the world among nickel producers, obviously the government can consider making a few changes without fearing that it will lack metal.

However, what is of special interest to me is the price at which the coins will be sold: at what price will the twenty-five cent, fifty-cent or one dollar coins be offered?

If I ask this question, it is because nothing in this bill indicates at what price those dollar coins will be sold.

For instance, clause 9 of the bill reads:

"396". Every one who, with intent to defraud, knowingly utters

(a) a coin that is not current, or

(b) a piece of metal or mixed metals that resembles in size, figure or colour a current coin for which it is uttered,

is guilty of an indictable offence and is liable to imprisonment for two years.

Therefore, the only thing this bill contains is a warning against substitutes.

At the present time, in Viet Nam, Canadian soldiers can exchange the American dollar for 70 units of that country's currency on the regular market, and it may go up to 130 and even 140 units.

As for the mtehods used in the Polish Socialist Republic, in the daytime tourists may obtain at the banks or at foreign exchange offices 25 zlotys for one United States dollar, but after 9 p.m., through private dealers, tourists may get as much as 90 zlotys for one United States dollar.

This is known the world over as the black market. This is a criminal offence under the law; anyone found guilty is liable to 2 years in jail.

The situation here is rather strange, as last summer some had the nerve to offer one dollar silver coins, minted to commemorate our centennial, at $3 each. Many people in my area, students, teachers, three credit union managers, two managers of bank branches, in short people from all classes of society had asked me to get them a few of these silver dollars. I went to the mint, here in Ottawa. I was told I was two days late. So I went to the bank, and they told me that the very small quantity they had received was long since gone. But they were able to refer me to two Ottawa dealers who nonetheless had silver dollars to sell and still do.

Even today these Ottawa dealers, and other American dealers as well, are still offering us silver dollars at unheard of prices. I know that it is too late to remedy the situation, but I would like the minister to take this opportunity to tell us how many fifty cent and one dollar coins were minted to commemorate centennial year.

In addition, for the good of the people, I would like the minister to tell us also how the distribution of those coins was made and by what organizations. How many coins are held by the public and how many are still unsold in stores? I would also like the minister to tell us if that business should really be made legal in our country? In addition, I would like to know how many middlemen took part in that little scheme which finally pushed the price of a centennial dollar up to $3, as I said a while ago? I would like to know what the minister thinks about that.

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, in discussing Bill S-23, as a Social Crediter I think all members of my party and fellow Social Crediters will welcome the announcement regarding the coining of money of less intrinsic value using a metal that is equally durable, if not more so, but worth considerably less on the market for its own sake than silver. We welcome this step because obviously the only quality that money should have is durability, and the only real use to which it should be put is in the exchange of goods. If we find it being purchased for its own sake or being saved and kept as a hedge against inflation, then there is something wrong with the state of the economy and with our regard for and attitude toward money itself.

I have to disagree with the hon. member for Skeena (Mr. Howard) because after the

experience of our centennial year I think it would be wise if the government never again got into the business of producing memorial coins and simply refused to make them for numismatic or any other purposes. I say this because it has already been pointed out to the house by various members that there has been a vast disappearance of thousands, if not millions, of coins that were purportedly designed to come into the hands of the Canadian public as souvenirs or mementoes of centennial year but ended up making an extremely handsome profit for some individuals and dealers, people who remain unidentified but who certainly were not the mass of the Canadian people.

I received early last year, as I am sure most hon. members did, requests from individuals who wanted to know where centennial silver dollars could be obtained. On making inquiries I was told that the coins could be obtained at the chartered banks and all people had to do was make application for them. I was told that, admittedly, the number would be limited for each individual but they could probably obtain at least two apiece if they made application for the coins. Certainly very few of these coins ever got to western Canada through the chartered banks. When people inquired over and over again they found they were absolutely unobtainable. Yet we saw them blossoming out in blocks of plastic in various shops dealing with this type of souvenir, so they were obtainable by certain people.

• (4:10 p.m.)

One of the Ottawa newspapers pointed out a few months ago that anyone who had enough foresight to obtain a sack of one thousand 50-cent pieces back in the spring could have made a profit of around $5,000 on them by now. Again I do not know how one went about obtaining them. I do not think it was our duty as members of parliament to try to go through the labyrinth to obtain a thousand or so of these coins to carry back to our constituencies and distribute them there, but unless we did I can think of no other way by which they could have been put into the hands of individuals who wanted to collect them.

The items which were quoted from coin magazines yesterday indicating the availability of these coins outside the country are, a sad and sorry commentary on the government entering into the coin business. It is a strange thing that when, for example, certain individuals wish to collect service medals the government refuses to part with them even when they have surplus stocks, and have not even considered registering bona fide collectors of such items. Yet we know that the government has been in the business of minting centennial dollars for souvenir purposes, which had the effect of making some individuals much more wealthy than they should be.

The situation is much more critical with regard to the coining of the gold dollar—and the regulations in the act cover this—because in view of the great urgency in the minds of the public to reduce the use of gold in modern currency, this is the last thing that any civilized, modern, developed government should be doing with currency. There is heavy pressure on the monetary authorities of the world to permit an increase in the price of gold, to double or treble its value. Canada has joined its friend and ally, the United States, in opposition to that move because the effect on world trade would be disastrous and would give aid and comfort to certain countries which have endeavoured to frustrate the development of the free western world.

The country which would gain the most from an increase in the price of gold would probably be the Soviet union. Such a move would also be a tremendous boost to France which in the past few years has done all it could to turn its United States dollars into gold rather than to hold its reserves in that currency. So we have opposed the move to increase the price of gold but at the same time the government, in our centennial year was engaged in the minting of a $20 gold coin along with other coins amounting to $1.91 which were put into a set and sold for double the value the $20 gold coin gave to the set. While opposing an increase in the price of gold on the one hand we have tacitly suggested that the price of gold should be far higher than it really is on the other. It has been a confusing effort at a time when, through the International Monetary Fund, spokesmen have told us that they have endeavoured to eliminate the use of gold in the monetary system.

This policy was supposed to be ratified by member countries of the International Monetary Fund over the next two years, and it will be the job of their parliaments to endeavour to convince their people and the people of the world that there is no relation between the value of gold and the worth of money. It will be much harder to put that idea across so long as the Canadian government continues to

point out that the value of gold is far above $35 an ounce when it is being used for coinage.

I should like to mention one other point. In the minister's statement yesterday reference was made to the International Bank for Reconstruction and Development and the acquisition or purchase of securities of that organization by the Minister of Finance for the Canadian government at a good rate of interest. If the rate of interest is good, then the interest which the International Bank for Reconstruction and Development is charging throughout the world is probably far too high.

We know that some countries which have borrowed from organizations such as the International Bank for Reconstruction and Development have reached the point where they have had to continue borrowing in order to meet the interest charges on the loans they already have, and that no reconstruction and development can take place because these countries have all they can do to keep their heads above water as they pay the interest charges to the organization. Here again the developed nations should change their approach toward the supplying of credit to and the financing of undeveloped nations because so far all their efforts through such organizations as the International Bank for Reconstruction and Development have succeeded only in widening the gap at an accelerating rate between the rich and the poor nations. Although we may congratulate ourselves on the fact that the purchase of these securities is providing a good rate of interest to this country, we should at the same time question very seriously the whole approach because it can only exacerbate an already extremely difficult situation.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was pleased to discover that the program to support the U.S. dollar on which the minister has embarked also meets the Social Credit philosophy and that the hon. member for Okanagan-Revelstoke (Mr. Johnston) believes that this program has encroached into the numismatic field. Frankly, I thought it was a rather strange type of operation that Canada, which has a large quantity of gold and silver for sale, should tie itself to United States financial policies. Yet this has been done and will probably be extended.

• (4:20 p.m.)

Although I do not see anything wrong in doing so, it is probably true that coinage should never be minted to be melted for industrial use. The production of coins has some value. For that reason it would be foolish for the mint to be minting coins while industrial users were melting them down for industrial purposes. However, this has been done in the United States. It was done not because of the value of the coinage but because the United States government pegged the price of silver at a level at which the industrial community could not advantageously buy it from industrial sources so they purchased it from the treasury. The United States government has pegged silver at $1.29. Silver purchased on the London market by industrial users in my area is running as high as $2.04. For this reason, I believe the hon. member for Okanagan-Revelstoke is probably right. I believe this only points up the fact that the price at which the United States government has been forced to peg the silver dollar is an artificial one with which they cannot hope to live but which we probably have to take into consideration.

We can do one of two things with our silver coins. We can either decrease the silver content or increase the size of the coin. The minister is suggesting in this bill that we do both. There are many people in the world today who will buy any kind of junk and call it antiques. They pay a high price for these antiques. Peculiar things happen even in the normal course of business. My brother has a tractor which he has had for a great number of years but on a number of occasions he has been offered more for this Farmall-H than he paid for it, not as an antique but as a trade-in. This seems to me a rather odd situation, particularly when that Farmall-H still does the job it was intended to do and yet commands a higher price in the market today than he paid for it. The same situation applies to used furniture.

I could refer to another field of government endeavour, the production of stamps. We find certain countries in the world that can exist on the revenue from manufacturing stamps. They do not have to go into any other field of endeavour. These countries turn out nice looking stamps which collectors pick up, thus providing sufficient revenue for some of these small countries to take care of their needs without taxation. We in Canada are issuing many new stamps and are finding this a lucrative field. Even in the currency field the minister is now proposing that we set up a factory-type operation and that we mint coinage for other countries. I presume we will

also manufacture bank notes on a custom basis.

Since I do not believe in Social Credit philosophy I do not see anything wrong with the minting of gold coins if we are going to get in return twice the amount of money we paid for the gold that is in the coin. This does not seem to me to be a foolish operation. If the government would get out of some other operations and go into the manufacture of gold coins, possibly they could reduce the deficit twice as fast. If we can get $2 for each silver dollar, this would seem to me to be a good arrangement.

I am well aware of what happened in connection with United States currency. We talk about supporting the International Monetary Fund, and probably there is a necessity for that because we live in a community of nations. The United States has been turning out scrip in various countries which they never intend to redeem. Much of the currency the United States has put into Viet Nam they never expect to see again, and for that reason this money is really scrip such as armies operated on during the last war. This money is of value only for trade and the United States hopes that operation will be a one-way street.

Canada is being asked to back the United States government. The International Monetary Fund is now being asked to substitute for gold silver certificates and other forms of hard currency, a unit that will probably not be based on the United States dollar. Most countries of the world have lost faith in the United States dollar. There will be a new unit which the government of Canada and the 63 other nations involved in this operation will develop. I represent a gold mining community which has existed for many years on gold selling at $35 per ounce when everyone knows that the price of gold in the free market is much higher. The United States government set the price of gold at $35 and, incidentally, limited the right of United States citizens to hold gold. Many of these people are buying gold and holding it in Swiss banks as a hedge against the devaluation of their own United States dollar. Whenever there is a run on the United States dollar these people are probably undermining their own currency to a great extent.

Personally, I cannot see anything wrong with what the Canadian government decided to do in coining centennial presentation sets. I congratulate the government upon taking this step. Now that they have taken this step and realize the advantages of the operation, I strongly urge the government to extend it. I am glad the government has adopted what might be called a socialistic way of thinking by deciding they are not going to allow other people to decide what is good for them. I think it is true that most Canadians who wanted to buy a silver dollar had no intention of carrying that silver dollar around in their pockets. In my opinion, Canadians who bought silver dollars did so with the idea of presenting them to children as souvenirs. I suppose they hoped that if the child kept the silver dollar long enough it would be worth $8 or $10 by the time the child wanted to spend it. I am of the opinion the Canadian government should consider the segment of the population that wants to save money by stuffing it under the mattress, so to speak. This $2.5 million worth of coins does not seem to me to be too large a number of silver dollars. I do not know where they will end up, perhaps in the Bank of Canada, but I doubt it. I do not believe they would ever get back to the tellers in local banks.

• (4:30 p.m.)

I doubt that these silver dollars find their way back to the bank in the same way that old bills do. Many of us who get these 50-cent pieces in change drop them in a dresser drawer and save them. If you take them to the bank you find that the teller has a list of people who want to get 50-cent pieces. Since I have been interested in collecting coins I have noticed that you seldom find a worn silver dollar or a worn 50-cent piece. This indicates to me they are not used in normal trading. I feel the government should be fair to the public and indicate why they are restricting the use of these coins and why they are so opposed to the collection of coins. Perhaps one answer lies midway between two very good reasons, reasons which might be underlined by outlining certain steps the government has power to take. Probably one of the reasons is that coin collectors in Canada have an edge on buying methods and have been able to affect large transactions in silver for coinage purposes in the United States. There was an example in a newspaper of a three-ton truck load of silver that was transported to the United States to meet a shortage of coins for vending machines.

The second reason is probably the market that has developed for coinage received from the mint distributed in bags of silver in mint-like condition. The bags were distributed not to the general public but to vending machine operators and for numismatic purposes. These

coins then find their way into various outlets that sell them back to Canadians at a high profit.

I do not think that the government should become involved in this type of trafficking. On the other hand, I think the minister must explain why he has discontinued the sale of $1.90 worth of coins, not $1.90 worth of silver but face value, in cellophane bags priced at $4. I realize there have been some abuses of these sales, but surely these can be overcome and this type of transaction continued.

I should also like to say that I am of the opinion that the public should be told once and for all that the Canadian government really has no coinage policy in any way, shape or form. In fact the government is following the United States system and is anxious not to do anything that would rock the U.S. dollar. If this is true then perhaps we should link our currency with United States currency.

Some people have suggested that the currency of the International Monetary Fund should be based on the U.S. dollar. Representatives of the Canadian government who attended the recent meeting of the International Monetary Fund in Rio were surprised to find that many countries did not support that suggestion. I suggest, Mr. Speaker, that if the Canadian government is prepared to support such a proposition it should give leadership in developing a new International Monetary Fund unit that is more compatible with the wishes of its members.

I still feel that there is a place for silver coinage. There is a role for industrial silver in the production of coinage and this role should be perpetuated. We do not want to be put in the position where every industrialist in Canada has to go through a sort of reverse operation, with the mint melting down his coinage and turning it into silver and then melting down the silver and turning it back into coinage. Also, collectors of coinage should still have access to the coin market so they can buy silver dollars or 50-cent pieces, and that access should be guaranteed. The cut-off date should be in September instead of without warning early in the year.

Lastly, Mr. Speaker, I am opposed to the part of the bill that provides for the transfer of the mint or part of its operations from the city of Ottawa. I think the minister will agree there is an historical connection between the capital of the nation and the minting of money. The capital is the place where the mint should be situated, although I realize that in the United States there is a mint at Pittsburgh and also at Denver. However, there is some historical background to that situation.

I think the argument about relocating the mint has been carried to the extreme during the last few months, so much so that we could find ourselves locating the mint in an area over which Canada had no control. This could mean that instead of minting our own money we would have to get somebody else to do it. This would be a ridiculous situation. I suggest that historically the mint should be in the national capital, and that historical right should be protected.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have two questions to put to the minister about which there has been quite a bit of discussion. Previous speakers have referred to the unfulfilled demand for centennial silver dollars and half dollars. I also commented on this situation last November when I brought the matter to the attention of the minister. These coins were on sale at various dealers outlets at very high prices in relation to their face value, and when I last motored through the United States they were available in large numbers.

When I raised this matter in the house last November, in referring to the centennial silver dollars and half dollars the minister had this to say, as reported on page 3793 of *Hansard*:

> These are no longer being produced for ordinary use. They are being produced in sets which are sold mainly for numismatic purposes.

People have written to me asking where these sets can be obtained, how to apply for them and whether the price is still $40 per set. I have not been able to ascertain whether these sets are still available. Perhaps the minister could enlighten me so that I can reply to these inquiries.

Another question I should like to raise, which may have been dealt with when I was absent from the chamber, concerns the proposed new section 8 (1) (d), which says:

> The governor in council may by proclamation—
> (d) call in coins of any date and denomination.

This provision is of great interest to those who hold numbers of coins; they wonder whether those coins could be called in. Does this provision apply to these coins or does it merely refer to those now in the banks?

Mr. Bud Germa (Sudbury): Mr. Speaker, I welcome the introduction of this bill by the

minister. Its main feature is the change in the type of metal used to strike coins for the government of Canada. I think no metal is more representative of Canada than nickel. As you are well aware, Mr. Speaker, Canada supplies the world with better than 65 per cent of its demand for nickel. Over 50 per cent of that production originates in the riding I represent, the city of Sudbury. The whole economy of the city is based on the mining and refining of this metal and for these reasons I am pleased to see the minister introduce into the coinage of our country a metal more in keeping with the job coinage has to do. In many of its qualities nickel is superior to silver or gold. It can stand a great deal of wear, unlike more precious metals which are subject to loss of weight and disfigurement when used in coinage. Nickel is not only valuable but tough and difficult to work. I am sure the coins produced from it will stay in circulation much longer than the conventional coinage of the past.

• (4:40 p.m.)

There is, of course, a certain magnetism in the precious metals which tempts people to withdraw them from circulation and hoard them. This is a romantic inclination felt by many people. If we turn to a more ordinary metal such as nickel the tendency to hoard might be reduced with beneficial effect on the amount of coinage in circulation. I recall that not too long ago there was a severe shortage of metal coins and the mint was unable to turn new ones out in the quantities required.

I am not against the purchasing of these coins for commemorative purposes. The hon. member for Skeena (Mr. Howard) has pointed out that a one dollar coin made 50 per cent of silver would have a silver content worth 88 cents. I see no reason for not making those dollar coins out of nickel. They would probably have a real value of 15 or 20 cents, but dealers could still sell them for the figure my hon. friend mentioned and the profit to the treasury would be even greater.

We must remember, too, that these coins have to be carried around in our pockets. From time immemorial man has tried to simplify the business of carrying money around. At one time coins consisted of large stones with holes in them and it took an ox-cart to move them from one place to another. Today, in Canada, we have reached a point at which relatively large sums can be carried around as coinage without too much inconvenience.

[Mr. Germa.]

The new coins envisaged by the minister will be 13 per cent lighter than the present coins and easier to carry to this extent. The substitution of nickel in the one dollar coin will lead to a 30 per cent reduction in weight. This will in turn lead to other economies. The minister has estimated that to express these coins across Canada costs $285,000. Thus, if we bring about a reduction in weight amounting to 13 to 30 per cent there is bound to be a considerable saving in shipping costs right off the top.

Many people collect coins which have been disfigured in the course of the original stamping. They will pay thousands of dollars for a 50-cent coin which has a dot in a certain spot. Not unnaturally, there are some individuals who disfigure coins in an attempt to make an ordinary 50-cent piece into a rare one. Unlike nickel, silver is an easy metal to work. Its melting point is around 1,200 degrees. The melting point of nickel is between 2,600 and 2,800 degrees. Thus, anyone who wishes to disfigure a coin made of pure nickel has an extremely hard job on his hands.

I should like to comment on one further proposal in the legislation before us. In referring to the proposed location of the mint the bill says it must remain in the national capital region. I consider that the striking of coins is a manufacturing process. I see no relation between the location of the mint and the location of the parliament of Canada. We are trying by various means to create employment in certain depressed or designated areas of the country and I see no reason why these coins could not be manufactured in the maritimes or possibly in northern Ontario close to the source of supply of nickel. These areas have already been designated. I am certain such a move would relieve at least some of the unemployment which exists in those areas.

I do not know what quantity of nickel the mint might use in a year. I have not tried to estimate it because I do not know how many coins it is intended to strike. Regardless of the amount, however, I think the nickel industry in Canada will welcome the decision which the minister has made known. Right now the industry is tied closely to the United States war effort. Sales were high at the time of the Korean war, but shortly after that war ended the nickel company with which I was employed laid off 2,800 men in one week. At the present time the industry is benefiting from the war in Viet Nam but when the Viet Nam war ends the supply of nickel will, I

suppose, exceed demand and another two or three thousand workers will be laid off. For this reason a steady market, small as it might be, would certainly be welcomed by the nickel producers of this country.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, before we advance further in our consideration of this bill I should like to ask the minister whether attention has been paid to the effect this legislation may have on 450,000 businesses in Canada which operate by means of coin machines. I am thinking of laundromats, automatic dry cleaners, vendors of soft drinks and so on.

I can appreciate why the government feels we ought to make these changes, but it has been estimated that the cost of converting the sensitive mechanisms which operate these machines and make change may be in the neighbourhood of $50 per machine. The government might be able to save a great deal of money through an amendment of this kind but I am wondering what consideration has been given to the circumstances in which these businessmen will find themselves.

• (4:50 p.m.)

Mr. Speaker: If the minister speaks now he will close the debate.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I will not prolong the debate on second reading. Perhaps I might begin by answering a question asked by the last speaker and refer him to the statement which my colleague, the Minister of National Revenue (Mr. Chrétien), made on my behalf yesterday, in which he described the measures being taken to facilitate the change-over of coin vending machines. The principal reason we have not yet been able to proceed with the striking of nickel coins is the difficulties with vending machines, coin changers and so on. We have appointed a management consulting firm to investigate the possibilities of compensating the operators of these machines. I agree with the hon. member that this is an extensive matter.

Most of the comments made by hon. members were directed to the numismatic value of Canadian coins. I can understand the reason why these questions were raised because I have received more correspondence about Canadian centennial dollars and 1967 50-cent pieces than about any other subject during the last few months. As was said yesterday, it is the intention of the government to make provision in this bill for the striking of further 50-cent and dollar coins with 50 per cent silver content rather than the present 80 per cent, principally for those people who may wish to collect these coins and hold them rather than use them for currency purposes.

There is no question but that the new nickel coins will be much more durable, beautiful, and cheaper to issue than silver coins. In order to meet the immediate problem it was decided to reduce the silver content of the 25-cent and 10-cent coins, but when making that announcement I said that these coins would not have the same beauty as those with 80 per cent silver content because in due course they would begin to acquire a yellowish tinge. However, we expect we will be able to issue the new nickel coins before they begin to wear out their welcome. With these few remarks, Mr. Speaker, I will conclude the debate on second reading and be ready to answer any questions in committee.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Peters: On division.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

On clause 1—*Authorizing composition of coins where alternatives stated.*

Mr. Monteith: Mr. Chairman, I wish to make one brief comment. Speaking on second reading yesterday the Minister of National Revenue mentioned that the 50-cent and dollar coins were going to be somewhat smaller in size. I think this is most appropriate as under this government the dollar has lost so much value in the last four years.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Royal Canadian Mint.*

Mr. Bell (Carleton): Mr. Chairman, I think it is wise that provision has been made in this clause whereby the mint may make coins of the currency of countries other than Canada. I hope the mint will engage in this work because I believe it would be a profitable and useful operation.

There is one other aspect to which I would like particularly to refer and that is the location of the Royal Canadian Mint. This clause contains an amendment which permits it to be in the national capital region, whereas under the previous legislation it was required to be in the city of Ottawa. The suggestion

was made by the Minister of National Revenue that perhaps the present mint building should be abandoned completely and a factory type of premises built elsewhere. I want to express the hope that there will not be a complete abandonment of the present mint building, which I recognize as having become too small for the facilities now required but which, on the other hand, is a building of considerable architectural distinction. I believe it ought to be retained as the principal headquarters of the Royal Canadian Mint. If another building is required I believe there is within the immediate area sufficient space which would be fully suitable for such a building. In this respect I hope I might have the support of the hon. member for Ottawa East.

I wish to express the hope, and I would like to have some assurance from the minister, that the location of the mint will not be used as a matter of log rolling, shall I say, in relation to the location of government buildings on the two sides of the Ottawa river. The mint has been in its present location ever since it was organized in 1908. Its principal branch should be retained in that position, and I do not think the mint should be used as a means of satisfying those who seek to increase the number of buildings on the other shore of the Ottawa river.

Mr. Sharp: Mr. Chairman, out of courtesy to the hon. member for Moose Jaw-Lake Centre I would like to revert to clause 2 for purposes of an explanation. He asked what was the purpose of the proposed new section 8(1)(d), authorizing the governor in council to call in coins of any date and denomination. I am informed by the Master of the Mint that no proclamation has ever been issued to that effect. It could be used for the purpose of calling in all silver coins, or something of that kind, but such a case has never arisen. In fact coins have been accepted by the mint and replaced by new coins because the old coins had become defaced or worn.

Mr. Peters: Mr. Chairman, I do not feel it is in our interests to have the words "within the national capital region" substituted for the words "in Ottawa" in the present act. I too feel that the capital should be the location of the mint. Therefore I move:

That clause 4 be amended by deleting in lines 10, 11 and 12, the words "within the National Capital Region described in the Schedule to the National Capital Act," and substitute therefor the words "in Ottawa."

[Mr. Bell (Carleton).]

• (5:00 p.m.)

Mr. Sharp: Mr. Chairman, my colleague dealt with this subject yesterday. He said that the purpose of the amendment in clause 4 was to locate the mint within the national capital region rather than specifically in Ottawa. I believe this is a wise amendment. There are many departments in the government of Canada that have offices in other parts of the national capital region and I can see no reason why the mint should be an exception. I recognize, of course, that it is almost universal practice to have the mint located in the capital region, but there is no specific reason that it should be located in the city of Ottawa itself any more than should the printing bureau or any other department of government. There is nothing sacrosanct about the mint which would require that it be located within the municipal boundary of the city of Ottawa. Indeed, in the interests of the country as a whole I would have thought it would be well not to have the national capital region identified specifically with the province of Ontario but rather as part of a complex of Ontario and Quebec.

Therefore I can say that the government does not agree with the proposed amendment. We believe there should be sufficient flexibility, if it is found desirable for economic reasons or for reasons of efficiency, so that buildings can be distributed over the whole area to the best advantage. That decision in the case of the mint could mean that it would be located outside the municipal boundary of Ottawa. On the other hand, I wish to assure hon. members that no decision has as yet been made.

Mr. Bell (Carleton): Is there a tentative proposal in relation to the site?

Mr. Sharp: There are several. Some of them relate to sites inside Ottawa and some of them relate to sites outside Ottawa.

Mr. Aiken: Mr. Chairman, I should like to make a very brief statement. I can understand that there may be some members who feel they ought to support this amendment because of the nature of their constituencies. However, I think I would have to oppose it on the ground that at the moment there is under way some type of arrangement to have a national capital region. I do not believe there has been diversity in respect of the buildings in the national capital area and although I really do not know what the officials of the department have in mind I

believe I would be opposed to the amendment.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Peters) negatived: Yeas 17; nays 30.

The Chairman: I declare the amendment lost.

Mr. Nugent: Mr. Chairman, I should like to ask a question in connection with the minting of coins and the switch to nickel. I am aware that the blanks for nickels have been made at Fort Saskatchewan, Alberta. Is it the intention that the blanks for the new coins which are to be switched to nickel will be made at the same plant and will the Sherritt Gordon Company of Fort Saskatchewan be the exclusive provider of these blanks for the mint?

Mr. Sharp: Mr. Chairman, I am informed that the plant to which the hon. gentleman has referred may not be the exclusive manufacturer of these blanks. We may make some of them ourselves, but we have no intention to switch from this company.

Mr. Nugent: In connection with new coins I am wondering whether the blanks for the quarters and dimes, for instance, will be supplied by this plant at least in part.

Mr. Sharp: Yes, in part at least.

Mr. Bell (Carleton): Mr. Chairman, may I ask the minister what action is proposed by the Royal Canadian Mint in respect of seeking the business of making coins in the currency of other countries? Is it intended that there will be a general promotional job in this regard and, if so, by what means?

Mr. Sharp: Mr. Chairman, I can say to the hon. gentleman that it is the intention of the mint to seek business, I believe the best advertisement will be the quality of our coins and the speed with which we can produce them. The Master of the Mint advises me that his main method will be salesmanship.

Mr. Monteith: Mr. Chairman, may I ask whether certain countries in the world today have their coins minted in other countries?

Mr. Sharp: Yes. This is widespread practice, particularly by the less developed countries.

Mr. Monteith: Therefore this salesmanship would not necessarily be in the western hemisphere?

Mr. Sharp: No.

Mr. Pascoe: In respect of the subsection of new section 14 which refers to "making coins of the currency of Canada" can the minister say whether the $40 coin sets will continue to be available.

Mr. Sharp: This question was asked a number of times during the debate on second reading. The $40 coin sets had to be discontinued. Last September we gave notice of about a month. Perhaps everyone did not see the notice but it was given. The mint is now very busy trying to fill the orders which have already been received. Almost 400,000 sets were ordered. It is a very considerable task not only to produce the coins but also to produce the boxes in which they are mounted. The $4 sets without the gold coins have been discontinued. The number ordered was about one and a quarter million sets. In both cases the mint had to stop taking orders in order to start work on the 1968 coins and in order to check the unlimited demand for coin sets and meet the need for the year 1968, particularly in light of the fact that we must switch from silver to nickel.

Mr. Howe (Wellington-Huron): Were efforts made to see that the centennial dollars and 50-cent pieces were sent in any quantity to individual banks in western Canada so that individuals who wished to obtain one or two would be able to do so?

• (5:10 p.m.)

Mr. Sharp: Mr. Chairman, the orders for the sets of coins, either the $40 sets or the $4 sets, are made directly to the mint itself. The other coins, whether dollars, 50-cent, 25-cent or 5-cent pieces are just distributed generally for public use. The government has no way of controlling the ultimate destination of those coins. An attempt is made by the mint and the Bank of Canada to see that there is an adequate geographical distribution of the coins across the country. Other than that, the government has no control over their ultimate destination, that is, whether they go into the hands of collectors or to the public for circulation.

Mr. Rynard: When the Minister of Finance says "geographical distribution", who is distributing them? Are these coins distributed to

the banks? How do you obtain a geographical distribution?

Mr. Sharp: The distribution is made through the Bank of Canada to the chartered banks which make application to the Bank of Canada for the number of coins they think they need for general use.

Mr. Peters: Is it not a fact that general distribution is not on a geographical basis but is actually made to the headquarters of the banks? Is it not so that distribution on a geographical basis falls within the responsibility of those head offices?

Mr. Sharp: No, the distribution is made through the agencies of the Bank of Canada in various parts of the country. It is not made through the head offices of chartered banks.

Clause agreed to.

On clause 5—*1963, c. 34, s.1(1).*

Mr. Bell (Carleton): Mr. Chairman, clause 5 deals with the exchange fund and this might be an appropriate time to ask the Minister of Finance to express his view regarding the rather vigorous advocacy of a floating exchange rate for the Canadian dollar by the chairman of the Economic Council of Canada. In view of the advocacy of a floating exchange rate by such a highplaced adviser of the government we should have at this stage the most positive assurance from the Minister of Finance that the government has no intention of departing from the present pegged rate of 92½ cents in United States funds and that it intends to use the exchange fund to the limit to protect that rate.

Mr. Sharp: Mr. Chairman, I am quite happy to confirm what the hon. member for Carleton has said. When Mr. Smith made his statement he made it without the knowledge and without the authorization of the government. He did not consult in any way with the government in advance. He made it as a purely personal expression of his views, just as many academics have done. Indeed, I think it was a president of one of the chartered banks who said he thought there was a theoretical case for a floating exchange rate. So far as the government is concerned, our policy is quite clear. It is to maintain the present value of the Canadian dollar and to use our resources to the utmost to defend that rate.

Mr. Bell (Carleton): Did this expression of opinion by such a high-placed adviser of the government have any unsettling effect upon our exchange position?

Mr. Sharp: Perhaps I could say that I regretted very much that Mr. Smith had been led into making a statement of his personal views. I think he regrets that he succumbed to the temptation.

Mr. Gilbert: Mr. Chairman, now that the Minister of Finance has told us what the government policy is, will he tell us the reason we should not revert to a floating exchange rate?

Mr. Sharp: The short answer is because I do not think that a floating exchange rate would be in Canada's interest today.

Mr. Johnston: Mr. Chairman, clause 5 makes mention of the purchase of securities from the International Bank for Reconstruction and Development. When looking at the note in respect of the purpose we find that there are various items the minister is authorized to purchase, including securities of the International Monetary Fund. Is the addition of authority in respect of securities of the International Bank for Reconstruction and Development desired on behalf of the Canadian government in order to improve the resources of the International Bank for Reconstruction and Development or is this simply because it is a good investment? Has the minister any idea how much money would be involved in the purchase of such securities in a year's time?

Mr. Sharp: Mr. Chairman, when my colleague was presenting this bill on second reading yesterday he said that the securities which the exchange fund would expect to purchase with this authority would be special issues of two year central bank bonds which the I.B.R.D. first brought out in 1964 and which are offered only to central banks and other government institutions. These bonds are denominated in United States currency and are offered every six months. The last issue was on September 15, 1967 and was sold to central banks and other governmental institutions of 43 countries, and one international organization. The issue at that time was $1 million United States and carried an interest rate of 5¾ per cent. These bonds are not only a good investment from the point of view of the exchange fund but they represent an indirect way of assisting the operations of the International Bank itself. They serve the double purpose of providing an attractive

means of short-term investment for the exchange fund and a way of providing more resources for the International Bank itself.

Mr. Johnston: Is the minister in a position to tell us at what rate of interest the International Bank for Reconstruction and Development lends the resources it obtains to developing countries in the world?

Mr. Sharp: I am informed that at the present time the International Bank is lending to its customers at about 6¼ per cent, somewhat higher than the cost of the money it has borrowed.

Mr. Johnston: I have one further question. I would be interested in knowing, with all of the interlocking arrangements between the International Bank and the Bank of Canada, whether it would be possible for the Canadian government to refrain from entering into any proposal to purchase securities from this bank?

Mr. Sharp: Yes. There is no compulsion whatever upon the exchange fund to purchase any security if it is believed unwise. However, it is believed that it would be wise to have this authority because these are excellent securities guaranteed by most governments of the world. I cannot think of any better vehicle in which to put our exchange funds today. We are under no compulsion, and if we do not like a particular issue or if it is not priced well there is no reason to make an investment.

Mr. Bell (Carleton): Mr. Chairman, I wonder whether the minister has under hand the statistics in respect of the exchange fund account as of January 1 of this year and as of the latest date for which they are available? Could he indicate what loss there may have been during that period and what loss there may have been immediately subsequent to the statement of the chairman of the Economic Council of Canada? Perhaps I might ask also whether the minister has or could obtain for the committee what the amount was as of the first of the year invested in each of the various types of investments which are listed in subsection 2 of section 22 of the act?

Mr. Sharp: I do not happen to have the information with me but I could remind the hon. member that at the end of January a statement was issued that showed there had been a loss of reserves of approximately $340 million, which was replaced in part by taking advantage of a swap facility with the Federal Reserve Bank to the extent of $250 million, leaving a loss of something of the order of $90 million. I do not have with me the distribution of the securities. My recollection, is, however, that gold forms about $1 billion out of something of the order of $2 billion in reserves, other than the $250 million we used through the swap facility. So it is about $1 billion out of reserves of $2¼ billion, something of that order. I do not have the figures with me but that it is my recollection.

• (5:20 p.m.)

Mr. Bell (Carleton): Mr. Chairman, perhaps the minister could secure the figures and give them to me.

Mr. Sharp: Yes.

Mr. Peters: How much of the fund is held in gold at the present time?

Mr. Sharp: About $1 billion, upon which we earn nothing.

Clause agreed to.

On clause 6—*Earnings.*

Mr. Hales: Mr. Chairman, I ask this question for clarification. As I understand it, in the estimate for the year ending March 31, 1968, there is a vote asking for the transfer of moneys from the exchange fund account for the calendar year 1964. Old section 24 states that profits from the exchange fund should be transferred into the consolidated revenue fund within three months after the end of each year. I am at a loss to know why this was not done and why, therefore, four years later we are changing this act.

Mr. Sharp: This is a technical amendment, Mr. Chairman. The present act provides for the transfer to the consolidated revenue fund at the end of each year of that portion of the exchange fund's net income derived from interest and discounts on the securities held in its portfolio. It does not provide, however, for the transfer of other income realized by the exchange fund, most of which is derived from trading operations.

The Auditor General and the public accounts committee of this house recommended the transfer of these other profits to the consolidated revenue fund and my department undertook to obtain the necessary authority. While we were awaiting an opportunity to open up this act for amendment, we did in fact obtain the authority by an item in supplementary estimates (A) for the fiscal year ending March 31, 1968. This was in vote

23a. This vote authorized the transfer of these other profits for the calendar year 1964 and subsequent years. The amendment in clause 6 of the bill before us will supersede this item. So it is purely a technical change.

Mr. Hales: I thank the minister for his answer, Mr. Chairman. I am glad to know that one more recommendation of the public accounts committee has been crossed off the list.

Mr. Peters: Mr. Chairman, I asked the minister how much gold was being held and he said $1 billion, which was not earning any money. The obvious question to ask is, why are we holding it? Does the minister not see some profit in minting this gold for Canadian currency? We have $16 million of it in gold currency and it cost us only $4 million for the gold. We made a profit of $12 million. I think the minister is overlooking a good bet as Minister of Finance if he does not try minting some of this gold so we can make the same kind of profit that we made last time. Obviously this situation has great profit potential.

Mr. Sharp: Mr. Chairman, may I point out to the hon. gentleman that the minting of gold never produces any profit. Every gold coin has to be worth its intrinsic value in gold. It is not like nickel, in respect of which we will have a lot of seigniorage. The value of a gold coin must be what it says. If you have a $20 gold piece it is worth $20 in gold. I made an offhand comment that the $1 billion we held in our reserves does not earn us anything. This is the reason we do not hold all our reserves in gold. The reason we hold some 40 per cent or so in gold is as a hedge against the possibility that some time the value of gold might be increased.

Clause agreed to.

Clause 7 to 11 inclusive agreed to.

Schedule, Part I, agreed to.

Schedule, Part II, agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: By leave, now.

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

[Mr. Sharp.]

PUBLICATION OF STATUTES ACT

AUTHORIZATION TO PRESCRIBE FORM AND MANNER OF PRINTING

The house resumed, from Tuesday, November 28, consideration of the motion of Mr. Trudeau for the second reading of Bill No. S-18, to amend the Publication of Statutes Act.

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, there was some debate on this bill last November. I have noted the remarks of the Minister of Justice (Mr. Trudeau) at that time and I also took the trouble to read his testimony before the Senate committee which considered this bill. While I do not want to take up too much time of the house, I believe, considering the expressed purpose of the minister in bringing forward this bill, that he is doing more harm to his cause than good.

The simple situation will be that if this intent is carried into effect every lawyer in Canada will be faced with a doubling of the size of the books with which he is dealing, a doubling of the size of the statutes and the field through which he must search in any book to which he refers. I want to make it plain that I have no particular objection to attempting to further the use of the French language in parts of Canada or the use of the English language in parts of Quebec. However, I do not think it can be argued that the method now suggested by the minister is the only way to do it.

I do not think there is any validity in the argument that the minister seems to suggest, namely, that by doing it in this manner there will be more justice for French speaking Canadians because copies of the statutes will be available in the French language. There is absolutely nothing wrong with statutes being printed in English, and in French, with both volumes being available so that one or the other may be used. I cannot imagine a case coming before any court in the land where the trial will not be held in one language or the other.

As a matter of fact, I am sure that in the courts in most parts of this country you will find that English is used almost exclusively, and in some other courts French is used almost exclusively. For the odd, exceptional case the statutes will be available in the other language. Therefore the necessity of having the other language in the road at all times is going to be irksome. Instead of making our second language a cultural heritage which we

will like, treasure and enjoy, it will become an irksome nuisance to those trying to follow their professions in the best way they can. Certainly it would not promote either unity in the country or the further spread of bilingualism if one language were to become irksome and a nuisance in any part of the country.

• (5:30 p.m.)

There is also a practical consideration to be taken into account, namely, the cost involved. The minister said that bilingualism costs little and is worth it. I have no quarrel with that, but if it costs more money because of a wrong approach then bilingualism will not be advanced and money will be wasted. I think it is perfectly proper to point out that it will be more expensive to print bilingual statutes, not just for the government but for everyone across Canada who refers to them, because if the statutes are printed in the manner suggested by the minister we will have to pay the cost of both sets. Certainly my own law office has little use for a French set and I am sure there are many law offices in Quebec city which have no use for an English set. The government will have to pay the cost of printing both sets, and each individual in Canada will have to assume the cost of both whether or not he uses them. I think this is an imposition and I see no justification for it.

There is another matter which concerns me greatly. A suggestion has already been made that one way of dealing with this matter would be to resort to finer print in order to have both versions on the same page and so that the size of the volume would not be too great. I suppose that for thinner paper to be strong enough it would have to be of higher quality and therefore more expensive, so that this suggestion might result in greater expense. The idea of finer print bothers me. Certainly legal work is hard on the eyes because it requires constant reading and reference to statutes and case books.

I am amazed that the Minister of Justice is setting out to reduce the size of print in order that both languages may be contained in the same book because in this way he may create difficulties for lawyers across Canada. I believe that many lawyers, especially those getting on in years and having trouble with their eyes, might take this as a personal affront. I do not want to sound as if I were getting too close to that age but as I wear glasses I think I can speak with some authority on this subject. When I was in my early thirties I could read all day and never get tired but now that I am getting on in years I become tired after reading for a couple of hours. If the minister has his way I might have to have someone read to me after I have passed the age of 50.

I should now like to review some of the minister's arguments before the committee. He said that his purpose is to ensure that justice is available. This sounds very good and I am certain the measure he has proposed is one way of ensuring that people can be heard in either language before the courts. But surely the mere fact that we have to refer to one book or another instead of having both languages in the same book would not affect the availability of justice. The minister argued that lawyers in court will frequently find it useful to have the French version of a section readily available in order to clarify a legal point so that the court may understand more clearly what parliament meant in the legislation. To that I say that it seems to me that ten times more often the French version would be used in order to confuse the issue if a lawyer felt he was losing his argument. I do not think much would be gained by it.

While in the city of Edmonton there are not many bilingual lawyers, I have often appeared before a bilingual judge and have been opposed by a bilingual counsel. Yet I have never heard them refer to a French version for assistance. In fact, I suggest that in many cases the judge would be displeased with what I consider would be an additional complication, particularly in view of the fact that there can be no literal translation of either language. Therefore resorting to another language would in most cases be an added complication rather than assisting in understanding the legislation.

I think the strongest argument used by the minister in favour of this measure is based on his feeling that it would assist in the spread of bilingualism in Canada and that it would give the French speaking people in western areas, for example, a greater feeling of security in the knowledge that the statutes are available in their own language. It has been my feeling for some time, which has been confirmed by some friends of mine who are concerned about the lack of understanding in western Canada of the views of French Canadians on the subject of bilingualism, that this subject has not been taken seriously enough here in Ottawa. We in western Canada are accused of not taking our French friends seriously enough. In a previous speech

in the house I said that this lack of understanding is one of the greatest dangers we face in this country today because it leads to suspicion and distrust, which in turn leads to resentment and then to enmity. There can also be resentment when things are not done the right way. If I am correct in my argument that the citizen's right to obtain justice in either language is protected by the availability of two volumes, one in English and one in French, then the minister's suggestion that both versions be available in one volume would only serve to promote bilingualism, and the right to justice would not be protected by this proposal.

The minister may have a point, if I have understood his argument correctly, but I do feel that the point made by the hon. member for Winnipeg South Centre (Mr. Churchill) last November should be considered a little more seriously. There are many courts in large sections of our country where the use of French is completely non-existent. In a few areas French is used in the courts on rare occasions. I suppose also that there are areas in Quebec where the use of English is very infrequent. Therefore, a vast majority of lawyers in Canada deal in one language most of the time, and whether or not a lawyer is fluently bilingual he knows before going to the court in what language a case will be conducted. In such cases the second language is really redundant. Yet on every occasion when a lawyer goes to court he will have to carry with him statutes in both languages, which may perhaps be a nuisance and irksome to him. He would have the constant reminder that his books were costing him more, that they were taking up more room on his shelves and that the paper was thinner. He would have the constant reminder that he must try to read finer print. All of these constant and irksome reminders would serve to recall to the people of this country that we are a bilingual nation. If these books are to serve only as reminders of our bilingualism and must take this irksome form, then I say to the Minister of Justice he is not helping the cause of bilingualism, he is not helping the cause of unity and understanding.

• (5:40 p.m.)

I suggest to the minister that he should look more closely at this proposal. It may well be that in another 20 years when the provinces have moved in the field of education to the extent that we have a whole new generation that is truly bilingual, when all aspects and advantages of bilingualism have spread across the country, there may be a more general acceptance and understanding of this proposal. I am suggesting to the minister that at this juncture in our development the printing of the statutes in the manner in which he would like to see them would not be an asset but rather an irksome nuisance. He would, therefore, do his cause much harm by this proposal.

Since the minister has suggested that the revised statutes are going to be in this form he may be well advised to wait until the revised statutes are published and distributed across the country. He can then ascertain how they are received. If the minister finds that in the west, for instance, there is no particular feeling about it, that it does not give rise to these feelings I fear, then he could proceed with this suggestion. I hope that for the sake of greater understanding and a broader acceptance of bilingualism in this country the minister will take a good look at this suggestion.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I am pleased, on examination of this bill, to pay tribute to the hon. Minister of Justice (Mr. Trudeau), sponsor of the bill, and to emphasize the admiration we all felt during the constitutional conference.

We were given a chance to appreciate the exceptional work he has done and to admire the truly unique competence with which he set forth his views during the conference. I do not think I am exaggerating when I say that, if the conference was the success it was generally recognized to be, the contribution of the hon. Minister of Justice was truly outstanding.

I feel that he expressed, during this conference, a philosophy we can trace back to the testimony he gave before the Senate committee on banking and commerce. We really find in it the essential basis on which will inevitably rest the Canadian unity that we are on the point of achieving. If it does not yet exist to the extent that the existence of a Canadian ideal could be generally recognized, it is precisely because the French fact has never been accepted, in some parts of the country, as a typically Canadian asset.

When listening to the hon. member for York-Humber (Mr. Cowan) we know that he no doubt speaks with deep conviction and sincerity, but he represents that very minority group in Canada which has always refused to consider the French fact as one of the

greatest assets which enables the Canadian people to be distinguishable from our neighbours to the south, the Americans. And this is fundamental, if Canadian unity is to be strenghtened for future generations.

In his evidence before the Senate committee, the minister expressed most clearly the views of all those who advocate Canadian solidarity. There was never any question of forcing a language upon anyone; any attempt to do so would be anti-democratic, and we would then have to condemn such a philosophy, such an attitude.

This fact remains, Mr. Speaker: The younger generation of Canadians, either French-speaking or English-speaking, really believe that the French fact is an asset for Canada. If the older generation is somewhat surly and rather unwilling to make such a concession, it is normal. The hon. member for York-Humber said the other day: Since Wolfe, French-Canadians are a conquered people. He is not to blame for expressing such a thought; he has lived, he was educated and he has grown old in that atmosphere.

The younger generation, however, disputes such remarks. I had the opportunity to talk—

Mr. Speaker, I wonder whether the minister is looking at me because I have been speaking too long.

Mr. Trudeau: I am admiring you.

Mr. Choquette: Thank you. I had the opportunity to speak before several university audiences outside Quebec. There is always a great deal of applause when one says to Canada's younger generation: "The French fact is still the strongest feature that distinguishes you from the Americans". Our young Canadians do not want to become Americans. We have heard Americans visiting Quebec city ask us: "Why don't you join the American flag?"

Why were they asking such a question, Mr. Speaker? Because they could not see any difference between Canada and the United States.

They thought that Canada was a wholly English country, and English the only language in use. But when you say to young English Canadians that the French language and culture are live and active factors in the country, they feel proud. I would like here the hon. member for York-Humber to imitate these feelings of the younger generation and revise the erroneous philosophy to which he holds so obstinately.

But why all these words, when we are dealing with a seemingly rather insignificant bill? It is precisely because it has symbolic value. And I am only repeating what the minister said before the Senate committee. There is symbolic value in this. Why print the French text besides the English text?

If you want to consider the political aspect of the question, because the legal interpretation aspect—I will come back to that later—has been strongly pointed out, and besides cannot be ignored under the circumstances, it acquires thereby a symbolic value, for by placing the French version besides the English version there is affirmed to the whole country that we have really bilingual institutions.

In the province of Quebec, there are lawyers practising law in Chicoutimi, Rimouski, Quebec city and distant municipalities where the English language is never used. Yet the statutes of the province of Quebec are printed in both languages. There may be extremists who will question that, but people of good will, serious people willingly accept it. We have the French and English versions side by side in the statutes of the province of Quebec, but we would never think of denouncing that fact as a situation through which we might be unduly coerced. Nobody would think of doing that. The phenomenon is accepted, and we are happy to tell the people of the province of Quebec: "English is a language, and the more familiar you become with the English language and culture, the richer your personality will be".

What we would really like in order that the cultural equality spoken of during the constitutional conference these last few days might become an actual fact, would be for people such as the hon. member for Winnipeg South Centre (Mr. Churchill) and the hon. member for York-Humber to say one day: "If we want to enrich the personality of all Canadians, we should all have a better knowledge of the two languages and the two cultures, for that is an important factor in our development and in the enrichment of our personality. There is nothing revolutionary in this theory, Mr. Speaker. That should be accepted.

The legislation before us is intended to allow printing the English text beside the French text. But some members, including the hon. member for Edmonton-Strathcona (Mr. Nugent), argue that it would result in additional expenses. That is obvious, Mr. Speaker.

Simultaneous interpretation in the house is an added expense. Bilingual inscriptions

and all the translation system cost more money than if we did not need them, as in unilingual countries.

But, as the provincial premiers gathered around the constitutional conference table have proclaimed, what we want to establish is language equality. It is a very symbolic way of acknowledging in practice this principle of cultural and bilingual equality. It is a matter of friendly coexistence between the two great Canadian communities. This is the only way, Mr. Speaker, to make Canada a strong and progressive country. In fact, it is the only way to break through the psychological barriers which have been existing for one hundred years, namely that French Canadians do not feel at home when they are outside Quebec.

This is a psychological separatism, a linguistic separatism which inevitably leads to the demand for political separatism. I think that if the hon. members opposite wanted to get inspiration from the spirit which prevailed during the constitutional conference, they would quickly share the spirit which prevails in the bill now under consideration.

Mr. Speaker, on page 51 of the report of the committee on finance, trade and economic matters, a remark can be found which, in my opinion, sums up pretty well what was said by the hon. minister himself when Senator Everett said to the hon. Minister of Justice:

• (5:50 p.m.)

[*English*]

So you would say then, Mr. Minister, that by printing the versions side by side you improve the degree of interpretation that is available to the lawyers and to the courts?

[*Translation*]

The hon. Minister of Justice then answered:

[*English*]

That is exactly my point, Mr. Chairman.

[*Translation*]

Mr. Speaker, we cannot find a more concise and striking formula to outline the basic question of judicial interpretation.

If both texts are official, if both texts can be used to enlighten the court, they must be readily available to those responsible for the interpretation of the laws. The hon. member for Edmonton-Strathcona said, and this is an argument which should be considered seriously: Lawyers never use the French text; to my knowledge, I have never seen anyone consult the French text.

Does the hon. member for Edmonton-Strathcona realize, however, that if the French text were more easily available to lawyers, perhaps they would then remember to refer to it. In my opinion, there are many English-speaking lawyers, who are members of the Canadian bar and who are well versed in French, enough at least to read it, if they cannot speak it fluently.

I think that the Prime Minister is a perfect example of that type of bilingual Canadian whom we would like to see more numerous in Canada. He understands French quite well. We can speak to him in French and even if he answers in English, because he is unable to express himself correctly in French, he can at least grasp its subtleties.

Besides, no one would like a Canadian to feel that he has to learn another language and here I have to disagree with the hon. member for Lapointe (Mr. Grégoire)—and I am sorry he is not here—when he says in this house: Are you going to give us bilingual constables? I think that is heresy. How can we ask constables to be bilingual when the members of parliament are not? There is no better way to create prejudice, ill-feeling and resentment. We are not asking that the constables be bilingual; we are asking that the French Canadians who come to parliament be able to make themselves understood in their own language. But a constable must never be forced to be bilingual to keep his job.

So, Mr. Speaker, I wanted to put the record straight about this matter of bilingualism and show that claims as ridiculous as those of the hon. member for Lapointe may create prejudice, resentment, incomprehension and a hardening attitude. The result is that it is difficult afterwards to obtain what we want.

After all, our claims are legitimate: That the French fact be an enrichment for Canada, that the English-speaking Canadians be proud of the existence of the French fact, since it is the best way to distinguish ourselves from Americans. If that attitude, that doctrine were accepted, Canada would be strengthened and more unified.

[*English*]

Mr. Johnston: Mr. Speaker, may I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions will be raised at the time of adjournment: the hon. member for Carleton (Mr. Bell), Public Service; the hon. member for York South (Mr. Lewis), Education; the hon. member for Bruce (Mr. Loney), Indian Affairs.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

PRIVATE BILLS

THE BELL TELEPHONE COMPANY OF CANADA

The house in committee on Bill No. C-104, respecting The Bell Telephone Company of Canada—Mr. Honey—Mr. Tardif in the chair.

On clause 1—*Abbreviated name.*

The Assistant Deputy Chairman: Order. House in committee of the whole on Bill No. C-104, respecting The Bell Telephone Company of Canada. Shall clause 1 carry?

Mr. Cantelon: Mr. Chairman, it is not my intention to hold up passage of this bill as amended to any extent. It has had exhaustive treatment in the transport and communications committee over a period of more than a year. During that time many firms presented evidence criticizing two aspects of the original bill, first, the clause that would have given Bell the power to issue stock without any measure of control either by the transport committee or the securities board and, second, the extension of powers to engage in any business or purchase or development whether related to the communications field or not. There was also the thought that the powers Bell asked for would enable them to enter the broadcasting field.

I think I am correct in saying that the members of the transport and communications committee realized that to a large extent these objections were valid. It pleases all of us to know that when the company understood our objections and those raised by so many other people they showed their good faith as corporate citizens of Canada by suggesting amendments to correct both these complaints to which I have referred. On this basis, Mr. Chairman, we are pleased to support the bill as now amended and feel the company should be commended for its co-operative attitude.

• (6:00 p.m.)

Mr. Herridge: Mr. Chairman, I have a few opening remarks to make on this bill. I realize that it is an important private bill as it affects the people of Ontario who are telephone subscribers and the employees of the company. For this reason hon. members have a distinct responsibility to all concerned to make certain that the bill is as satisfactory as possible in the circumstances which exist today. I think this was the general attitude of the standing committee in dealing with the bill. I know that a considerable time was spent hearing representations and considering the views of hon. members.

It is a somewhat unusual situation for me to be speaking on a bill concerning the affairs of a giant monopoly, the Bell Telephone Company of Canada. I happen to be speaking as president of what is possibly the smallest telephone company in Canada, the Nakusp-Galena Bay Telephone Company which has operated a 40-mile double-wire telephone line for many years. It has been operated for service only and exists because these big monopolies decline to operate in areas where there are so few subscribers and where the physical conditions are so severe. I might say we have never declared a profit and that our assets are now in the lap of the gods, which in practice means they are subject to the decision of the British Columbia Hydro and Power Authority. All we can do is hope and pray so far as the future is concerned. However, I do know something about the difficulties of maintaining and operating telephone lines in circumstances which these large companies would prefer to avoid, and for this reason I have been interested in following the bill in committee and considering the evidence placed before it.

I have one or two question I should like to ask the sponsor. Can the sponsor assure us that the company told the truth to the committee or that the company has presented all the facts to the Board of Transport Commissioners? Is it a fact that the company has a loan capital of $400 million which is included as investment capital so far as the company is concerned? I have been told this is so but I do not know whether it is correct. Again, will the sponsor, when we reach the appropriate clause, inform this committee about the

objections which were raised to certain amendments as a result of representations made by members of the committee and others? The previous speaker referred to this subject, and I understand the company was willing to make certain amendments. I should also like to ask the hon. member whether this bill gives the company a monopoly over research related to this type of enterprise. When this bill is passed in its amended form, what particular advantages will it give to the company concerned? We shall have some further questions to ask when we reach the clauses dealing with these matters.

Mr. Peters: Mr. Chairman, we in this group have been very interested in the operation of the Bell Telephone Company and its financial structure. While it is true that the committee devoted more careful consideration to the bill before us than was forthcoming in the case of the measure presented some years ago, there are still several matters to be resolved.

The problem facing us in connection with the setting of rates for Bell Telephone services arises from the fact that Bell has a wholly-owned subsidiary engaged in both manufacturing and research. I do not criticize Bell for making these arrangements. In fact, I believe the company is wise to use this method of ensuring the services of a research organization and of a factory which can manufacture material for its use as well as produce equipment on a competitive basis for the use of others engaged in telecommunications. As I say, the problem arises from the fact that in these circumstances there is really no way in which one can correctly assess the amount of money which is put into Bell by Northern Electric or which flows in the reverse direction. The task of the Board of Transport Commissioners in setting rates is made virtually impossible.

The company has appeared before the board in recent years seeking a profit level higher than that which the board had set. Recently it persuaded the board that it should be allowed to raise its level of earnings to 7.2 per cent from approximately 6 or 6½ per cent. I understand from one of my hon. friends that the company has not agreed to the separation of Northern Electric from its operations. In wishing them to divorce their operations we do not object to Bell having a controlling interest or ownership but we do believe stock should be made available so that others can buy into Northern. As long as we allow Bell to give stock options to its employees, and it is debatable whether we should, Northern Electric employees should be allowed to buy stock in that company or in Bell if there is no Northern stock available.

• (6:10 p.m.)

A number of worth-while amendments have been made to the bill but I think the Bell Company should be forewarned that the next time it comes before parliament it should be prepared to give up sole control and ownership of Northern and of any research facilities which it provides. One of my colleagues asks why I should pick on Bell. Simply because that is the company involved in this bill. My remarks could apply equally to C.P.R. or any other major company operating in the public utility field. Rates are set for the C.P.R. by a public agency, but the subsidiaries of the C.P.R. do not make reports to the controlling agency. As a result a confused picture can be presented to the board which we have appointed to fix rates. As a matter of fact, the members of the board are to be criticized for not requiring such subsidiaries to report to it.

The members of the standing committee have done a thorough job in examining this bill and I am willing to accept the decisions they have made. However, as I say, the Bell Company should be warned that there are members of this house who will not treat it leniently in the future unless it is prepared to let the regulatory board have full information about its subsidiaries.

Mr. Honey: Before we pass clause 1, Mr. Chairman, I wish to express thanks to the chairman and members of the standing committee who worked diligently and carefully on this rather complex, involved legislation. As hon. members have indicated, they made very substantive changes to the bill, which were agreed to by the Bell Telephone Company. These changes were worked out in conjunction with the officers of the company.

I should also like to deal now with the matters raised by the hon. member for Kootenay West now because some of them cover more than one clause. But before doing so I wish to say that when we reach clause 7, which is new clause 6, I understand the hon. member for York South will move an amendment to subclause 3 which will be of a minor nature. I shall also move an amendment to subclause 4 of that clause which will involve a rewording suggested by the Department of Transport counsel and concurred in by the Department of Justice and Mr. Henry.

I know that the hon. member for Kootenay West has some considerable experience in the telephone business. I do not claim any particular competence but I will do the best I can to give him the information he has sought. On the question of whether or not the officers of the Bell Telephone Company gave truthful and accurate information and testimony to the standing committee, I can only say to my hon. friend that I am satisfied they did, and were I not so satisfied I certainly would not act as sponsor of this legislation.

The hon. member also raised something which he said he had heard. He was not specific with respect to details, but I made a note of his remark concerning loan capital of $400 million included as investment capital. I have here the balance sheet included in the 1966 annual report of the Bell Telephone Company of Canada and I refer my hon. friend to that report. Under "Investments" it indicates subsidiary companies. There are some eight or nine subsidiary companies. I checked with the head office of the company today and am informed that its total investment—this is at cost—in those subsidiaries is $178 million in round figures. I quote the following from the balance sheet to which I have referred, under the heading "Other Companies":

> 5.9 per cent of the preferred shares and 53.7 per cent of the common shares in the Maritime Telegraph and Telephone Company, Limited. Direct ownership, without voting control, acquired in September, 1966; market value at December 31, 1966: $38,194,000.

My up to date information today is that the market value of those shares is now approximately $52 million. The only other item under "Investments" in the balance sheet refers to the special refundable tax, which is $6,464,000.

The hon. member for Kootenay West also asked me for information about objections raised and about amendments. I think he was probably referring to amendments made in the committee. These are set out in *Votes and Proceedings* of Wednesday, February 7. They are substantial, and I have already given credit to members of the committee and the officers of the company for working in cooperation with each other.

• (6:20 p.m.)

There are still many matters of importance to the company in this legislation. One is the updating or refurbishing of much of the terminology used. The word "telecommunications", for example, which is used throughout as an amending word in this legislation brings the legislation into line and consistent with other legislation of parliament such as the Radio Act, the Criminal Code and the Broadcasting Act. The general counsel of the Bell Telephone Company, when he appeared as a witness before the committee, said that the refurbishing of the language brought their legislation into the jet age, I believe he said.

A second matter of importance to which the hon. member for Kootenay West referred has to do with the power given in the legislation to invest in research and development companies. This particular power may have been available to the Bell Telephone Company but it is now clarified and I believe made explicit in this legislation. As other hon. members mentioned this afternoon, the amendment to which I refer now limits the Bell Telephone Company to confine its investment in research and development to companies engaged in telecommunications research and development. I believe I can answer my hon. friend's next question by saying, in my opinion in any event, that this does not give the Bell Telephone Company a monopoly in this field. Perhaps I might read the amendment. It reads as follows:

> Delete and substitute therefor new clause 7 as follows:
>
> "7. For the purpose of carrying out its corporate powers the Company is empowered to purchase or otherwise acquire, and to hold shares, bonds, debentures or other securities in any other Company engaged in research and development work in areas of inquiry that relate to the objects of this Company—

I think those words are important because they confine the Bell Telephone Company's investment in research and development to companies which are doing research and development in the area which Bell may pursue under the objects of the Bell Telephone Company.

> —and to sell or otherwise deal with the same, provided—

These words are important.

> —that such other company, not being a subsidiary of the company on the date on which this Act comes into force,—

Of course, that provision is there to save whatever rights the Bell Telephone Company has in respect of investments and so on with regard to the Northern Electric Company.

> —does not manufacture products for sale to the Company or to other customers."

In the last provision the Bell Telephone Company is excluded from investing in general terms in a manufacturing company save in respect of the provision for the Northern Electric Company.

Mr. Sherman: I wonder whether the hon. member might be in a position to alleviate the anxiety of some parties concerning this clause. With regard to subsidiaries, or possible or potential subsidiaries, of manufacturing companies and outlets referred to in the proposed legislation, can the hon. member assure the house that he believes the companies operating under the aegis of the Bell Telephone Company at the present time, such as the Northern Electric Company and other companies which might be added to that kind of corporate structure or operation, would be prohibited from themselves investing in subsidiaries which will be involved in manufacturing processes?

Mr. Honey: Well, even if I were qualified to do so I would not wish to give a legal interpretation. My observation, however, is that the answer is explicit in the wording of the amendment which restricts the Bell Telephone Company to investing in research and development work in the areas I have mentioned with the following exception. I will read the exact words:

> —provided that such other company, not being a subsidiary of the company on the date on which this Act comes into force—

Therefore I think the interpretation of the amendment is that it saves to the Bell Telephone Company the authority to invest in what the wording says, that is, a subsidiary of the company on the date on which the act comes into force. To conclude my answer to the question asked by the hon. member for Kootenay West I should like to offer this for what it is worth. I think it is quite clear that the amendment in no way gives the Bell Telephone Company a monopoly in respect of investment in research and development companies. It merely says that the Bell Telephone Company may make an investment in those companies. This in no way, of course, inhibits other investors in the same company.

Then the hon. member for Kootenay West asked what particular advantage this legislation gives to the Bell Telephone Company. I have mentioned the refurbishing of the wording in the old Bell Telephone Company act. I also mentioned the powers to invest in research and development within the limitations set out in the amendment. An important amendment, of course, is the increased capitalization which is authorized in the bill and which, as the officials of the company indicated in detail before the committee and as I indicated on second reading of this legislation, is important to the company's immediate expansion programs.

Then there are some things contained in the legislation that are important to the company which we might generally put under the heading of housekeeping legislation. These have been discussed in the committee. These include housing plans for employees, the right for the company to issue preferred shares if it deems it necessary to do so, the establishment of an executive committee within the framework of the company's bylaws, the right to make loans to employees and retired employees who may be temporarily in some sort of financial distress. These are all things which are important to the company and very helpful.

I hope that answers the questions. With the amendments which are before us it is important that this legislation may go ahead as soon as possible.

Mr. Herridge: Mr. Chairman, I should like to thank the sponsor of the bill for answering as fully as possible the questions I asked. If this bill has been amended as a result of representations made by members of the committee to the company, then I should like to congratulate the company for listening to the opinions of the members of the committee and for accepting the amendments which have been proposed.

The Assistant Deputy Chairman: Shall clause 1 carry?

Clause agreed to.

Clauses 2 and 3 agreed to.

The Assistant Deputy Chairman: Clause 4 has been deleted by the committee on transport and communications.

Clauses 5 and 6 (renumbered clauses 4 and 5) agreed to.

• (6:30 p.m.)

On clause 7 (renumbered clause 6)—*Power to operate communication system.*

Mr. Lewis: I am just writing my amendment to this clause, Mr. Chairman. I move:

> That clause 7 of Bill C-104 be amended by inserting in subclause (3) thereof the word "common" between the words "as a" and the word "carrier" in the second line.

Subclause (3) would then read:

The company shall, in the exercise of its power under subsection (1), act solely as a common carrier—

We were told at the committee hearing that there is not really any definition of a "common carrier". In the same sense I do not imagine there is a definition of the word "carrier". My purpose in moving the amendment is to make it clear that as far as the words "common carrier" are concerned, they place an obligation on the carrier to make its facilities available to whoever wants to be a customer of that company. I do not know anything about the law in this regard, but I do have the impression that the term "common carrier" is likely to carry the implication that the company is obliged to rent its services, subject to tariffs, regulations and requirements, to any one who legitimately asks for them.

Without the word "common" that implication may not be quite so clear and it is for that reason I move this amendment. I may say I have spoken to the sponsor of the bill in respect of this matter and I understand he has no objection to the amendment.

Mr. Honey: That is correct, Mr. Chairman.

Amendment agreed to.

The Assistant Deputy Chairman: Shall clause 7 as amended carry?

Mr. Honey: Mr. Chairman, I mentioned that there was another amendment which is not of a substantive nature in respect of subclause (4) and subclause (5). I should like to say a few words about this amendment, but before doing so, and if the committee agrees, I will put the amendment and then explain the purpose. I move, seconded by the hon. member for York Centre:

That all of old clause 7, new clause 6, from and including subclause (4) be deleted and the following substituted therefor:

"(4) For the protection of the subscribers of the Company and of the public, any equipment, apparatus, line, circuit or device not provided by the company shall only be attached to, connected or interconnected with, or used in connection with the facilities of the Company in conformity with such reasonable requirements as may be prescribed by the Company.

(5) The Canadian Transport Commission may determine, as questions of fact, whether or not any requirements prescribed by the Company under subsection (4) are reasonable and may disallow any such requirements as it considers unreasonable or contrary to the public interest and may require the company to substitute requirements satisfactory to the Canadian Transport Commission in lieu thereof or prescribed other requirements in lieu of any requirements so disallowed."

Mr. Walker: Mr. Chairman, with the consent of the mover I should like him to select a seconder other than myself.

Mr. Lewis: The hon. member does not need a seconder in committee.

The Assistant Deputy Chairman: There is no need for a seconder when the committee is sitting.

Mr. Lewis: Mr. Chairman, I have no question to raise with regard to the rewording of subclause (4) of the old clause 7, new clause 6, because it really is precisely the same thing passed by the committee. However, there are two important omissions from new subclause (5). I should like to have an explanation from the sponsor. Perhaps he can persuade us that these omissions are not of any consequence.

The original subclause (5) gave a person affected by a decision by the company with regard to a foreign attachment the right to go to the board in an attempt to have that board declare that the foreign attachment is all right because the requirements of the company in a particular case were not reasonable. Perhaps I can make that clear.

As I understood the evidence given to the committee it was that any time there is a foreign attachment and the Bell company wants to make sure that the attachment is of such a kind it fits into the circuit, the line or the equipment of the company—

Mr. Cantelon: That it is compatible.

Mr. Lewis: Yes, compatible was the word used. I know nothing about the industry, but it is obvious to anyone that if the attachment is not compatible it might cause trouble to other customers of Bell, or to the equipment Bell has to which the foreign attachment is attached. For that purpose the company was going to have reasonable requirements. We were informed that at the present time the company would make some investigation of the inside and outside of the foreign attachment to make sure it was compatible. According to the wording now in *Votes and Proceedings*, if I attached something, and I am not likely to, and Bell told me I could not do it, I could go to the Canadian Transport Commission and present my case. If the C.T.C. declared that Bell's requirements were unreasonable, then my attachment would be all right.

The difference in the present wording as I read it, is that there is a sort of general

declaration as to whether or not the requirements are reasonable, without the person affected being involved in an appeal to the commission. If I am wrong in that perhaps the sponsor can set me right. It seems to me important that the person affected by the decision of the company should be able to go directly to the commission and have his grievance settled by it, instead of having to read some new requirements which have been promulgated by the commission in lieu of the requirements the company had.

The second change seems to be of perhaps more consequence. The original subclause (5), which is now in *Votes and Proceedings*, provides for a public hearing in the case of a person affected making an appeal, because the word used was not "may" but "shall". It said that the Canadian Transport Commission shall hold public hearings to determine the effect of the attachment. There is no requirement for any hearing at all as a result of the amendment moved by the sponsor, and there is certainly no requirement for a public hearing.

It seems to me, because this has been done before in other cases, that what this would mean is that Bell would promulgate requirements and send them to the Canadian Transport Commission. The railway committee, or whatever it is called, of that commission would look over the requirements and send Bell a letter saying its requirements were not unreasonable; and that would be that.

• (6:40 p.m.)

Any person who was later affected by a decision of Bell Telephone that a foreign attachment was undesirable would be stuck by a decision of the C.T.C. made in its own executive sessions, or by some officer of the commission on the basis merely of a submission of the regulations of Bell Telephone to the commission.

It may be that I have missed some points, and if so, I would be very glad to be enlightened. But because of these two rather fundamental changes, I personally feel uneasy about the wording of new subclause 5 and I am not ready at the moment to support it unless I am persuaded otherwise.

Mr. Bell (Saint John-Albert): Mr. Chairman, this amendment is somewhat complicated and we have just seen it for the first time. It seems to me that it is a new proposition. I for one did not get as excited as some others in the committee about this matter of foreign attachment generally. I think the hon. member for Waterloo South first proposed this amendment and other members presented their views in brief. The hon. member for Waterloo South felt there should be an appeal for individuals. I pointed out to him the impractical nature of the suggestion, but nevertheless I think the right of appeal should be included in the act.

[Mr. Lewis.]

The amendment says that the Canadian Transport Commission should be involved in this question, whether there is an appeal or not. These are two different propositions. I do not say they are in conflict, but I would not at the moment want to vote for one as against the other. I think the right of appeal that now exists for an individual should be there. I do not think it is practical, I think it will be quite costly, and I doubt whether too many persons will act under this provision. However, I think it is right that it should be there.

The amendment that has been introduced places some onus and responsibility on the Canadian Transport Commission, but we do not know how far they will go in these matters. I suggest that in order to be practical, we retain the old section 5 and make this new provision section 6. Then if there is any conflict in it—and looking at it quickly, I do not think there is—it can be caught in the Senate. The Senate will have noted the debate here tonight.

Then we will have satisfied those on both sides of the question. We will have satisfied those who feel there should be a right of appeal for the individual who believes he is aggrieved. I point out that there is not any third party right per se, anyway, in these foreign attachments. But if an individual feels he has a case, he should have a right of appeal.

I believe that now this matter has been raised, even though it is not too practical and will be a costly procedure, it would not hurt to have the Canadian Transport Commission involved in the question. They could look into the matter that has been mentioned by the hon. member for York South—and I recall asking questions about the interpretation of the word "reasonable"—with regard to what are the "reasonable requirements" that may be prescribed by the company.

Therefore in order to avoid an impasse tonight and in an effort to be co-operative, I think it would be possible to leave in the statute the old section 5 and include this amendment as section 6. If there is any conflict, it will be caught in the Senate. Then we will make everybody happy.

Mr. Honey: Mr. Chairman, I have noted the remarks of the hon. member for York South and the hon. member for Saint John-Albert and I appreciate their concern with respect to the amendment. If I had taken a little more time when dealing with the amendment I would probably have been able to alleviate their concern. However, I think I can do that now.

As I said earlier, there is no change in the substantive provisions as a result of the amendment. The reason is that the right of appeal, the right of third parties, and so on, is provided in the provisions of the Railway Act, and are now the law of the land. These provisions give the Canadian Transport Commission the right to hear appeals. This amendment was made and offered to the committee at the instance of the Department of Transport. I have here a letter from the chief counsel of the department, Mr. Fortier, which I will table if hon. members wish. As I indicated earlier, the amendment was concurred in by the Department of Justice and by Mr. Henry who was a witness before the committee. Perhaps, Mr. Chairman, I could read Mr. Fortier's letter. It is addressed to the general counsel of Bell Telephone Company and reads as follows:

Dear Sir:

I enclose herewith as agreed in our telephone discussion of today the draft paragraphs (4) and (5) of clause 7—

That is now clause 6.

—of Bill C-104, as prepared in the Department of Justice.

This matter was raised by the Department of Justice and they felt it would be better legislation and more in conformity with existing legislation if these amendments were made. Mr. Fortier's letter continues:

In connection with the said redraft made by Justice the officers of the said department point out as follows:

"It seems to me—"

I am here quoting what the Department of Justice said.

"—that if subsections (4) and (5) are set out more or less in line with those set out in my redraft, we will have effectively invoked—"

I think this is the important thing.

"—sections 33 *et seq* of the Railway Act, including sections 51, 52 and 53. Not only would aggrieved persons be able to complain to the Board and obtain a hearing but so also would the Minister of Transport."

I think this is important, because under the Railway Act the Minister of Transport would have the right to intervene in this sort of hearing, and he would presumably intervene in the interests of the public, whom he represents as a minister of the crown. That provision was not made in the original amendment of the committee. Perhaps we did not think of it at the time. The original amendment gave a right to the subscriber to complain but did not give the right of intervention to the Minister of Transport. This letter continues:

"In addition, the Canadian Transport Commission could of its own motion interject itself into the matter where it deemed it in the public interest to do so."

So the Canadian Transport Commission could also intervene. Then the letter says:

"Subsection (5) is taken from a provision of the Railway Act applicable to telephone companies in respect of discriminatory tolls and should work for your purposes."

It is suggested that it may be considered advisable in the circumstances to suggest an amendment to clause 7 when Bill C-104 is being reviewed on second reading—

I imagine that Mr. Fortier meant when the bill was being reviewed in committee of the whole.

—in order that paragraphs (4) and (5) of clause 7 meet the legal requirements involved.

I tried to obtain a copy of the Railway Act just now and I apologize to the committee for not having it here, but I have not been able to obtain a copy yet. However, I am advised that section 13 of the Railway Act will provide for public hearings in these circumstances, and with regard to the other sections of the Railway Act, as the officer of the Department of Justice indicated:

• (6:50 p.m.)

Subsection 5 is taken from a provision of the Railway Act applicable to telephone companies in respect of discriminatory tolls and should work for your purposes.

If hon. members are concerned about this, I would be the last one to try to impose my opinion on them without being able to produce the provisions of the Railway Act, which I am sorry I cannot do at the moment. But it seems to me that what we are doing by the proposed amendments is to co-ordinate provisions which are already in the Railway Act and which we have in effect duplicated, perhaps without knowing we were doing so, because when the committee discussed this matter I did not know that the provisions were already in the act. So what we are doing by the suggested amendments is to bring the Bell Telephone Company bill as amended in line with the existing legislation.

The hon. member for York South was concerned about subscribers having a right to go to the board. May I say with respect that this is covered by subclause (4) as amended which reads as follows:

(4) For the protection of the subscribers of the company and of the public, any equipment, apparatus, line, circuit or device not provided by the company shall only be attached to, connected or interconnected with, or used in connection with the facilities of the company in conformity with such reasonable requirements as may be prescribed by the company.

Subclause 5 reads:

(5) The Canadian Transport Commission may determine, as questions of fact, whether or not any requirements prescribed by the company under subsection (4) are reasonable and may disallow any such requirments as it considers unreasonable or contrary to the public interest and may require the company to substitute requirements satisfactory to the Canadian Transport Commission in lieu thereof or prescribe other requirements in lieu of any requirements so disallowed.

The right for the subscriber to apply to the board, as I understand it, is given in section 13 of the Railway Act, so we do not have to repeat it in this legislation. Having established that fact, we then have subclause (5) which I read to the committee. So I think that I can alleviate the concern of the hon. member. I have to make it clear, however, that I do this on the basis of the information that this right is provided for in the Railway Act and that the Railway Act provides for a public hearing. So, as I understand the situation, we are not in any way providing something less than was provided in the amendment of the transport and communications committee, but merely co-ordinating it and bringing it in line with the existing legislation.

Mr. Lewis: May I ask the hon. member a question? I am doing so with an eye on the clock, in which he is no doubt more interested than I am. He said he has not been able to obtain a copy of the Railway Act and has not seen the actual provisions to which the letter from the Department of Justice refers.

Does he think we should simply accept the statement in the letter from the Department of Justice and take for granted that they are right and that both the appeal and the hearing is contained in the legislation, or is he prepared, for the sake of having this bill passed today, to accept the very excellent suggestion of the hon. member for Saint John-Albert that both the old and the amended clause go into the bill, so that those of us who vote on this bill are certain that we are not doing something which might prove to be a disservice to some sections of the public? I want to say to the hon. member that regardless of how much longer he may take to try to persuade us—and I accept the statement that he is giving us advice which he obtained from the Department of Justice—I for one would not be prepared to vote in favour of the bill without satisfying myself that the right of appeal and the right to a public hearing are in fact contained in it.

Mr. Honey: I think the hon. member is completely correct and I would not want to impose the opinion of the departmental officials on the committee. I think the suggestion of the hon. member for Saint John-Albert is a good one and I hope the committee will see fit to proceed in this manner.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Peters: What is the question? I am in favour of the new subclause (4) but not in favour of subclause (5). I prefer the original subclause (5). Are we going to adopt both the original subclause (5) and the amended version?

The Assistant Deputy Chairman: The question before the committee now is on the amendment moved by the hon. member for Durham that the old clause 7, new clause 6, from and including subclause (4), be deleted and the following substituted therefor—

Mr. Lewis: We do not agree to that.

Mr. Honey: Mr. Chairman, I withdraw the amendment. The matter will be left as it is and the other place will have the record of our discussions.

Amendment (Mr. Honey) withdrawn.

Mr. Lewis: May I move a subamendment, Mr. Chairman? Will you please guide me?

Mr. Honey: I withdrew my amendment, Mr. Chairman.

The Assistant Deputy Chairman: The Chair would have to know what the subamendment will be.

Mr. Lewis: I move:

That clause 6 (4) of Bill No. C-104, as amended by the standing committee on transport and communications be deleted and the following substituted therefor:

"(4) For the protection of the subscribers of the company and of the public, any equipment, apparatus, line, circuit or device not provided by

the company shall only be attached to, connected or interconnected with, or used in connection with the facilities of the company in conformity with such reasonable requirements as may be prescribed by the company."

The Assistant Deputy Chairman: It is the opinion of the Chair, after consultation with the officials at the table, that the amendment moved by the hon. member for York South is in effect that the clause be amended by deleting the proposed new subclause (4) and restoring the original subclause (4). Is this correct?

Mr. Peters: It is vice-versa, Mr. Chairman.

Mr. Lewis: I am not certain, Mr. Chairman.

Mr. Howard: Mr. Chairman, I wonder if I could propose—

The Assistant Deputy Chairman: In view of the fact that both the mover of the amendment and the Chair are not certain of the amendment, we will call it seven o'clock.

Mr. Peters: Mr. Chairman, before you call it seven o'clock may I ask for the unanimous consent of the house to retain this bill in its position on the order paper, in view of the fact that it is a very complicated bill and that a great deal of public interest is involved.

The Assistant Deputy Chairman: Yes, this can be done when Mr. Speaker is in the chair.

It being seven o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I ask for unanimous consent of the house to have this bill retain its place on the order paper, because of the size of the bill and the degree of public interest in it.

The Acting Speaker (Mr. Tardif): Does the house agree with the hon. member's request that this bill hold its place on the order paper?

Some hon. Members: Agreed.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PUBLICATION OF STATUTES ACT

AUTHORIZATION TO PRESCRIBE FORM AND MANNER OF PRINTING

The house resumed consideration of the motion of Mr. Trudeau for the second reading of Bill No. S-18, to amend the Publication of Statutes Act.

[*Translation*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I am proud of Canada, a united and bilingual country, but I do not understand the provisions of this bill—

Mr. Knowles: Continue in French.

[*English*]

Mr. Johnston: This evening, Mr. Speaker, I should like to deal with several matters relating to the bill. I think we should be very much concerned about the motivation behind this bill. I used to teach school before I entered politics, and during one period in my teaching career I taught French for two and a half months. I taught nothing but French every day for those two and a half months. This fact had nothing to do with my ability to teach French, but it had a great deal to do with the shortage of qualified teachers of French in the province from which I come.

[*Translation*]

My poor students, I cry when I remember them.

[*English*]

The two and a half months I spent teaching French taught me something about motivation. As is always the experience of anyone who teaches French in British Columbia, I was asked the inevitable question: Why do we have to learn French? Like all teachers, I am sure, of French in that province I gave a variety of reasons to my students: it was a beautiful language; it was useful in promoting national unity; it was a language of great literature; there were millions of people in the world who spoke the language, and so on. I tried to put the best case possible for the task confronting the students.

Since then, Mr. Speaker, I have come to realize that I should have restricted my reasons to only one. I should have answered always in the same way, namely that it promoted national unity—that there was no other reason. I should have reiterated that reason over and over again. Perhaps I should even have had the class learn it in two languages, repeating it after me, chanting it regularly and perhaps singing it. I should have made a slogan out of it. I should then have persuaded all the other teachers of French in the schools in my province to give only that one reason

—that it was something that would increase their patriotism.

If you were to give any other reasons for teaching French in British Columbia you would also have to teach other languages as well. Because there are other languages that are beautiful, that have great literature, that are spoken by millions of people around the world. Therefore, Mr. Speaker, the motivation for a bill such as Bill S-18 that has been presented to us must be very precise and equally limited, as in the example I have just given. If we are to deal with this bill and to make any sense of it at all, then it must be in terms of promoting national unity and for no other reason.

This will not be the last bill, Mr. Speaker, of somewhat similar nature to be presented to this house. We know that the minister who deals with corporate affairs, for example, is considering measures which will require all food sold in stores across the country to be labelled in both official languages. If and when the minister introduces a bill to make that the law of the land, he must equally be very careful to state that he is motivated to promote national unity, and for no other reason.

It does not do to say, Mr. Speaker, that the bill before us has anything to do with justice or with seeing that justice is done across the land. If this is the motivation for the bill, then it opens the door to any other language that is spoken by a Canadian. Surely we are not going to suggest for one moment that justice is not done in our courts. If printing the statutes in another language has anything to do with justice, then we would have to print them in a whole variety of languages. I do not think this would be a good idea and I do not think it would lead to national unity, either.

• (8:10 p.m.)

The same applies to the bill having to do with labelling of food products. The Minister for Consumer and Corporate Affairs (Mr. Turner) has suggested that this be done in two languages for the protection of the public. This contention will not hold water, either, because if the public is to be protected against errors in the purchasing of so basic an item as food, then we should label these products in every language which could possibly be used in this country, since we would wish every citizen to have all the protection we could afford.

Obviously a bill of this kind must be presented on the basis that it contributes to national unity. If it is presented on this basis it becomes easier for several of us to tell the government and the minister responsible why it will not work and why it will not contribute to that goal.

The hon. member for Edmonton-Strathcona (Mr. Nugent) has spoken to us as a practising lawyer and indicated the problems which would arise within his profession if the course suggested is followed. He deserves to be listened to by the government and by all hon. members because he is making a valid point. Some of his remarks may apply when, later on, a bill having to do with the labelling of food is presented to us.

The Minister of Justice (Mr. Trudeau) has been praised, and rightly so, for his activities in the last few days during which he has presented his position and the position of the government in connection with constitutional requirements. His presentation has been a gentle one. He moved through most of the conference using what might be described as a velvet glove. Certainly there is no other approach which would lead to national unity and contribute to the acceptance of the two languages throughout Canada. But we must not mistake the velvet glove for the hair shirt, and this is the error with which the hon. member for Edmonton-Strathcona was dealing—the daily irritation which can arise if people are confronted with a second language in a most unlikely and unnecessary place.

If one is to continue to work toward learning a second language the process must ordinarily be a pleasurable one, or at least it must lead to pleasure. The result of printing all the statutes in the same volume in both languages would quickly lead to frustration whether they were printed on the same page or on facing pages, as I understand is intended—this must be the intention because the statutes are already printed in separate volumes in the two languages and are available for use if necessary in our courts.

We in western Canada, and in British Columbia in particular, do not have traditions of hair shirts or self-mortification. If we are to be presented with actions and ideas which contribute to national unity they must be great ideas or pleasant actions, not something which would be a daily irritation. The hon. member for Lotbinière (Mr. Choquette) suggested to us that this constant reminder would be good for us. This I doubt. I would think the irritation of having to flip through twice the number of pages to find a statute,

of being able to read on an open page only half the amount which would normally be there, would have the result opposite to that intended. Such minor considerations as the quality of the paper, the extra cost might, together with the other inconveniences I have mentioned, lead to a sort of explosion of temper which could become a real factor in the situation in western Canada.

All this is not realized in eastern Canada, either by the press or by the public. The statements of Premier Manning and Premier Bennett represent the thinking of a large proportion of the western population. It might be said that this thinking is not of the quality it should be or that it may be the thinking of people who are not well educated. You can run down the sentiment, but you cannot bring in a bill which would irritate the very people who are probably most receptive to the idea of bilingualism. I cannot think of any group of people I would wish less to irritate in this connection than the lawyers of western Canada, unless it were the school teachers. If in the name of justice, we take this step in connection with the statutes, we could be led to it in a variety of other areas—text books in education dealing with mathematics, for example; food labelling. The possibilities are endless.

• (8:20 p.m.)

This bill was presented to us a few months ago very late at night in the hope, I think, that at fifteen minutes to ten nobody would realize what it was all about and that it would become law almost by default. However, one or two people did realize some of the dangers inherent in the measure. They protested, and it did not appear on the order paper the following day. I hoped that the initial reaction at that time would have been sufficient to have the bill withdrawn completely. But now it has come back to us, and the timing is unfortunate because it comes at the end of a conference on the constitution and the language problem, a conference hailed in most parts of the country as a great success. At such a time I do not think we need this reminder of how small, how tiny, how irritating a measure can be contemplated in the name of national unity. It is certainly not in the name of justice. Let us not suggest for a moment that that is why it is being presented. If we are going to move toward national unity we will not do so through a host of little irritations, to be repeated over and over again within the next few years. We will have to move on a higher and sounder level than that.

Publication of Statutes Act

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to take part in this debate I do so at some risk of being called a radical, of being called bigoted, but I believe the time has come—and this is a good opportunity on a small, insignificant request made to us by the Minister of Justice (Mr. Trudeau)—to take a cold, hard look at Canada and at what Canadianism really means to various Canadians all across Canada.

Speaking about western Canada, Daniel Johnson, as reported in the *Gazette* of February 6 said he attributed the attitude of the younger provinces, meaning western Canada, to "a lack of Canadianism". Whose image of Canadianism is right, and what contribution will this legislation make toward the correct image, whoever has that correct image?

I had some hope for the Minister of Justice at the constitutional conference. He began with a very frank approach to the Canadian picture as he saw it. As I watched him on the television screen I wondered whether he was saying what he said for the good of his campaign to seek the leadership of the Liberal party, or whether he was saying it for the good of Canada. But now, shortly after the ending of the constitutional conference, we have evidence before the House of Commons that he is promoting a piece of legislation which, as the previous speaker said, will contribute nothing to better justice in this country of ours. Perhaps in the minister's mind this legislation is contributing something to unity, but to my mind it may be something that will do more harm to the chance of reaching a situation in Canada where we can all say we are in unison.

The time has come for some plain speaking about the question before us today, about the question that is before the country as a whole this year, that was before it last year, and will be before it in the years to come. During the past several years, at an ever increasing tempo, we have witnessed demands being made upon the Canadian nation by one province, Quebec. This is another one of those demands. We have seen attempts made to meet those demands, first by this government in Ottawa, and more recently by the premier of Ontario, Mr. Robarts.

At the recent constitutional conference the premier of Alberta posed a question that is very much present in the minds of all people in western Canada. That question is, when do the demands stop? This is a very small request that is being made here today through the Minister of Justice, but where is

it going to end? For example, will all the law reports need to be printed in French and English too? If I were a French speaking lawyer in western Canada defending a client, and using the French version of the statutes, how could I look for precedents in law reports written in English? It would be an impossibility. This is something the minister should consider.

A continuation of the demands at the present rate of escalation, and a continued acquiescence in those demands will bring about a definite movement in western Canada for it to separate from the rest of Canada. We have been hearing separatist threats from Quebec and the government of Quebec for quite a while, particularly over the last five years. We require some assurance of an honest and sincere desire to maintain the Canadian confederation, based on a strong national government with the capacity to act for Canada. For a while earlier this week I thought the Minister of Justice had the capacity to act in that regard, but now I have come to the conclusion that he was acting on behalf of his own campaign for the leadership of the Liberal party.

Mr. Choquette: Shame.

Mr. Horner (Acadia): The hon. member made his speech and I listened to him very carefully. Not necessarily in my mind was the Minister of Justice making a sincere effort to unite the country when he took that approach at the constitutional conference and now, one day after that conference ended, he brings in here what I am certain the premier of Alberta would call another demand.

Let us look at the whole question just briefly. During the last five years we heard a great deal of talk about the province of Quebec wanting to separate. There is only one part of Canada that economically can separate. That is western Canada, and by western Canada I mean Manitoba, Saskatchewan, Alberta and British Columbia. We could separate and do without the rest of Canada. According to the federal government, even Saskatchewan is no longer a have-not province. If we separated we would immediately shed ourselves of financial contributions to the have-not provinces. We would be rid of that economic drag. This is a cruel way of putting it, but it is honest. This side of the coin must be looked at before we can come to a true meeting of the ways. We would also shed our responsibility for the continuing economic costs of meeting this supposed idea of justice and fair treatment with respect to the bilingual problem.

[Mr. Horner (Acadia).]

It is interesting to note that at a time when we are debating the bilingual problem the government of Belgium has resigned over the very same problem, and Belgium is a much older country than ours. Premier Johnson said that the western provinces are not old enough and that they need a tutor. Again I refer to the *Gazette* of February 6, where he was reported as saying that "Quebec being the oldest province in confederation, has never needed a tutor". What tutor would he recommend for Belgium to assist it to meet the very same problem we are debating?

There is no question in my mind that if western Canada separated, our economy would continue to be as good as it is today and our standard of living could not help but go up. We all know what Mr. Kierans told René Levesque would happen to the economy of Quebec if it separated. As a matter of fact some time ago I read an article about that, and I thought the author phrased it very well. He said Quebec would become a banana republic without the bananas, and there is some truth in that. The same cannot be said of western Canada. We could, and perhaps will—

An hon. Member: Grow bananas.

Mr. Horner (Acadia): —reach the saturation point of continual concession, and maybe we will decide to separate.

• (8:30 p.m.)

As one looks through the debates of the confederation period it is interesting to note that there was no talk about the French language having to be projected all across Canada. I do not wish to delve too deeply into the confederation debates, however I should like to refer to an article written by Donald Creighton which appeared in the September 1966 issue of *Saturday Night*; he said:

> The special aim of these British Americans at Quebec was to create a strong, centralized federation which would avoid the decentralizing weaknesses of the American federal system, and would never break apart, as the American union then seemed to be doing—

What are we doing in Canada at this time? We are creating a situation which is evolving as close to republicanism as—

Mr. Deputy Speaker: I have been listening to the hon. member for Acadia (Mr. Horner) and while I recognize there is some relationship between the remarks he is now making

and the bill before the house, I feel that he is now progressing too far afield. I do not believe his remarks could be considered to be wholly within the ambit of Bill No. S-18.

Mr. Horner (Acadia): Thank you, Mr. Speaker. I realize that if a narrow interpretation is to be placed on this, one must deal, as the hon. member for Edmonton-Strathcona (Mr. Nugent) did, with the specific application of the legal statutes. However, the hon. member for Lotbinière and the hon. member for Okanagan-Revelstoke made lengthy speeches and thereby broadened the debate to quite a large extent. I do not intend to broaden it as much as they did.

Even in its narrowest interpretation I believe this bill must be considered to be another concession toward the grand cause of unity. This is what I was attempting to deal with. I was quoting from an article which appeared in the *Saturday Night* written by the historian Donald Creighton with regard to the protection of the English and French courts. We said this:

> There is no evidence that the French-speaking delegates at the conference, or the French-speaking members of the Canadian legislature, were dissatisfied with these provisions. There is no evidence that they tried to extend these language rights to the legislatures, courts or schools of any or all of the other provinces.

This is the very point with which I was dealing. Here we have the government suggesting that in the interest of unity this provision must be projected into every court and all the facilities of that court. This is the point I am making and I believe it is right on the target. In the same article he went on to say that we find there is in Canada today not the slightest interest in what the intent was in 1867. We are told that today there is a new French fact that must be reckoned with in Canada today. At the very onset of our second 100 years we are told that we must reckon with this fact. I suppose this very piece of legislation is in essence an attempt to reckon with that French fact.

There may well be a French fact in Canada, but there is also a very definite division in other regions of Canada. I shall attempt to put the case for some of the other regions to show why this particular piece of legislation will continue to bring about greater disunity rather than unity in Canada. I should like to say at the outset that western Canadians wish to remain in Canada, provided there is some assurance of a continuing Canada of which they can be a part. Up until the present time, and very recently, in the last five years particularly, there have been instances when the western Canadian picture has not been considered at all. When the premiers of Alberta, British Columbia and Saskatchewan were in Toronto their opinions were practically disregarded. How can you convince me that we are considered to be a part of Canada when no attention is paid to what is said in that vast region west of the great lakes?

When we have continuing threats of separation and continuing attempts to make a Canadian nation, these seem to be two parts of a double headed coin, just as this bill and what the Minister of Justice (Mr. Trudeau) has in mind for Canada and what the present Prime Minister has in mind for Canada are parts of a double headed coin. We hear continuing demands from Quebec for more power at the expense of Canada as a whole. What are we to think? We are not prepared to remain part of a concept in which there are two national governments in Canada, one for those who speak French and the other for those who speak English. Constitutional nationhood cannot be built on the foundation of such a double dealing situation. This bill is a perfect example of what I am referring to.

In the west we have a vision of Canada. In the east there is a double vision. This bill and the new statutes will be a perfect example of that double vision. You can no more operate a country on the basis of a two-nation government system than you can have two chickens in one egg. In western Canada we have put up with this kind of thing for a number of years. It is no longer a joke in western Canada. We believe that Canada is drifting into a "never never land" of illusion, hypocrisy and unfilled expectations. In other words, I am saying that this particular piece of legislation will not meet the demands of Quebec. Let us be frank and admit this. As reported in the *Globe and Mail* for Thursday, February 8, 1968 Premier Johnson said that the French language and linguistic rights in all of Canada are nothing more than an aspirin, when we consider the problem. He believes there must be drastic changes in the constitution. The present Prime Minister said this:

> —"my own view is that tinkering with the existing Constitution will not be enough."

Then the article continues:

> —a clear hint that he shares Mr. Johnson's view that a wholly new, made-in-Canada constitution is required.

This, of course, means more power to the provinces, and in particular Quebec. Therefore, I ask what the real reason is for passing this particular piece of legislation, if it will solve no problems and not answer the question one bit. It must be clear to the government that in order to be the government of Canada it must take on a clear, national responsibility and must carry it out with nationalistic scope. It must take and accept responsibilities fully. It must not bring in piecemeal legislation in an effort to solve this problem which, as Mr. Johnson said, has the effect of a mere aspirin in the solution of the problem. There is an example in history of an attempt of this sort in respect of the Austrian empire, which existed in Europe many years ago and which, as we all know, collapsed.

• (8:40 p.m.)

The same thing will happen to Canada unless we are prepared to face the issue squarely and attempt to reach a true image of Canadianism. The Minister of Justice (Mr. Trudeau) suggested a while ago that his image of Canadianism is not a French Quebec, but a French Canada, including the province of Quebec. This is his view of Canadianism, but I do not believe it is shared entirely by everyone in western Canada.

If this is what he is attempting to do by this piece of legislation he should say so. The only way a solution to this problem can be found is by a factual examination of the case, not by adopting piecemeal and chipping away legislation which will only bring about greater disunity in many regions. There has been an attempt to create the impression that different languages result in different methods, different responsibilities and different approaches as well as different types of citizenship. This is not so. There is only one way to shoe a horse, and there is only one way to brand a cow. It does not matter whether it is done in French or English, it is still going to hurt the cow but it will still lay a claim to ownership. There is only one way a farmer can drive his tractor.

If we accept the idea that there are two ways of doing things and that everything must be done on this basis, as this piece of legislation suggests—half a page in English and half a page in French—then we must accept the idea, as the hon. member for Okanagan-Revelstoke (Mr. Johnston) suggested, that there is a Ukrainian way, an Italian way, a German way and a Dutch way. We must make allowance for all these different ways, if that is the only way to have true justice and a true administration of justice throughout this country. There must be more than two ways, if we accept the suggestion that there should be a different application of the administration of justice in this country.

The Minister of Justice has taken the stand that it is the job of the federal government and parliament to legislate and to administer the rights and needs of all Canadians, regardless of language, on a national level. This is the impression he gave at the confederation conference which has just concluded. This piece of legislation does not convince me that he is of the same mind today. Perhaps, as somebody suggested earlier, we should have the television cameras on him because he would not then be adopting this approach. He would destroy the image he tried to create earlier in the week. The people of Canada are not so gullible that they must keep him under surveillance in order to understand him. They can read between the lines.

In contrast to that idea we have the theory advanced by the premier of Quebec, that Quebec in some mysterious way has a mandate to legislate and administer on behalf of French Canadians on a national level. It is on this basis we have the preposterous demand for greater control by that province. Apparently Quebec wants the right to appoint members to the federal Senate, the right to appoint individuals to the supreme court and the right to move into the field of broadcasting on the French network throughout French Quebec, and I suppose in those other parts of Canada that are predominantly French. I do not think for one moment that even New Brunswick will stand for a French broadcasting system controlled by the province of Quebec.

Mr. Deputy Speaker: Order, please. I am sure the hon. member will agree that the comments he is now making are a little removed from the part of this bill which refers to both languages.

Mr. Horner (Acadia): As it happens I have completed my remarks in respect of broadcasting. I was enticed into this discussion by the remarks of the hon. member for Lotbinière (Mr. Choquette) who suggested that this whole question should be looked at in a new light, because we are not back in the old days when the battle of the Plains of Abraham was fought. He suggested we have a new administration in Canada today.

It was my suggestion that no province would stand for the development of a French

nation with headquarters in Quebec city. This is what Mr. Johnson says is the absolute solution. The Minister of Justice is attempting to solve these problems, or cure these ills with an aspirin. This bill is nothing more than a part of such an aspirin.

Mr. Bell (Saint John-Albert): Perhaps it is a baby aspirin.

Mr. Horner (Acadia): Perhaps it is only half of a baby aspirin. The principle of this theory would be clearly demonstrated if this bill becomes law and our statutes are to be printed in this double sort of—I was going to say abortion, but perhaps I should not use that world as that subject is being discussed a great deal these days.

It is high time we realized and stated categorically that one province shall not interfere in the affairs of others. We must face the fact that this bill is an attempt at separation on the instalment plan. We would just as soon know what the over-all intent of plans of this kind is, because we might find in the west that it would be cheaper in the long run to separate now. This is what Premier Manning tried to do last week. We want a glimpse at the whole plan. Perhaps it would be better at this time for the west to make a clean, clear cleavage somewhere west of the great lakes. Perhaps the resulting expenses would be less and the west would be better off in the long run.

Demands for linguistic rights will perhaps be accepted. This was a recognized fact of the confederation of 1867. There is no real quarrel with this idea, that on one page of our statutes we should find English and on the other we should find French. I can read the English on one page and turn to the next page and read the English there. This will not bring about greater justice, or a solution to the serious problems facing the French people in the province of Quebec, or the province of Alberta. This is nothing more than an attempt to impose the French language on those who really do not want it.

There was a statement by the Minister of Justice at the confederation conference that there would be no attempt to impose the French language on any other part of Canada. Certainly this bill represents an attempt to do just that. We must recognize the fact that this approach will not bring about unity. As the hon. member for Edmonton-Strathcona (Mr. Nugent) suggested, this will irk, gall and annoy Canadians outside of what might be termed the French sphere and will bring about greater disunity. Such an attempt as this can be joined with the evident attempt to fill all key positions in the civil service with bilingual persons. Apparently all civil servants at the top level must be bilingual. It must be obvious that no one will want to join the federal civil service, even if our statutes are printed in French and English, if in order to qualify for a high paid job one must be bilingual.

• (8:50 p.m.)

If the purpose of this legislation was to promote the idea that you would not have to be bilingual and the other language would be good enough, there would be no need for the type of statute book envisaged by the legislation; a French set of statutes and an English set of statutes would suffice. But this is not good enough. They want the whole picture; they want to be in control. We federal members of parliament know that the actual administration of this country is carried out by those at the top levels of the civil service.

Will the passage of this piece of legislation allow western Canadians to contribute to the administration of our country? I say no, it will not. Actually the passage of this legislation will not bring western Canadians any nearer to that objective but it will take them further and further away from the administration of Canada, from actual policy setting for Canada.

In view of these facts perhaps we would be better to make that clean-cut cleavage now. One cannot understand why responsible employment in the administration of this country must be reserved for those who speak both languages, with all others excluded. Does the government realize that if this criterion were employed today, more than two-thirds of our deputy ministers would lose their jobs? We believe that a whole new policy is being implemented and all top civil servants are being paid to learn French. There is really no need for this legislation if one can pick up a French statute and an English statute. But we are told that this legislation must be passed. We are told that under the new image of Canada everything must be written in both languages. I do not know that the French government in Quebec writes its cheques in both languages. I do not know of the French government in Quebec having its statutes printed one page in English and one in French.

Mr. Ricard: You had better find out.

Mr. Choquette: That is it.

Mr. Horner (Acadia): They might have. This might be a recent innovation.

Mr. Choquette: We like it that way. We respect the English language.

An hon. Member: That cannot be.

Mr. Horner (Acadia): Somebody said, "That cannot be", and he is correct. If the hon. member for Lotbinière likes it that way, that is his privilege, as it is my privilege and the privilege of those in western Canada not to look at it in that way.

Mr. Choquette: How many farmers are going to be affected by this law?

Mr. Horner (Acadia): This is their answer to every question raised on this subject: it will affect nobody.

Mr. MacEwan: Farmers are Canadians, aren't they?

Mr. Horner (Acadia): We are asking, what is the end product of this type of legislation? What is the complete deal? We know that the Liberal government has for years and years made fun of the farmers. But it caught up with them in western Canada. It will catch up with them in Quebec, too, and perhaps in the hon. member's riding of Lotbinière.

This new philosophy goes beyond anything that has existed in the past and stipulates that everyone shall eventually be required to speak the two languages. It stipulates that if they want to move forward and go anywhere in the manipulation of federal affairs, they must speak the French language. They must do this if they want to participate fully in the affairs of this country. This statute will do nothing to counteract the trend that is well on the way to becoming accepted philosophy throughout the province of Ontario, in the province of New Brunswick and perhaps in many other provinces. It has not yet become the accepted philosophy in western Canada.

I have mentioned the position taken by the Minister of Justice in the confederation conference. But people all across the country have lost confidence in the capacity of this government to stand by those words. The people will lose confidence in the Minister of Justice, also, to stand by those words, if he continues to marshal his forces to push this simple little aspiration through the house tonight.

[Mr. Ricard.]

People have lost faith in the government's determination to exercise in Ottawa those powers and prerogatives without which a national government is a government in name only, and becomes merely an empty husk. I believe, as I have stated, in those linguistic rights that were perhaps—and I say "perhaps"—a part of confederation. But I do not believe in the rights of any group being forced upon another group, whether it be language or any other subject one could mention.

French Canada, in my definition, has the right to remain French. It has no right to demand that everyone else become French, absorb French, or even participate in the French dialogue that is going on today. We are told that this whole question has hindered French participation in Canada. We are told that this bill will do something to alleviate the feeling of unfairness that we are told exists for French Canadians when they travel outside of Quebec. Why, then, have more than two million French Canadians from the province of Quebec migrated over the past few years to the New England states, where they immediately give up any hope of having legal recognition of the French language in the courts, let alone the whole question of statutes being printed in both French and English in the same bound volume?

For these people who have migrated to the New England states, their French rights have disappeared, as they disappeared in the state of Louisiana. When they migrated to the United States they were apparently prepared to give up this valued treasure which we are told they must have. And Premier Johnson wants more than that: he wants to be prime minister of the French nation, and the new French fact throughout all of Canada.

We in western Canada are sick of being singled out, criticized and hauled over the coals when our only crime has been to believe in the philosophy of live and let live. We do not ask others to give way to our views; yet we are continually being asked to bow down to the views of others. That is what this bill is asking us to do. It goes so far as to attack the very basis upon which this nation exists.

I think this kind of thing has reached saturation point. I have been a member of parliament for ten years, and because the saturation point has been reached this is the first time—I point this out—I have opposed anything like the idea behind the bill that is now before us. I am very pleased to take this opportunity, particularly on a bill such as this, which on the surface is of so little consequence, to state my views. I believe this bill

is a perfect example of where a stand should be taken. We should recognize the fact that it is an indication of what the Minister of Justice will do to Canada, particularly if he becomes prime minister of this country. In that event, there will be no stopping this type of thing.

• (9:00 p.m.)

When one considers Premier Johnson's concept that confederation was formed by two equal partners, a concept which is shared by the present Prime Minister, who stated over and over again that Canada is formed on the basis of a partnership of two equal nations, one should look at the present composition of this house. The government side of the house has 75 elected members from areas outside the province of Quebec; the official opposition has around 87 or 89 members representing areas outside Quebec. If this is an equal partnership, then it is high time we heard from the other partner. Perhaps I could be considered as being only part of the other partner. This subject should be examined very closely.

The Acting Speaker (Mr. Tardif): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I had no intention of taking part in this debate—

[*English*]

However, after having heard the speech made by the hon. member for Acadia I decided to say a few words myself. In order that there may be no misunderstanding of the few remarks I wish to make, I will try to make them in the best English I know so that I can be heard and understood by my hon. friend from Acadia. I will take the risk of being accused of having different thoughts than some of my colleagues.

As you know, Mr. Speaker, I am from the province of Quebec, and tonight I was deeply concerned and hurt by what was said by the hon. member for Acadia. If we were to believe what he said, we would have to come to the conclusion that members from the province of Quebec are an embarrassment to the house as well as to the rest of Canada. I do not believe this to be so, Mr. Speaker. I think that we from the province of Quebec have come here to discharge our responsibilities. We ask for no favours, but we want our rights. If for many years we have sat back and said nothing and endured conditions against which we could have complained, this is not to mean that now when we lift our heads we can be slapped down and reduced to nothing.

Let it be well understood that what we want here for the province of Quebec is our rights, and nothing more. I think that the prime minister of Quebec is a tolerant and decent man, one who explains very well the position of Quebec and of its inhabitants. I do not think his statements were in any way extravagant when he explained the position of Quebec at the constitutional conference which was held this week, and I felt deeply hurt when I listened to the speech of my friend from Acadia. I am sorry I have to say this, but I feel I must. In his speech the hon. member more or less denied that the province of Quebec and the rest of Canada were equal partners. It is about time that we knew whether or not we were equal partners in this confederation of ours. I want to say to my colleague, the hon. member for Acadia, that we are part of the confederation and that the prime minister of Quebec said quite plainly and clearly that we want to remain in the confederation. This does not mean that we are to be denied our rights. We want our rights to be recognized—I cannot make it any plainer than that.

All that the Minister of Justice asks for in the bill before us is to print the statutes of Canada in both French and English. Will it hurt anyone to take a book of statutes into his hands, to open it and to see on one side of the page the French version of the text and on the other side the English version? I do not think so. This is what we have done in Quebec for years. I think that Quebec set an example which should be followed by the rest of Canada. From what I have heard, some of my fellow Conservatives, who are lawyers, have no objection to this measure. All the pretexts which have been brought forward in opposition to this measure, such as the fact that it would cause irritation and be expensive, have no basis at all. How can it be an irritation? I would have liked those hon. members who have said this to come to my province and see all the English signs on the walls of our factories and our stores in which only French Canadians were employed. The employees could not even read those signs, which were the rules and regulations. Were these signs not an irritation for us? We have had to stand it for many years. We are sick and tired of having to do it, and we are not prepared to go along with it any longer. Let it be well understood.

[*Translation*]

Some hon. Members: Speak French.

Mr. Ricard: Mr. Speaker, I realize I am allowing myself to get carried away.

Mr. Auguste Choquette (Lotbinière): That's just fine!

Mr. Ricard: Mr. Speaker, I am sorry I had to contradict one of my colleagues here, but I had no alternative. To my mind, the legislation now before the house is fair; it is a step towards recognition of the rights of French Canadians.

Someone asked: when will there be a stop to it? Well, there will not, until such time as all our rights are recognized. That is when there will be a stop to it, and not before.

Mr. Speaker, as others have said, not only will this bill not entail additional expenses but, in the long run, it will cost less to have statutes printed in both English and French in the same volume.

I ask my colleagues to support the legislation now under consideration.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I echo the feelings of admiration expressed in the house this afternoon by my colleague for Lotbinière (Mr. Choquette) for the efforts of the hon. Minister of Justice (Mr. Trudeau) during the recent federal-provincial conference.

Now, Mr. Speaker, as a citizen from the west and as a representative of a western riding, I oppose the ideas expressed by the hon. member from Acadia (Mr. Horner) and some other members on the other side of the house.

Please forgive me, Mr. Speaker, if I continue my remarks in English, for I am rather familiar with that language.

Mr. Speaker, I am now holding a copy of Quebec statutes published in the two languages, with the words "Most Gracious Sovereign" on one side and, on the other, "Très gracieuse Souveraine".

• (9:10 p.m.)

[*English*]

If I could just send this book over to the hon. member for Acadia (Mr. Horner), I think it would be useful for him to see what the statutes of a province look like when they are printed in both the French and English languages side by side. I do not see anything wrong with it. I would ask that a member of the house staff take the book over to him. I believe there is extreme value in seeing the two languages side by side, especially when the law is being read. Surely, there can be nothing wrong with this in a country which talks about equality in two languages. Is it wrong to have the two languages printed side by side? Is that bad? Is that against the principle of being a good Canadian? I do not believe so. I see nothing wrong with the mechanics of it. Anyone in this chamber whose eyes are growing dim with age and who needs to look through his bifocals or trifocals, might care to look at this book. He could ascertain whether he finds it impossible to find out what the law is, when he sees a statute written in two languages. I do not think it is difficult. The mechanics of it are not impossible.

The volume lies on the table, and the hon. member for Acadia has not even looked at it. He has left the house in order that his eyes will not see it. Pick up the book, it will not offend you. Be Canadian, it will not offend you. All I can say is, at a time like this if we are really serious about what has been taking place at the conference during the last three days, the printing of the statutes in two languages is not a bad place for us to start. We can see that the people who print our law books print the laws in the two languages side by side, and this should be the next undertaking for the lawmakers and those who print law books.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I did not intend to take part in the debate on the motion for second reading of this bill, because I was quite sure that after the fine federal-provincial conference just concluded, all members had fully understood and the bill would be passed without discussion.

But to my great surprise this evening, I found out that some western members have never understood anything about confederation and are still completely ignorant of the purpose of the new confederation that the Prime Minister of Canada (Mr. Pearson), with the help of the Quebec premier, Mr. Johnson, are trying to create.

I am becoming aware this evening of the fact that if there are extremists in Quebec, western Canada is on the point of beating every Quebec record.

We heard tonight the hon. member for Okanagan-Revelstoke (Mr. Johnston) who is clearly against this bill. He was followed by the hon. member for Acadia (Mr. Horner),

and I think that we have there a sample of the opposition that the next standing committee will be up against when it goes out west.

All this is said, Mr. Speaker, under the guise of national unity. Well, national unity will certainly not come about through the extremist groups or separatist movements, because from tonight's discussions and speeches, I gather that the west is separatist, since efforts are being made to restore justice, whereas the east is separatist because an injustice was committed.

There lies the difference between the two theories of separatism which will certainly not bring the unity that the great majority of Canadians want.

I am happy also to notice that those are exceptions because fortunately, there is goodwill in the west. Otherwise, we might conclude that life in Canada is on the verge of coming to an end tonight. But, fortunately, as there are always exceptions to the rule, that gives me more hope that Canada, thanks to a renewed constitution, will become one of the most united and strongest countries ever known.

As far as the bill concerning the printing of statutes in both languages is concerned, it seems to me that that procedure will simply do justice to French-speaking Canadians in the west and throughout Canada, as well as to English-speaking Canadians. The province of Quebec has been respecting that rule for a very long time, and ever since I came to this house, the western provinces have been asked, not something impossible but simply to give French Canadians in the west what the province of Quebec guarantees English-speaking Canadians who are in a minority, that is give a national justice to both ethnic groups.

Mr. Speaker, the member for Acadia was trying to prove that the present bill was unfair, but now he dares not come into the house because he is ashamed, since he was given a bilingual copy of the Quebec statutes. In my opinion, such an attitude does more harm than good to Canadian unity. In the future, I would advise him to stay quietly in his dear "West" and to send as a replacement somebody less troublesome and with more understanding than himself.

The member for Acadia has stated that the Quebec premier considered this legislation on bilingualism as an aspirin. When the premier of Quebec spoke of an aspirin, I think, if I understood him well, that he felt the government was not offering enough, since it was giving only an aspirin. The hon. member for Acadia even spoke of a baby-strength aspirin. Afterwards, it was seen that he could not keep even a baby aspirin down. How would you have him swallow the whole pill? He is incurable. In the new constitution, there will have to be established institutions to cure these incurables—they should not be imprisoned, for they do not deserve that—to treat and care for them, in order that they may walk in step with the other well-intentioned Canadians, who are willing to work towards a better Canada for all.

• (9:20 p.m.)

The hon. member also spoke of new Canadians and of their rights. He said that if we should be translating from English to French, we should also be translating into Ukrainian, Italian and Polish. This proves that he has never understood confederation. When the new Canadians came to Canada—we were very happy to welcome them —they promised to choose one of our two recognized languages. They took this oath on entering Canada. They renounced their ethnic origins and adopted a new mother country agreeing to speak one or the other of its two languages. I wish the hon. member for Acadia would get that into his head, if there is still room there.

French Canadians who migrated to the United States did the same thing as the new Canadians who came to Canada. They agreed to the conditions of their new country, the United States, and chose to speak the language of their adopted country.

I will not speak any longer, Mr. Speaker, but I wished to refute those two arguments put forward by the hon. member for Acadia who tried to prove to us that the use of both languages was impossible throughout the country.

He suggested that French was being imposed on the people in the west. Well, Mr. Speaker, I think that all well-intentioned members have never thought so, and I would never venture to compel the hon. member for Acadia to learn French. Moreover, I think that he would be unable to, considering his attitude. It has never been suggested that French should be imposed. The only object of this bill is to do justice, to enable French Canadians as well as English Canadians to feel at ease before the various courts of the country. This does not compel an English-speaking Canadian to argue his case in French in a Vancouver court. The member for Acadia knows it very well. In the province of Quebec, we have bilingual judges and

I am sure that a French Canadian does not have to argue his case in English. What we only wanted was to give justice to the English-speaking minority in the province of Quebec. When an English-speaking Canadian wants to defend himself in court, he may do so in his own language.

What we want is social justice. I wonder whether the member for Acadia knows the meaning of social justice. To be able to defend oneself in one's own language in court, either in British Columbia or in Alberta, that is social justice. This does not mean that the people in the west will have to speak French, but it gives those whose language is French the same rights as those whose language is English.

When it is suggested that French is being forced upon people, I feel that this is a hypocritical argument. Mr. Speaker, I feel it is our duty to denounce those people so that the whole country may know who they are. It is time to single them out, so that Canadians may be able to distinguish between honest and dishonest people.

I do not wish to dwell any longer on this subject; as a matter of fact, I could deal with it for two hours. However, I shall be content with those few remarks, because I realize you are about to rise and call me to order, since my comments are somewhat beside the point. But I just had to denounce such views.

I also take this opportunity to say that we shall support this bill unreservedly, since it seeks mainly to do justice to the two ethnic groups which founded this country.

[*English*]

Mr. Melvin McQuaid (Kings): Mr. Speaker, let me say at the beginning with as much sincerity as I can possibly muster that I hope this proposed legislation will not in any way drive a wedge in the relationships between French and English speaking Canadians. I do not think this was ever the intention of the legislation.

I do not agree that the status of the French and English languages is being called into question by the introduction of this legislation. Neither do I agree with the suggestion of the Minister of Justice (Mr. Trudeau) in his opening remarks last November, that the present method of printing our statutes contravenes the British North America Act. That of course is not correct; the British North America Act merely provides that the Revised Statutes of Canada shall be printed in both the French and English languages. We have for many years had that law on the books, and in all sincerity may I say I do not think it has brought about any strained relationship between the English speaking and French speaking people of Canada.

Although I think we have got along very well in the situation that has existed during the past number of years, I am prepared to agree that there may be some merit in the suggestion of the Minister of Justice and in his proposed legislation. There is already a law on the statute books that provides that the Revised Statutes of Canada are to be printed in French and English.

Last November, Mr. Speaker, the minister stated that the government would likely approve the recommendation being made by the commission. I am wondering whether this recommendation has yet been made and, if so, whether it would be too much to ask at this stage that we be permitted to see the new edition of the Revised Statutes of Canada printed in revised form. If the minister would present to the committee on justice and legal affairs the newly printed revised statutes, the members of the committee would be able to see how they look in this new form. I do not think we should chance compounding possible errors, but perhaps there are some improvements that can be made to our revised statutes.

• (9:30 p.m.)

I should like to see them to find out whether they are printed in type which can be easily read, whether they are printed on paper which is durable, whether the volume is not too cumbersome for lawyers to carry around and take into court. These are things which concern us, and in all fairness the minister should allow us to satisfy ourselves with regard to them.

I am not opposed at all to the principle of the bill. I do not think many of us on this side are opposed to the principle at all. We do express concern, however, about the form the new statutes might take, and this is a legitimate concern of anyone who has to work with the statutes. It is surely not too much to ask that this bill be referred to the committee before third reading so that an opportunity might be given us to see what has already been done in the printing of the revised statutes.

I have another suggestion which might pour oil on what appears to be troubled waters. I can picture that it might be to the

advantage of a French speaking lawyer practising in Quebec to have available to him statutes in both French and English. Personally, as a practising lawyer, I do not believe I would have occasion to use a volume printed in this way, but I recognize there might be others who could make good use of such statutes. I am not sure that the expense to this country would be so great that we could not print our statutes in English for the use of those who do not require the French version and, at the same time, print a volume in both French and English for those lawyers who feel they require it in order to practise successfully in the courts.

An hon. Member: And print one in French for Mr. Cowan.

Mr. McQuaid: Above all I would suggest to the minister that before we go into committee he should allow us to take a look at the revised statutes, as printed in accordance with the new set-up. I do not think this is an unreasonable resquest and I hope he will accede to it.

Mr. Aiken: I am not rising to make a speech at this point. I rise on a point of order to assist the minister, if he wishes to do so, to reply without closing the debate. My hon. friend from Kings (Mr. McQuaid) has suggested that the minister undertake not to proceed to final reading of this bill until members have had a chance to examine the revised statutes in the new form, and see what they look like. At present we are talking in the dark, we do not know what this new volume will look like. We have been assuming that it will be printed in English on one side and in French on the other. But that is not what the proposed new section 11 says. It reads:

> The statutes of each session shall be bound, if practicable and convenient, in one volume.

We do not know what the intention is. If the new statutes are to be identical with the Revised Statutes of Canada, let us have a look at them. I believe that if they are readable are understandable, a majority of members of this house would be agreeable—

Mr. Speaker: Order. The hon. member said at the outset that he wished to raise a point of order. He has not done so. I assume his intention was to ask a question of the minister. We are not in committee and normally, if the minister were to reply, he would close the debate. However if there is unanimous agreement to allow the minister to reply—

Some hon. Members: Agreed.

Mr. Speaker: Is there agreement?

Some hon. Members: Agreed.

Mr. Trudeau: I thank the house for its permission to deal with this very slight point by way of answering a question. I certainly do not want to close the debate, because there are other things I should like to say. The suggestion is a reasonable one, but there is a difficulty about it; it is that this bill does not deal with the revised statutes but with the annual statutes, and in a sense much of this debate is out of order. However, if people wish to have an idea how the annual statutes might look by seeing how the revised statutes will probably look, I would have no objection to showing an extract from the revised statutes more or less in the form in which we have them, provided this can be done fairly quickly. This is a matter of information, not of debate, and if the house leader could arrange for the standing committee to see this material I would have no objection.

In the course of asking his question, the hon. member read the following from the proposed new section 11:

> The statutes of each session shall be bound, if practicable and convenient, in one volume.

This merely means that if all the statutes of one year can be bound in one volume they shall be so bound. It is not relevant to the language question.

Mr. Fulton: May I suggest to the minister that we might give this bill second reading, and then, if the house is willing and he is prepared to do so, one of his colleagues could by leave move that the bill be referred to the committee on justice and legal affairs, so that we could have a look at the matter we have been discussing here.

Mr. Trudeau: I thank the hon. member for his suggestion but I do not wish to get sidetracked. If we were to refer this to the standing committee it would not be for the purpose of discussing the bill but merely for taking a look at the physical appearance of the statutes.

Mr. Fulton: We would have given the bill second reading and then a motion would be moved to refer the matter to the standing committee on legal affairs for further study.

Mr. Trudeau: If the only purpose were to consider the physical appearance of the statutes I would have no objection. But there are

only two clauses in this bill and, if I read the temper of the house accurately, there is a general desire to make progress. I could have copies circulated to hon. members, of course, and if they wished to look at these examples before third reading it seems to me this would be much simpler.

Mr. Fulton: There are other questions involved here—not the question of printing the statutes in the two languages alone, but the whole change—

Mr. Speaker: Order, please. I wonder if we might return to the debate. There are still 20 minutes left before ten o'clock and there are a number of speeches to be made. Perhaps the subject just referred to could be discussed overnight between interested hon. members.

Mr. F. J. Bigg (Athabasca): I believe we are speaking here on a very profound issue, although at first glance it may appear to be a superficial one. Some of us are a little worried about the reaction in the country.

• (9:40 p.m.)

The British North America Act spells out certain fundamental rights, and I for one do not want to reduce them by the slightest degree. In fact, following upon the constitutional conference and its controversial arguments, I appeal to my colleagues on both sides of the house to concede a great deal more than has been written into the B.N.A. Act so as to give people their place in the sun.

This legislation is a very small concession to our French speaking brethren throughout Canada. All it does is permit printing of the statutes in English and French, either in one volume or with both languages on the same page, so that they can be easily understood. I myself do not want to be controversial in this matter. I would like to be fully understood by my French speaking colleagues. I beg all Canadians to learn English as well as French. At the present time I am studying very hard to learn French. I take French lessons twice a week and from them I hope that my life will be culturally enriched.

I would dearly like to be able, in my own inimitable way, to express my feelings in the language of my French colleagues, a beautiful language, and certainly equal to English in every way in the cultural field. However, the very fact that feelings run high when we mention the subject, even in connection with a minor measure like this, indicates how deeply the feelings of some people are held.

It seems to me that to emphasize our differences is bad. I would like to emphasize those things which we have in common. I hope the minister is bringing forward this proposal as something to which English speaking Canadians can opt in. We will do that if this is a real opportunity to join him in his desire to make Canada one united country from coast to coast. If this small request of his is a positive approach toward giving our French colleagues their historic cultural rights, then in the spirit of unity I can do no less than take my seat and wish him well. I am going to vote for this bill. I do not care whether the French version is printed in one volume or in two. I am going to take the positive approach, believing that the spirit I have outlined is in conformity with the faith our ancestors had 100 years ago, and which is far from dead today.

I listened to the proceedings at the constitutional conference and heard very deep feelings expressed. But I was a little disappointed that there was not more emphasis on what we can do together, instead of on individual rights. I beg those members who feel deeply about their right to speak French, something which is enriching our Canadian life, that when they go home to their constituencies they advise their own people that English, whether they like it or not, is the language of commerce. It is the language of access into the warp and woof of economic society.

When they ask their young children to speak English, or to learn English, they will only be doing as I did when I insisted that my children learn to speak French. I believe in practising what I preach. I have seen to it that my three daughters have a working knowledge of French, something which I wish I had achieved earlier. I think the French language and French culture can be spread across the whole of Canada at very little extra expense. I for one think nothing can be lost by having our statutes, federal and provincial, presented in a manner that can be understood by French and English speaking Canadians.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, there have been a few moments during this debate when I felt we were in the middle of the debate to which the Prime Minister (Mr. Pearson) referred at the beginning of today's sitting, namely the debate on the future of the constitution and our confederation. Having looked at the terms of this bill it

seems to me that all we are really dealing with is a practical matter of housekeeping.

The bill does not say anything about how exactly the statutes are to be printed. It merely says that the house would give authority to the governor in council to decide as to the particular and precise form in which they would appear, while making it clear that the statutes must continue to be printed in both the English and French languages.

Of course the minister's statement when introducing the bill made it clear that the idea of having the two language versions appear parallel on a single page was in his mind, and in the mind of the government. It seems to me this is the kind of subject we could better deal with in committee, when we could question the minister closely on the government's intentions and get on to the real practicalities of what would be a useful way of having the statutes printed for reference by parliamentarians, by lawyers in the courts, and by Canadian citizens generally.

This is the way some of us think we should proceed. We should not try to settle the whole future of confederation when dealing with a bill which has to do with the practical matter of internal housekeeping in our printing establishment.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have only a few comments to make. The first thing that strikes me is that it is not the language in which we print a bill, but what is in it, that is most important. After sitting here for almost five years examining some of the monstrosities that hon. gentlemen opposite have perpetrated, I can say they look equally as bad in French as in English. I do not think having them printed in English and French at the same time could possibly make them any better.

During my practice of law over the last 38 or 39 years I can think of only three or four occasions when it would have been useful to have had the statutes printed as the minister now proposes. As a matter of fact in my province of Alberta, ever since it was carved out of the Northwest Territories, it has been the custom to have a bilingual judge in the supreme court and a bilingual judge in the district court. These have been excellent judges, fully capable of hearing cases involving French speaking people, and able to translate from one language to the other without the assistance of an interpreter.

• (9:50 p.m.)

I recall one of the very earliest judges, when I was a student—and I am referring to His Honour Judge Noel. His knowledge of the law was not what it might have been, but he was a splendid man. I see my friend the hon. member for Kootenay West (Mr. Herridge) listening. I have heard him speak on this subject before, and I think he is inclined to agree with me. I remember when I was a young student listening to His Honour Judge Noel speak in English with that delightful accent which made his sentences of imprisonment so much easier for my clients to take. While acquitting a man who was charged with having stolen a pig Judge Noel gave an explanation which is just as good in English as it was in French. He said, "Well, it was such a little pig".

In my area there are a number of French speaking people and I can recall three occasions when we found it necessary to try to find a federal statute which was printed in the French language in order that the persons involved might have the opportunity to read it. It may be that in the future more and more people will be fluently bilingual, and it will be found helpful if the statute books are printed in both languages with the same spacing on the pages. This might also be desired in respect of the provincial statutes. However, at the present time we are not sure of the necessity for this. I do not think it is an issue which is grave enough to justify talk of separation.

I have just come from the north, in my part of the country, where I had an opportunity to meet with a great many people and discuss this situation. I found that there is a great deal of sympathy and understanding as well as a desire on the part of the people of western Canada to try to be reasonable, cooperative, compassionate, and work out the sort of arrangement which will require cooperation on both sides. The processes of history are such that nations are not built in a day. We must make sure that we do not lose the battle today.

On the question of separatism, I might say that in my part of the country we do not like what we see when we look to the south. I remember our sending a delegation to British Columbia when Mr. Bennett was asked if he would like to take the Peace River country into the province of British Columbia. At that time one of my friends said that he preferred the devil he knew to the devil he did not know.

However, I believe this measure might be adopted. Having been a practitioner for a good many years I can see an occasion in the future when it might be helpful to have it. This, however, has not been the experience in the past. But I am prepared to go along with it. I think it would be desirable if we had a model of the revised statutes, such as the minister suggested. It might be that if this were referred to the standing committee the matter could then be referred back and dealt with without difficulty. I urge the minister to give serious consideration to this proposal, after second reading.

Mr. Churchill: Would not the hon. member wish to see the revised statutes in their complete bound form, so that the type of paper and the general format could be examined, rather than a proof sheet from the printer?

Mr. Baldwin: I have seen the statutes. I have made a point of examining the statutes of the province of Quebec. I have seen them on many occasions. I assume that after having examined a specimen I would not need to see the whole statute.

Mr. Trudeau: If I were to tell the hon. member that the form we are contemplating for the statutes is the same form as that in which they appear in the province of Quebec, by and large, would he not think it would be sufficient to go to the library and look at the statutes? In that way we could save the time that would be involved in going to the committee.

Mr. Baldwin: I think in the process of democracy one of the virtues of having a standing committee is that, while one member may have his own views, it is the committee, which includes representatives from all sides of the house, which makes the report to the house.

Mr. Trudeau: Would the hon. member permit another question?

Mr. Baldwin: Yes.

Mr. Trudeau: Does the hon. member not realize, as the hon. member from the New Democratic party said, that the amendment which is before us does not give the government authority to use any particular form, and therefore any example we would present would merely be an example and would not be binding.

[Mr. Baldwin.]

Mr. Baldwin: If the minister appeared before the committee and gave his undertaking I for one, if I were a member of the committee, would accept such an undertaking.

Mr. Speaker: Order. Is it the wish of the house that I call it ten o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Fulton: Mr. Speaker, may I ask the Solicitor General what the order of business is for tomorrow, please.

Mr. Pennell: Mr. Speaker, it is proposed to call item No. 61, second reading of Bill No. S-32; then item 50, the second reading of Bill No. S-28; then item 51, second reading of Bill No. C-190 and then item 57, second reading of Bill No. C-197.

Mr. Knowles: Could the house leader tell us what might be in store for Monday.

Mr. Pennell: I am afraid I cannot be very helpful to the hon. member, except to add that possibly we will resume consideration of item No. 43 and then continue with the list I have already enumerated.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

• (10:00 p.m.)

PUBLIC SERVICE—MODIFICATIONS IN CLASSIFICATION REVIEW PROGRAM

Hon. R. A. Bell (Carleton): Mr. Speaker, on January 23 I was astonished to receive from the President of the Treasury Board (Mr. Benson) an uncommunicative, curt, abrupt reply to my simple and direct question relating to red circled public servants. My question which appears at page 5841 of *Hansard* was as to—

> —whether the government has under immediate consideration a lump sum payment for those public service employees who are red-circled or other modifications to relieve the hardships of the classification review program?

The reply, couched in haughty and cavalier terms, which have become characteristic of the President of the Treasury Board, was:

> Without in any way admitting to the facts contained in the statement that my hon. friend has made I should simply like to answer his question by saying, no.

No, no—that is the only answer one gets from the government to any representations on behalf of public servants, present or retired. Unfortunately it is typical of the indifference, the insensibility which the government has displayed toward that unhappy and luckless group of public servants caught in the red-circling program.

That program has caused more resentment, discontent, indeed bitterness and deep-seated anger among a very large number of public servants than any program of which I have ever known. The resultant loss of morale will have lasting effects upon the future of the whole public service. Deliver a blow to a public servant's morale, to his pride in his work and service, and the mere removal at a later date of the grievance does not heal the bruise or restore his morale to the *status quo ante*.

My question was prompted by the knowledge that early in January, 1968, the Public Service Alliance of Canada had made vigorous representations to the Treasury Board that a lump sum payment of 4 per cent be granted to every employee in the administrative and administrative support categories who, on October 1, 1967, were still red-circled. The curt and blunt refusal of the President of the Treasury Board illustrates with what disdain and superciliousness he has treated serious representations by the largest public service organization, how impervious he is to sensible and logical arguments, how unconcerned, unfeeling and callous is the government to the plight of the red-circled employees.

The recent across-the-board increase is no answer to this problem. Indeed it is the strongest argument in favour of the action sought by the Public Service Alliance. When he replies, I should like the parliamentary secretary to be most explicit in making clear that the recent general increase is no solution or assistance for the red-circled employee.

The fact is, Mr. Speaker, that action taken by the government in November, 1966 is an exact precedent for the proposal I now make. Then a pay supplement for red-circled employees was authorized, such supplement amounting to a 4 per cent lump sum payment of the salary rate as of September 30, 1965. This was intended to provide financial relief to offset the increases in the cost of living for the period October 1, 1965 to October 1, 1966. Since October 1, 1966 the increase in the cost of living has been about six points. Consequently, if the government was right in providing a 4 per cent lump sum payment in 1966, the case is now irresistible and unanswerable for a new lump sum payment designed at least to maintain the real salaries of red-circled employees.

It is no answer to say that the number of red-circled employees has been reduced to about one half the number that existed in November, 1966. If the Treasury Board had done its job, there would be none by this time. This festering sore in our public service would have been totally eliminated.

Some departments are much worse than others. I consider, for example, the discrimination against employees in the checking and refunds branch of the Department of National Revenue, or among the classification of buyers to the Department of Defence Production, constitutes a reproach, a burning shame to the public service. I could mention other branches; branches in national defence, the post office and many other departments where large numbers have been and are still prejudiced.

I point out, as I have done on many occasions in the past, that the fault is not that of the red-circled employee. The classification of his position was established, not by himself but by the old civil service commission. How it can be alleged that the old commission was so dead wrong in so many thousands of cases in past years, but the enlightened gentry of the Treasury Board are infallible today, passes my understanding.

It is the individual public servant who must pay the penalty for the mistakes of others, with resultant breakdown of morale, grave loss to the public at large and deplorable impairment of the public interest. The real answer is to divorce the red circle from the present incumbent; to allow the present incumbent to enjoy all the normal increases and other benefits but to reduce the status and classification of the position effective only when it is next filled. I recognize that a lump sum payment would be only a palliative, but at least it is a measure of justice for the red-circled. On that basis I urge it upon the government.

Mr. J. E. Walker (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, it is always a great pleasure to reply to the humble, modest, moderate and reasonable hon. member for Carleton (Mr. Bell).

Mr. Knowles: Pourquoi?

Mr. Walker: I understand that since the answer of the President of the Treasury

Board (Mr. Benson) to the hon. member's question on January 23 last, perhaps unbeknown to the hon. member there has been a request relating to this matter from the Public Service Alliance of Canada, which represents the great majority of public civil servants. This request is now being considered by the staff of the Treasury Board and will in the near future be the subject of discussion with officials of the alliance, who are the proper people with whom the matter should be discussed.

I cannot say more on the subject at this time except that perhaps in arriving at a decision the Treasury Board will have to bear in mind the imminence of collective bargaining for the groups of employees concerned. I also point out—and I might say that the hon. member anticipated this—that the recent 3 per cent increase for approximately 100,000 civil servants, voluntarily initiated by the government, will have the effect of further lowering the increasingly reduced number of employees who may still be in red-circled positions.

I should also like to add that it is positions that are red-circled, and I think the hon. member for Carleton does something less than justice to this subject when he speaks about red-circled employees rather than red-circled positions.

EDUCATION—REQUEST FOR FEDERAL ASSISTANCE IN TEACHING IMMIGRANT CHILDREN

Mr. David Lewis (York South): Mr. Speaker, on February 1 last I asked the Minister of Manpower and Immigration (Mr. Marchand) a question relating to a letter sent to him by the chairman of the school board of the city of Toronto. Mr. Speaker ruled that the question was not acceptable on the orders of the day. The letter to which I referred was concerned with a request for assistance from the federal government toward enabling the school board of Toronto and metro Toronto to provide the children of immigrants with the necessary training, initially, in the English language so that they then would be able to enter the ordinary school stream.

A couple of days ago—I think it was Monday night—my colleague the hon. member for Greenwood (Mr. Brewin) also dealt with this subject. Let me say two things immediately. I notice the parliamentary secretary is here to deal with this matter. I appreciate, of course, that education is a provincial matter and that jurisdiction in this field generally lies with the provincial government. Let me also hasten to say that I have not the slightest doubt that the Minister of Manpower and Immigration is as concerned with the welfare of immigrants and their children when they arrive in Canada as I am, or any other hon. member. I am therefore not questioning his intentions in this matter.

• (10:10 p.m.)

This is a matter of real urgency. It has not arisen only in Toronto. Exactly the same problem has arisen in Montreal and, to a somewhat lesser extent, in Winnipeg. In my own riding there is a large number of new Canadians, mainly from Italy. I have had the pleasure of being in some of their homes, and the reason why I pursue the matter this evening is that I have heard from the lips of the parents, usually through an interpreter, expressions of their concern that their child, who is 10, 11 or 12 years old, is getting so discouraged that he does not wish to go to school at all.

If you will permit me, Mr. Speaker, I should like to speak in a more personal vein and to say that I myself had that experience when I came to Canada at the age of 12. I remember very distinctly that after several days in school, where I could not understand a word my fellow pupils or the teacher were saying, I came home and told my father I would not go back to school, and it needed some very strong persuasion to make me go back. I was 12½ years old, sitting in a class with six year olds, not understanding a word they or the teacher said, but it did not take me very long to learn the language. At that time I was so discouraged that I was tempted to leave school and go to work, which is what I asked my late father to permit me to do. This has happened in a good many cases.

Although it is true that the matter is under provincial jurisdiction so far as normal schooling is concerned, there is nothing in the B.N.A. Act or anywhere else to prevent the federal authorities from agreeing to assist the provincial authorities concerned, if the latter are prepared to share in the cost of teaching English to children of immigrants; and this does not require a long time. This has also been my experience. When I applied myself, I learned to speak English at the end of the first year. It does not take long at that age.

On making inquiries into this matter I was informed that for a certain period after their arrival here—I am not sure how long—immigrant families are entitled to medical or related assistance. If this is being done, it is the

right thing to do. If I am wrong, I stand to be corrected.

Is there any reason why the minister has to wait until the minister of education of a given province approaches him on this matter? This is what I understood the minister to say in reply to my question, a reply which was published and a copy of which the parliamentary secretary to the minister gave to a colleague of mine and which is now in my hands. There is no reason why the minister should wait for Mr. Davis, the minister of education of Ontario, to come to him. The problem has been brought to his attention and, let me point out, we are responsible for the immigrants who come to Canada. I am glad they are coming, as is every member in the house. We have some responsibilities in respect of these children and we should help them to integrate better into the school life in our country.

I am not so much interested in criticizing the minister who, as I have said, is as interested in this matter as I or anyone else is. However, I suggest to him and to his colleagues in the government that this is a real problem in the larger population centres of this country. As a result of lack of funds, the Toronto board of education say they cannot cope with it, and cannot provide not only the teachers but even the physical facilities which are required. I plead with the minister and with his colleagues in the government not to stand on protocol and not to wait for someone to come to him, but to take some initiative in this matter and assist in the solution of a very real problem.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Well, Mr. Speaker, the suggestion put forward by the hon. member for York South (Mr. Lewis) urging the government to be of some assistance in providing education for the children of immigrants is obviously a good one. What strikes me, personally, about the matter is the fact that in the few years I have been around parliament, representing a riding as I do which is one of the more cosmopolitan ridings in Canada, and having a good deal of exposure to the aspirations and requests of those newly arrived in Canada, I must say this question has never really arisen. I am not aware of its having been raised by anybody in our immigration committees, when we were discussing immigration problems. Perhaps this is because the people who arrive in this country with young families have never really made the education of their children an issue. I do not believe many representations have been made in the constituencies, or surely one member would have raised this point before. Perhaps these newly arrived people feel that their children are young enough to be integrated into the school system and, by working harder than native born children, can soon catch up. This problem has never been in the forefront before.

Mr. Lewis: It is now.

Mr. Munro: Yes, it is now. This does not necessarily mean it is not a problem to which we should give attention and to which we should give assistance. I think it is worthy of consideration. I know the minister's attitude is to get the proper facts and figures in relation to the number of children, teachers and facilities available in order to determine what our program should be in this particular area. This will take some time. I believe the minister has had talks with Mr. Davis, the minister of education for the province of Ontario, in connection with assistance for this type of thing. I feel that the province is involved to a degree in this whole venture. Certainly the research facilities they have, in terms of educational facilities and so on, would be required, so I think the whole area requires co-operation with the provinces. To my knowledge, there has been at least one meeting between Mr. Davis and the minister concerning this problem. They are working on it now to see whether or not something can be done.

As to numbers, and how misleading they can be, my attention is called to a headline in the Toronto *Telegram* for February 8, 1968 which reads, "18,000 Immigrant Children just a Guess." Apparently the school board started to look into this figure and became rather incensed at the looseness with which figures had been quoted. I should like to quote a couple of paragraphs from this article:

> Toronto school trustees are looking for 18,000 new Canadian children who were suddenly at a committee meeting yesterday.
>
> The children, according to statements made last week by board of education chairman Ying Hope, need special English classes but aren't getting them because Toronto can't afford it.

The poor English is not mine in this case, it is the Toronto *Telegram*'s.

> Yesterday's new Canadian committee meeting learned, however, that the figure was a guess and that school officials don't really know the annual cost of special English classes.

The article goes on to say that the board does not really know the number involved. The chairman was asked where he got the

figure from, and he said he heard it from somebody. I continue quoting:

> Mr. Lowes said the board at no time has said it did not have enough money to cope with the new Canadian program.
>
> There appears to be a new category of students, he said, who have been through the special language program but could benefit by further language classes.

The board felt it was supplying special language programs now and thought they were sufficient. If there are some who want additional educational training, they probably should have it. The board has never heard this figure—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Munro: I will conclude by saying that something should be done and we are prepared to look at the problem to see if further assistance can be given.

• (10:20 p.m.)

INDIAN AFFAIRS—CANCELLATION OF SCHOOL PROJECT, CAPE CROKER RESERVE

Mr. John Loney (Bruce): Mr. Speaker, on February 7, as reported at page 6465 of *Hansard*, I submitted to Your Honour that the question I had put to the minister of Indian affairs was indeed urgent. It is now my intention to substantiate my contention that immediate action must be taken to reverse the decision of the department of Indian affairs to cancel the construction of the proposed separate school at the Cape Croker Indian reserve.

The situation that the Indian people are protesting, Mr. Speaker, is best described in this article that appeared in the Montreal *Gazette* for February 6. It was published on that date under the heading "Indian parents protest school" and reads as follows:

> Parents of 90 Roman Catholic children at the Indian reserve here, 40 miles north of Owen Sound, are threatening to take their children out of three buildings which have been used as a school for the last 10 years although they have no water or toilets.

May I correct one point here, Mr. Speaker. There are water and toilets, but there is an inadequate water supply.

> The parents plan a protest meeting February 12. They claim federal funds slated for construction of a new school this year have been withdrawn.
>
> Fred Purser, Bruce county Indian agent, said government funds have been cut back despite definite "promises" to build the school this year.
>
> Joseph Akiwenzie, chief of the Cape Croker band, said the Department of Indian Affairs and Northern Development is "beating around the bush" and "has been promising the school for 10 years."
>
> Rev. O. H. LaBelle, parish priest of the reserve, said records kept by a teacher at the parish hall three years ago showed that the oil heater in one building rarely provided a temperature as high as 60 degrees.
>
> "Most of the time the temperature was 50 degrees and small children were forced to draw their feet up on the seats to keep warm," he said.
>
> "They also had to go outside in the cold to unheated toilets."

This house will agree, Mr. Speaker, that this is indeed a deplorable and unnecessary situation. I must say, with respect, that the departmental officials are aware of the existing accommodation and of the need to provide proper and comfortable facilities conducive to an atmosphere of learning. Until the last few weeks the parents of the children concerned were willing to accept temporary accommodation. Weather conditions, coupled with a deterioration of the three buildings now proven to be inadequate, has moved the parents to protest the circumstances.

My contention that there must be immediate action is supported by a statement of the director of education for the Indian affairs branch. The statement was printed in the *Telegram* for February 7, appeared under the heading "Ottawa to insulate school", and says:

> The federal government has ordered an emergency supply of insulation to keep children from shivering in 50-degree temperatures at the Roman Catholic school on the Cape Croker Indian reserve near Owen Sound.

According to *Hansard* for February 7 I have already stated that the matter is indeed urgent. This article supports that claim in its reference to the fact that the federal government has ordered an emergency supply of insulation. The article continues:

> Students have been wearing snow boots and leggings in the school, a converted church hall, to keep warm.
>
> The building's only source of heat is a single oil stove.
>
> Robert C. Davey, director of education, Indian affairs branch of the Department of Indian Affairs and Northern Development, said yesterday the insulation should reach the school "within the next two or three days."
>
> "We've bypassed the procedure of calling for tenders because of the need for immediate action"—

I reiterate, Mr. Speaker—the need for immediate action.

At the outset of my remarks I stated it was my intention to substantiate the need for

immediate action. Mr. Davey said he learned of the problem at the school when he received a letter last week from a parent at the reserve. He is reported to have said: "Last fall, when the hall was converted into a classroom we added insulation, a heating unit and storm windows. We did not know these changes were insufficient."

In making representation on behalf of those concerned at Cape Croker, my argument is that these stop-gap measures can no longer be continued. This case goes back to 1958 when a decision was made to construct a new school for both Protestant and Roman Catholic children. Later the plans were altered and a smaller school for Protestant children was completed in 1964, the understanding at that time being that when a building site had been chosen a separate school would be built. In November of last year, according to the information provided me, departmental officials consulted the sisters who staff the schools and put forward plans for the proposed new school upon the understanding that construction would soon commence.

Now the department has reconsidered its intention, claiming that other projects take precedence. I ask the minister to explain to the parents concerned and to the people of Cape Croker what priorities take precedence over the proven need for adequate educational facilities and accommodation by the children of this Indian reserve.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): It has not been my privilege to visit Cape Croker but this is probably understandable because I believe we have 2,200 Indian reserves in Canada. I have been on a number of them.

This arises from resentment on the part of the people on that reserve because other areas are being given priority over them when it comes to improving the capital plant needed for education, housing and so on. I believe every member of this house is aware that at the present time we are by comparison spending a fantastic amount of money on Indian affairs. The budget given me in the current year for Indian affairs was $122 million. In 1945 it was $5 million. This year we are spending $58 million on education alone. I would defend this because I think it is the first place to spend money in Indian affairs. We have in the current year expended $9,600,000 on the improvement of buildings and in the coming year we intend to build about 84 schoolrooms on the basis of need, taking priority over Cape Croker.

Cape Croker is an area where there are about 80 people presently housed in three buildings. Unfortunately one of the buildings, I am told, is an old church hall the age of which is almost equal to the age of our nation itself. We are doing the best we can to keep it warm during this cold weather and it is our intention in the following fiscal year to build a school there. We have not cancelled anything. We have postponed construction because we are extending our program with respect to Indian affairs. An example is Indian housing, which we have spread, now, over seven years instead of five years, in the amount of $112 million.

• (10:30 p.m.)

I want to assure the hon. member that we are making tremendous improvements on Indian lands and I believe most hon. members are fully aware of this. We have built this year 2,000 houses on Indian reserves. We have put electric light into more than 4,000 Indian houses in the last two years and we have installed sewage and water facilities in some 58 reserves. The difficulty is that when one group of people sees this going on they want to benefit by the same sort of expenditure. I have here, for instance, a wire from the British Columbia region telling me that in other places we are providing Indian houses with gold plated bath tubs. This, of course, is a sort of envy. All I can tell the hon. member is that we are doing the best we can and Cape Croker has a priority, but we have 84 schoolrooms with a higher priority.

Motion agreed to and the house adjourned at 10.32 p.m.

HOUSE OF COMMONS

Friday, February 9, 1968

The house met at 11 a.m.

AGRICULTURE

COMMITTEE CONSIDERATION OF COMPENSATION FOR SLAUGHTERED ANIMALS

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture) moved:

That the order for resuming debate on item No. 32 under the heading "Private Members' Notices of Motions" on last Monday's order paper, reading as follows:

That, in the opinion of this house, the government should consider the advisability of immediately introducing legislation to provide the following increase of the compensation paid for the cattle slaughtered under the authority of the Animal Contagious Diseases Act; (a) purebred cattle, $200.00 (b) cross-bred cattle, $125.00.

standing in the name of the hon. member for Saint-Hyacinthe-Bagot be discharged and that the standing committee on agriculture, forestry and rural development be empowered to consider and report upon the provisions thereof.

Motion agreed to.

EXTERNAL AFFAIRS

MIDDLE AND FAR EAST—PROPOSED WITHDRAWAL OF BRITISH FORCES

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a question for the right hon. the Prime Minister in connection with the visit to Canada of the Prime Minister of the United Kingdom. In view of the announced intention to withdraw British forces from east of Suez and in view of the concern this announcement has occasioned in a number of countries, does the Prime Minister anticipate that this will be one of the matters to be discussed by him and the British prime minister? If so, what attitude will the Prime Minister take on behalf to the government of Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am quite certain this will be one of the subjects we will be discussing, because I feel the Prime Minister of the United Kingdom will want to explain the circumstances which made it necessary for the United Kingdom government to take this decision which, of course, is a regrettable one in some ways. I feel quite certain that we will be talking about it.

Mr. Fulton: Is the Prime Minister in a position to indicate what attitude he will take on behalf to the government of Canada?

Mr. Pearson: This, of course, is a matter for the United Kingdom government to decide. What I would feel like doing in the circumstances is to express my regret that circumstances were such that a decision of this kind, which on the face of it might seem to minimize British influence in that part of the world, was necessary.

VIET NAM—REPORT BY CANADIAN REPRESENTATIVE AT HANOI

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address this question to the right hon. Prime Minister. In view of the disastrous escalation on both sides of the war in Viet Nam and in view of some very frank suggestions made by Senator Robert Kennedy only yesterday, could the Prime Minister inform the house whether there has been any encouraging or other word from Canada's envoy at Hanoi who I understand has been there for three weeks.

Right Hon. L. B. Pearson (Prime Minister): Yes. He has been there longer than he expected. As my hon. friend may have learned, at least from the newspapers, it has been difficult to get a plane from Saigon to Hanoi to bring him back, in the present deplorable situation in that capital. We have not heard from him in recent days, and I should prefer not to make any comment on his mission or what might come from that mission until we receive a report from him.

My hon. friend has mentioned the developing feeling that events of recent days have underlined that this war should be brought to an end and negotiations should begin. I should like to see an escalation of that feeling in the world.

Mr. Lewis: Mr. Chairman, is the right hon. gentleman planning on his behalf and on behalf of the government some special discussions, not through the regular ambassadorial

channels, with the government of the United States in order to take such steps as will escalate the desire for peace negotiations or some action toward them?

Mr. Pearson: I have no plan on behalf of the government to initiate any special discussions at this moment, Mr. Speaker. If there is anything we can do to increase this feeling, having regard for the difficulties, which we appreciate, the United States government is having, we will be glad to do so. That is all I can say at the moment.

Mr. David MacDonald (Prince): Mr. Speaker, I wonder whether the Prime Minister can tell the members of this house, in view of the considerable number of requests, what plans there are to expand either the size or the responsibilities of the international control commission.

Mr. Pearson: I do not think an expansion in the size or in the formal authority of the control commission in Viet Nam would be of much value at this particular moment, especially in view of what is happening in the demilitarized zone. So far as the control commission in Cambodia is concerned, and that is a very important area, we have done our very best to see that this commission is given greater authority and more facilities to deal with problems on the border. If there has been a delay in that regard it is not the fault of the Canadian member of the commission.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the right hon. Prime Minister whether he will impress the views of this government upon the right hon. Prime Minister of Great Britain when he meets him tomorrow.

Mr. Pearson: Yes indeed, Mr. Speaker.

SOCIAL SECURITY

INQUIRY AS TO CONSIDERATION OF GUARANTEED ANNUAL INCOME

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is also for the right hon. Prime Minister. Considering the renewed interest in the topic following the recent Canadian Welfare Council report; and in order to avoid too much confusion as a result of conflicting statements that are and will be emanating from hon. members on that side of the house; and following the example set by the President of the United States, will the Prime Minister appoint a commission to examine into the practicability and possibility of a guaranteed annual income program for Canada?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, not at this time. I know this is a very important matter which will undoubtedly be examined in due course, as it is being examined in other countries, but I do not think it would be useful at this particular moment to appoint that kind of a commission for that kind of investigation.

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, yesterday I asked the Prime Minister whether he would outline the government's plans for combating growing unemployment. He replied as follows as recorded at page 6495 of *Hansard*:

> —Mr. Speaker, this is a very worrying matter. I hope there will shortly be an opportunity to discuss this subject in the light of general economic conditions.

I examined the order paper carefully and found no item which would allow such a debate. There will be no estimates presented until after the next budget and, as the Prime Minister knows, there are no motions to go into supply which would make it possible to have such a debate. Will the Prime Minister set aside a day either next week—or, at the latest, the week following so this very important matter—and I am sure the Prime Minister believes it is very important—can be thoroughly discussed in this house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. member should examine the record even more carefully than he did. If he does he will find at page 6407, in reply to a question by the hon. member for Perth, a statement by the President of the Treasury Board that he will be tabling the final supplementary estimates and the main estimates for 1968-69 on Monday next. My hon. friend knows that when those estimates are called, that will give him and other members the opportunity for the kind of discussion he has mentioned.

Mr. Hees: Mr. Speaker, I am glad to hear the Prime Minister give the assurance that this will permit a full and unrestricted debate on this most important subject.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact that unemployment in Canada has reached an all-time high for recent times, that is for the last four years, and in the United States there is a decline to the lowest level in 15 years, to what does the Prime Minister attribute the difference in conditions in this respect?

Mr. Pearson: Mr. Speaker, the all-time high was reached in the period 1960—

Mr. Speaker: Order, please.

VOCATIONAL AND TECHNICAL TRAINING

DISTRIBUTION OF FEDERAL GRANT FOR VOCATIONAL SCHOOLS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address my question to the Minister of Manpower and Immigration. Can the minister say whether he, on behalf of the federal government, advised the province of Ontario that they would not be receiving their share of the $71 million federal grant now due under the cost sharing arrangement for provincial vocational schools?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): No, Mr. Speaker, I did not inform the government of Ontario that it would not receive the amounts agreed upon. The only notice I gave the Ontario government and all other provincial governments was that the amounts would be distributed over a longer period of time than had been anticipated.

[*English*]

Mr. Hales: A supplementary question, Mr. Speaker. Would the minister care to advise the house over what length of time the federal government has asked this grant to be spread?

[*Translation*]

Mr. Marchand: This means that instead of giving the provinces the full amount in the course of the same year, a minimum period of two years has been set.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. Is the minister aware that the provinces have financial commitments based on earlier joint agreements which must be met this year?

Mr. Speaker: Order, please.

Inquiries of the Ministry

INDUSTRY

SYDNEY, N.S.—ADDITIONAL FEDERAL ASSISTANCE RESPECTING STEEL PLANT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister. Now that the Minister of Trade and Commerce has signed an agreement whereby Canada will lend India $20 million, will the Prime Minister adopt this same generous attitude toward Canadians in Nova Scotia and provide the government of Nova Scotia with a share of the money that is required by that government to assist in the purchase of the Sydney steel plant?

Right Hon. L. B. Pearson (Prime Minister): As far as Nova Scotia is concerned, Mr. Speaker, it is not a question of generosity; it is a question of justice.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. What is justice when Nova Scotia—

Some hon. Members: Order.

Mr. MacInnis (Cape Breton South): I repeat, Mr. Speaker, what is justice when Nova Scotia is seeking money to maintain its steel plant, compared to the millions and millions of dollars, not just in this particular arrangement but in other arrangements, which this government sees fit to give to foreign countries?

Mr. Greene: That's a silly comparison.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Queens.

Mr. Macquarrie: Mr. Speaker—

Mr. MacInnis (Cape Breton South): Mr. Speaker, on a point of order—

Mr. Crouse: Mr. Speaker, the Minister of Agriculture just said "Don't be stupid." Will he stand up and say that? What kind of government do we have over there? I ask the minister to get to his feet and say that.

Mr. Starr: Show some leadership.

Mr. Speaker: Order, please. The hon. member for Cape Breton South has the floor.

Mr. MacInnis (Cape Breton South): I rise on a question of privilege—

Some hon. Members: Oh, oh.

Inquiries of the Ministry

Mr. Speaker: Order, please. The hon. member for Cape Breton South rises on a question of privilege and should be given an opportunity to state his question.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a question of privilege arising out of the interjection by the Minister of Agriculture. When I put my question to the Prime Minister I was putting a fair question and asking why it is that this government cannot see fit to lend the Nova Scotia government far less than $20 million to purchase—

Some hon. Members: Order.

Mr. Starr: What is wrong with that question?

Mr. Speaker: Order, please. Will the hon. member kindly proceed. I am listening to him.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I have referred to a snake pit over there before, and I refer to it again.

I am putting my question of privilege as the result of an interjection, and I do not see why further interjections should be made from the government benches while I state my question of privilege.

Mr. Speaker: There are no interjections now. I am listening, and the house is very quiet.

Mr. MacInnis (Cape Breton South): The Prime Minister spoke of justice, and I ask what is wrong with an appeal from the Nova Scotia government for financial assistance to enable an industry in that province to continue operating, an industry which is paying taxes to this government? The amount of money the province is requesting is no larger than the sum the Minister of Trade and Commerce has signed over to India. If the Prime Minister or anyone else on the treasury benches wants to refer to other programs of assistance in Nova Scotia, such as ARDA or any of the others, I can refer to many foreign assistance programs on which money is being thrown down the drain.

Mr. Robert Muir (Cape Breton North and Victoria): I have a supplementary question, Mr. Speaker.

Mr. Speaker: Is it supplementary to the question of privilege?

[Mr. MacInnis (Cape Breton South).]

Mr. Muir (Cape Breton North and Victoria): No, Mr. Speaker. Actually I have a question of privilege. Why is it that every time we, the representatives of Cape Breton Island, and indeed members from Nova Scotia and the maritimes, try to speak in this house on behalf of the people whom we represent we are howled down by the idiots in the cabinet?

Mr. Speaker: Order.

Mr. Muir (Cape Breton North and Victoria): I ask the Prime Minister to straighten out some of these popinjays, idiots and pseudo cabinet members, because members of the cabinet such as the Minister of Agriculture and the Minister of Energy, Mines and Resources find this a big joke.

Mr. Speaker: Order. Will the hon. member please resume his seat.

Mr. Muir (Cape Breton North and Victoria): This is no joke. We want assistance. We have the sincere sympathy of the Prime Minister, and I think we should get it from the rest of the cabinet.

Mr. Speaker: Will the hon. member please take his seat. The hon. member for Queens has the floor.

Mr. Muir (Cape Breton North and Victoria): Hon. members opposite laugh at this situation. This will be remembered.

An hon. Member: I have not said a word.

Mr. Muir (Cape Breton North and Victoria): Of course the Minister of National Health and Welfare laughs also.

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): It is a big joke as far as he is concerned.

Mr. Speaker: Only one mmber at a time can have the floor and at the moment it is the hon. member for Queens.

Mr. Muir (Cape Breton North and Victoria): I apologize, Mr. Speaker.

EXTERNAL AFFAIRS

NIGERIA—COMMONWEALTH EFFORTS TO END CIVIL WAR

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, my question is for the right hon. Prime Minister, and it is in reference to the

continuing war in our sister commonwealth state of Nigeria. Can the Prime Minister advise us whether consideration has been given to seeking through commonwealth machinery some avenue leading to a peaceful settlement of this continuing and very serious conflict which should surely trouble all commonwealth states?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, consideration is being given to that matter and to the possibility of using commonwealth machinery to bring this unhappy conflict to an end. It is also one of the matters which I will be discussing with Mr. Wilson, and if I can say anything on the subject early next week I will be glad to do so.

TRADE

REPORTED STATEMENT BY PRIVY COUNCIL PRESIDENT

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Prime Minister. Was the President of the Privy Council expressing the view of the government when he said in Toronto recently "the fact remains that we have become an economic colony of the United States"?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will have to consult the President of the Privy Council as to whether he actually used the words reported by my hon. friend.

Mr. Hees: Mr. Speaker, I am glad to advise the Prime Minister that these words were a direct quotation from a statement which appeared in last Saturday's issue of the *Globe and Mail.*

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in an effort to pour oil on troubled waters I wish to direct a question to the Member of the Administration from Newfoundland. Has the minister ever suggested to the Prime Minister that as a member of the administration he could perform a very important and useful role in the economic development and tourist promotion of all the Atlantic provinces?

Hon. Charles R. Granger (Member of the Administration): I thank the hon. gentleman for giving me notice of his question and for affording me an opportunity to answer it, I am also interested in the Atlantic provinces, but I am sure the Prime Minister can best assess how I can be useful.

Mr. Ed. Schreyer (Springfield): I should like to direct a question to the Minister of Agriculture, since he seems quite anxious to say something to the house today. I should like to ask him if he can make any statement with regard to the policy statement approved by the western Liberal conference a few weeks ago.

Mr. Speaker: Order. I suspect the question is not in order.

DRUGS

REQUEST FOR PROTECTION AGAINST INFERIOR GENERIC IMITATIONS

On the orders of the day:

Mr. L. M. Brand (Saskatoon): I have a question for the Minister of National Health and Welfare. In view of the action taken recently by the food and drug administration of the United States in removing the generic imitations of chloromycetin from the market because they apparently did not give satisfactory results on patients tested with these drugs, I wonder if the minister can inform the house what action is being taken by the food and drug administration of this country to prevent the importation or use by consumers of similarly inferior products.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): I shall be glad to investigate the matter and report to the hon. member.

NATIONAL DEFENCE

SUMMERSIDE—POSSIBLE PHASING OUT OF AIR BASE

On the orders of the day:

Mr. David MacDonald (Prince): I should like to direct a question to the Minister of National Defence which arises out of the meeting the minister had yesterday with the premier of Prince Edward Island and the premier's statement which appeared in the Charlottetown *Guardian.* There is a suggestion that the defence department wishes to phase out the Neptunes flying out of the Canadian forces base at Summerside. Can the minister assure members of this house and the people of Prince Edward Island that no

major cut-backs will be made in that establishment, because of its vital importance to the already depressed economy of Prince Edward Island?

Hon. Léo Cadieux (Minister of National Defence): I can give assurance that no reduction will be entertained so far as the base at Summerside is concerned without prior consultation and preparation with the provincial authorities.

Mr. MacDonald (Prince): While the minister was kind enough to assure us that no such cut-back would take place without consultation, can he assure us that no cut-back will take place?

Mr. Cadieux (Terrebonne): Unfortunately I cannot; because as the hon. member knows we are contemplating phasing out the Neptunes and redeploying the Arguses which, of course, will apply to Summerside, Comox and other places in Canada. I cannot say there will not be any reduction.

PUBLIC SERVICE

PAY INCREASES FOR RED CIRCLED POSITIONS —SALARIES OF NURSES

On the orders of the day:

Mrs. Jean Wadds (Grenville-Dundas): I have a question for the President of the Treasury Board. Will the minister make every effort to facilitate consideration of the inclusion of red circled positions in the recent civil service salary increase?

Hon. E. J. Benson (President of the Treasury Board): Representations have been received from the Public Service Alliance, as was pointed out by my parliamentary secretary last night. These are now under consideration by the Treasury Board staff who will be consulting with officials of the Public Service Alliance.

Mr. J. M. Forrestall (Halifax): My question in a sense is supplementary to the one directed to the President of the Treasury Board. I should like to ask him if he can advise the house about the position of registered nurses in the employ of the federal government, the lowest paid registered nurses in Canada, as to when they can expect their long awaited increases?

Mr. Benson: Mr. Speaker, I should like to take this particular question under advisement. I doubt that nurses in the public service are the lowest paid in Canada; I do not think I could accept that. However, from time to time in this particular category adjustments are made based on conditions across the country. Therefore I should like to take the question as notice so I can find out what is the situation at present.

Mr. Forrestall: A supplementary question, Mr. Speaker. Can I infer from the answer given that if what I have represented is correct the Treasury Board will take immediate steps to overcome this disparity?

HOUSE OF COMMONS

PROPOSED TELEVISION COVERAGE OF PROCEEDINGS OF COMMITTEES

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): I should like to direct a question to the government house leader in his capacity as chairman of the committee on procedure. In the aftermath of public involvement in the constitutional conference through radio and television as well as in print, and in view of the experiment under way in the British House of Lords, can the house leader advise us when we might expect a recommendation from the committee which would permit broadcast coverage of at least the proceedings of the committees of the house?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): I believe the Prime Minister dealt with a similar question yesterday. The special committee on procedure has from time to time considered this matter, but has not yet reached any conclusion. I believe the general sentiment is that we might make a start at least with the committees of the house, and we would be glad to try to bring forward a positive recommendation at a later date.

INDIAN AFFAIRS

PROTECTION OF HUNTING RIGHTS UNDER MIGRATORY BIRDS CONVENTION

On the orders of the day:

Mr. Robert Simpson (Churchill): My question is for the Prime Minister. I wonder if the Prime Minister is in a position to advise the house as to what progress, if any, has been made in straightening out the conflict between the Migratory Birds Convention Act and the treaties with our Indian people.

Mr. Speaker: Order. I believe this is the type of information which should be given to the house by way of a statement on motions.

Mr. Simpson: I submit with respect, Mr. Speaker, that similar questions have been answered on other occasions. I believe the Prime Minister advised the house the government had the matter under consideration.

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to look into the matter to see if the question can be appropriately dealt with by an answer on orders of the day.

AGRICULTURE

REPORTED SUGGESTION FOR CHANGE IN CONTROL OF WHEAT BOARD

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I should like to again ask the Prime Minister whether he has had an opportunity to check into reports emanating from Vancouver in connection with the statement of the Minister of Agriculture in regard to policy respecting the Canadian Wheat Board. I believe I asked this question on January 29.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I apologize to my hon. friend for not having sufficiently checked into this matter at the moment to give an answer, but I will try and check it with the Minister of Agriculture over the week end.

FLOODS

BRITISH COLUMBIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Prime Minister. I do so really on behalf of the hon. member for Skeena who is unavoidably absent today.

May I ask the Prime Minister, if the informal representations which I understand were made by a minister without portfolio of the British Columbia government to the Minister of Labour are followed up by an official request from the premier or provincial secretary of British Columbia for assistance in the flood damaged areas of Bella Coola and Hagensborg, will the matter receive immediate and sympathetic consideration?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, if that request were made it would certainly receive immediate consideration.

Inquiries of the Ministry

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REPORTED LAY-OFFS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, yesterday I asked the Prime Minister whether, in view of the considerable number of lay-offs by the Northumberland consultants, he could give the house an assurance there would be no further slow down or retarding of the causeway construction project. I wonder whether the Prime Minister has gained any information on this question and can say whether this is a significant development.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not had an opportunity to discuss this question with the Minister of Public Works, who was unavoidably out of Ottawa yesterday, but I will do so later today.

PROPOSED UNDERWATER TUNNEL BETWEEN QUEBEC AND LEVIS

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of Public Works dealing with the $125 million underwater tunnel that is proposed for the Quebec-Levis area, for which plans have been approved. Can the minister tell the house whether government approval is pending and is delaying this project?

Mr. Speaker: Order. I find it difficult to determine whether there is urgency about this matter. The hon. member might like to put the question on the order paper.

Mr. Keays: Mr. Speaker, the urgency of the question is that they are ready to go ahead with the plans pending a government decision.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I should like to take this question as notice. I had some difficulty hearing it owing to some conversations being held in the house. I will forward an answer to the hon. member immediately.

Mr. Keays: Mr. Speaker, would the minister inquire at the same time whether the government has been asked to share in the project and, if so, what was the nature of the reply?

Mr. McIlraith: I would be glad to.

Inquiries of the Ministry

HOUSING

POSSIBLE CHANGE IN PROFIT ALLOWED ON LIMITED DIVIDEND CONSTRUCTION

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the President of the Treasury Board; I believe he has received notice. Is the minister in a position to confirm or deny reports to the effect that the government intends to bring forward legislation to increase the amount of allowable profit in relation to limited dividend housing construction?

Mr. Speaker: Order. The hon. member should not ask whether reports can be confirmed or denied, but I assume the question is in order if it is asked directly.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, we have no intention of increasing the return on capital that is allowed to people engaged in limited dividend housing projects. Because we think this is a very useful form of housing, what we are doing is to set aside money this year in order to encourage this type of housing to be built and rented at low rentals. We are also emphasizing the building of public housing.

Mr. Schreyer: A supplementary question, Mr. Speaker. Can the minister tell the house if any difficulty is being experienced by the authorities in allocating funds to the major labour areas?

Mr. Benson: Mr. Speaker, the only difficulty we may be having is that the response to the reinstitution of this program has been so great that we may not be able to meet all the requests that are coming in for permission to build limited dividend housing.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that on December 15 the Prime Minister said he hoped the situation would improve while he is still in office to the point where the government would be able to reconsider the question of increasing pensions of retired civil servants, may I ask the Prime Minister whether he still has that hope?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I certainly hope that the situation will improve.

[Mr. McIlraith.]

FINANCE

CABINET CONSIDERATION OF INCREASE IN INTEREST RATES

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister had time to consider the serious increase in interest rates that has taken place in this country, and has a committee of cabinet been appointed to study this serious matter?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I have had time to consider that.

Mr. Nasserden: Mr. Speaker, I wonder whether the Prime Minister would care to answer the second part of my question, which was whether a committee of cabinet has been appointed for the purpose.

Mr. Pearson: Yes, Mr. Speaker. This matter is of such importance that it should be and is being considered by the whole cabinet, not merely a committee.

ATLANTIC DEVELOPMENT BOARD

SUGGESTED LEGISLATIVE CHANGES TO INCREASE AUTONOMY

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Minister of National Health and Welfare, who is responsible for the Atlantic Development Board. I wonder whether the minister is contemplating introducing legislative changes in respect to the Atlantic Development Board so as to give that body the autonomy that was suggested by the premier of New Brunswick?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the premier of New Brunswick made some constructive suggestions at the conference, and these will be considered by the government.

AIR TRANSPORT

LEASING OF AIRCRAFT WITH NON-CANADIAN CREWS

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a question to the Acting Minister of Transport arising out of the Boeing 707 accident at Vancouver. Will the government now be reconsidering this policy in light of the representations made by the

Canadian Airline Pilots Association concerning the leasing of aircraft by Canadian carriers with air crews other than Canadian?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to look into that matter and discuss it with the minister.

RESEARCH

PROPOSED INTERNATIONAL DEVELOPMENT CENTRE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Prime Minister; I believe it is a matter of close personal interest to him. Is the Prime Minister hoping or intending to make a statement next week in regard to the report he has received on the feasibility of establishing an international development centre in Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not sure I will be able to do this next week because I have not had a chance to discuss the interim report made by Mr. Plumptre which has been considered also by the external aid branch of the department; but I would certainly hope to make at least an interim report the week after.

NORTHERN AFFAIRS

SIMPLIFIED PROCEDURE FOR GRANTING TERRITORIAL LANDS

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development) moved the second reading of Bill No. S-32, to amend the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act.

Mr. Nielsen: Mr. Speaker, I wonder whether the minister would make a statement and outline the procedure it is intended to adopt if this bill receives the assent of this house.

• (11:40 a.m.)

Mr. Laing: I should be happy to make a short statement on this bill. For a great number of years there has been a feeling in that particular area north of the sixtieth parallel that certain services for which the government and this parliament are responsible are not available with that degree of efficiency that is expected in other parts of Canada.

When I assumed my responsibilities here the first thing I heard in that vast territory was that they wanted what they called government on the ground. One of the most distressing aspects of administration that I heard

about was the difficulty of acquiring the right to crown lands in the two territories. The procedure that had been adopted over the years was resulting in delays of up to, I was told, five, six, and even eight months. At that time, of course, the registration of these lands was by letters patent, and the proposal now is to replace that by a simple fiat from myself, as minister, to the appropriate registrar of land titles.

We expect to have the registrar of land titles located very definitely on the ground, and it is our hope that we can give the people living in those territories the opportunity of acquiring those lands in a matter of as little as a week or ten days, if everything is in order.

This bill, Your Honour, came to us from the other place, where it was passed. It is a housekeeping bill and is designed to give the type of efficient service to those who live north of the sixtieth parallel, in respect of acquiring crown lands, that they might expect to receive in other parts of Canada. This is very important to them because the building season is so short that if interruptions take place, as the hon. member for Yukon knows, there may be, as there have been, instances where the entire building season is lost.

We think the bill, which was referred to the committee on banking and commerce—I understand that it went through in about five minutes—is in order. We are quite confident that the location of the registrar in the capitals of the two territories will result in great benefit and will remove many of the objections—I hope it will remove them all—which have been raised by those who are trying to acquire crown lands for building purposes.

Mr. Erik Nielsen (Yukon): Mr .Speaker, I had expected the minister to elaborate more fully on the procedure it is intended to implement if this bill receives the assent of the house.

The federal legislation that is affected by this bill runs beyond the Territorial Lands Act, the Public Lands Grants Act and the Land Titles Act. Other acts referred to in this bill include the Yukon Quartz Mining Act, the Yukon Placer Mining Act and of course, by implication in any event, the Yukon Act itself as well as other pieces of legislation.

Since land is the resource that it is, any action with respect to it brings into sharp focus the policy of the government with respect to its disposition and the approach to the whole field of resources that can properly

be classified as coming under the umbrella of public lands. As the minister is aware, in the Yukon we are concerned with some 207,000 square miles and the Northwest Territories, which is across the way, with some 1,300,000 square miles. Yet in this vast area that comprises some 40 per cent of Canada's surface, it is so difficult to obtain a 50-foot by 100-foot lot that development and settlement are being unreasonably retarded.

One reason has been, as the minister has stated in the past—and I use this term not in an unkind sense—that so many bureaucratic barriers have been placed in the way of settlers who have attempted to obtain land that they have been discouraged—discouraged from coming in to settle permanently and discouraged, once they get to the territory, by finding that they have to wait these inordinately long periods of time in order to obtain a small plot to build a home, start a business, or whatever else it may be.

This bill brings into focus more than the question of land disposition. As the minister said, one of the desperate urges of the people of the north, and this is true of the people of the Yukon and has been for many years, is to have government by the people in the territories. The minister called it "government on the ground". The bill goes beyond the mere consideration of land; it goes to the very root of the government's approach with respect to governmental structure in the northern territories.

The Yukon has come through a trying time in its confrontation with the minister and his officials with respect to certain taxation bills that were passed last January 23. The minister and the department, I presume, took the position that there would be no constitutional reform which would give the people of the territory, through their elected representative, the power to deal with such matters as lands, the subject being considered in the bill before us, unless our people complied with the minister's wishes with respect to the passage of legislation which was laid before them, to be rubber stamped by them.

We are more than fed up with the situation, and we are more than fed up with the almost pathological reluctance of the minister to relinquish some of the responsibilities that are being discharged by the federal government with respect to our resources in the Yukon. I am sure the people of the Northwest Territories, and particularly in the Mackenzie area, feel the same way.

[Mr. Nielsen.]

The Carrothers commission reported some time ago, yet no implementation of their suggestions has been forthcoming. The minister has not even hinted whether the government intends to implement any of those recommendations. He has had in his possession for about two years now the views of the Yukon legislative council with respect to constitutional reform which would place the entire responsibility for the disposition of lands in the hands of the people of the Yukon.

• (11:50 a.m.)

I ask the minister why should we continue to have Yukon lands administered by the minister's fiat. Why can we not develop a system that would be on all fours with that which exists in the several provinces of Canada, which would permit the disposition of crown lands in the Yukon without having to go for the minister's fiat? Probably the minister's answer will be that these lands belong to all Canadians, and therefore the federal government must retain its control over their disposition. I reject that theory. Canada is a federal state. Eventually the Yukon will achieve provincial status. I assume this is the minister's belief as well. Why not commence this process now?

Arguments have been advanced against commencing the process now. The two most frequently heard are that there are not sufficient people in the Yukon and the Northwest Territories to permit this kind of transfer of jurisdiction, and the other is that until such time as the economies of the two territories reach the point where they can pay their own way the federal government is not justified in implementing any constitutional reforms at all.

In reply to repeated questions of mine in this connection, the minister has said that a white paper will be tabled in the next month or two. I presume that one of the subject matters to be dealt with in that white paper will be the disposition of lands in the territories. Yesterday in reply to a further question of mine he said he is awaiting the economic report now being undertaken in the Yukon before the white paper will be tabled.

I detect a rather ominous inference from that answer. I suspect, but I hope I am wrong, that what he will be attempting to do in connection with the economic report is to justify the position being taken, that since the economy of the Yukon will not permit it to

pay its own way there will not be any constitutional reform until such time as the economic situation will permit that state of affairs. I reiterate the argument he has heard from me many times in the past, that every province in Canada is subsidized in one way or another by the federal government.

Mr. Laing: On a question of privilege, Mr. Speaker, I might draw to the attention of Your Honour that many of the things the hon. member is saying do not relate even remotely to this bill. I have no objection to his wandering over into the Northwest Territories if I have a chance to wander too and tell the house about the economic developments taking place in the Yukon and the Northwest Territories at present, which are the greatest in Canada in relation to the people who live there. But if the hon. member is going to wander abroad—

Mr. Speaker: Order. I appreciate the point raised by the minister. It is really a point of order, not a question of privilege. I must say that I am not familiar with all the terms of the bill. I have to judge by the title which refers to the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act. The hon. member for Yukon knows the rules, and knows he has to confine his remarks to the four corners of the bill.

Mr. Nielsen: Yes, Mr. Speaker. I believe I am doing that; and in the words of the Secretary of State for External Affairs when he was sitting on this side of the house addressing the Speaker on one occasion during a debate on wheat, perhaps the reason that Your Honour is not following is that Your Honour fails to appreciate the finer points involved in the effect of the amendments set out in this bill.

We are confronted with seven pieces of legislation in connection with this bill. I outlined them at the outset of my remarks. They are the Territorial Lands Act, the Public Lands Grants Act, the Land Titles Act, the Yukon Quartz Mining Act, the Yukon Placer Mining Act, the Yukon Act itself and the Northwest Territories Act. We are also dealing with a new procedure affecting the disposition of resources, of lands, in the Yukon. That disposition affects all these other statutes, and in my submission since the government has opened up the question of how the lands are to be disposed of, then the procedures for transfer of jurisdiction in all these matters are relevant.

I would welcome the minister's comments with respect to the matters I am raising because they are very current, very pertinent and very urgent. They are urgent not only to the people o fthe Yukon and the Northwest Territories in connection with the other pieces of legislation I have outlined; they are also urgent with respect to the thousands of Canadians living in those territories who, as it were, have been left out of the main stream of constitutional development in Canada.

All I am saying is that this bill and all the other statutes it affects do not go to the root of the problem. As the minister has rightly stated, the bill will assist in solving some of the delays. These delays have extended over six, seven or eight months in cases of people trying to obtain small plots of land upon which to build. But the bill will not solve the root problem, which is the compelling desire of the people of these two northern territories to have complete control not only over the disposition of the lands that come under the Territorial Lands Act but also over the resources contemplated in the Yukon Quartz Mining Act and the Yukon Placer Mining Act, which this bill affects.

Further, since this bill also affects the Yukon Act and the Northwest Territories Act, which set forth the division of powers between the federal government and the territorial governments, I want to say, and I am sure the hon. member for the Northwest Territories will also want to say, that the time has long passed when another hard look should be taken at the division of these legislative responsibilities not only in the field of land but in the area of the other resources affected by this bill.

In order to consider how best to achieve that division of responsibilities we have to discuss the procedures the government is employing in the principle established by the presentation of this bill. That principle is that under the terms of the bill the federal government will still retain control of the disposition of lands. I say that principle is wrong.

Instead of invoking the procedure which this bill attempts to set up, what we should be doing is transferring jurisdiction completely to the legislature of the Yukon Territory. In order to establish this alternative principle it is necessary for me to debate the reasons for advancing suggestions as to how the structure of government can be altered in order to achieve that objective. Until such time as there are governmental reforms in the Yukon which will permit the elected body

to assume this kind of jurisdiction over the disposition of lands, it will not be possible to establish time tested methods of procedure such as those which exist in the provinces. In order to have a situation in which the administrative procedures in the Yukon will be such as to permit the administering of this kind of legislation by the territory it will be necessary to reform the structure of the council and the structure of government itself both in the Yukon Territory and in the Northwest Territories.

• (12 noon)

The suggestions of the wholly elected council in the Yukon are now before the minister in the form of a resolution passed by that assembly on June 23 last. In that resolution they have requested unanimously, I might say, that the council of the Yukon Territory be known as the Yukon legislative assembly, that the number of members of the Yukon legislative assembly be increased to 15 and that the term of the assembly be increased to four years. Under subparagraph (c) they have suggested that the advisory committee on finance be replaced by an executive council of not less than five members.

Mr. Speaker: Order, please. I suggest that the hon. member is now going rather far afield. He must realize that we are dealing with a particular piece of legislation to amend the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act. I appreciate the argument the hon. member made a moment ago in respect of the point of order raised by the minister. This is perhaps a complicated piece of legislation which affects a number of acts but, as the hon. member knows, when we have amending legislation before us the rules do not permit us to go behind the amending legislation to discuss legislation which is not being amended. Therefore the terms of discussion are rather narrow. I say this realizing full well that the hon. member should be granted some leeway. I hope he will try to relate what he is saying now to the terms of the bill which is before us.

Mr. Nielsen: Yes, Mr. Speaker. My submission with regard to the point raised by Your Honour is that the bill relates to a change in procedure concerning the disposition of territorial lands. I am raising arguments in objection to the procedures which the bill would establish. In order to discuss those changes it is necessary in my argument that I suggest alternatives. The alternatives I am suggesting relate to a change in the structure of government in the Yukon so as to implement procedures which I feel should be substituted for the procedures suggested in the bill. Therefore it is very necessary to go into the matter of the structure of government since the structure of government in the Yukon now does not permit the adoption of administrative procedures I am suggesting that until that structure is changed it will be impossible to implement the kind of changes I am suggesting in respect of this bill. Therefore, with great deference, I suggest that my arguments are quite relevant to the principle the bill is attempting to establish.

As Your Honour will see as I go along, apart from the other changes which the council wishes there are direct references to the distribution of lands in their suggestions. I referred to sub-paragaprh (c) of the council's resolution. This suggests the replacement of the advisory committee on finance by an executive council. In effect this would be a mini-cabinet that would have executive powers in regard to certain classes of subjects related, as the minister knows, to section 16 of the Yukon Act which is affected by this legislation. They say they wish jurisdiction in the following fields: education, health and welfare, territorial resources including land, public works, justice and corrections, revenue and finance, also affecting the disposition of lands, forestry, also affecting the disposition of lands, fisheries, also affecting the disposition of lands, and all the other necessary residual executive powers which may be necessary to effect transference. They have also suggested other constitutional reforms which I shall not read into the record at this time.

From the points I have made thus far it will be seen quite clearly that until the governmental structure is altered at least to the extent suggested by the Yukon council and by myself and others from time to time, we will not be in a position in the Yukon Territory, nor will they be in the Northwest Territories, to administer the disposition of resources which come under this bill and under the other federal legislation affected by the bill.

In order to have government on the ground, to use the minister's term, there must be a new approach. That new approach must be to transfer the responsibility completely to the people on the ground. There are responsible individuals in the Yukon who are prepared to co-operate in the building of a new,

different and reformed governmental structure. These individuals are sufficiently responsible to take on the administration of the disposition of lands and those other resource functions that are now retained by the federal government.

In this jet age why should we have to come hat in hand to the minister for his fiat for a 50-foot by 100-foot lot? Why indeed should a resident of the Yukon who wishes to purchase a parcel of land on which to build a house have to go any farther than the administration which exists in the Yukon? Why should he have to even tolerate the delay in the mail when submitting an application to the department here in Ottawa for the purchase of a piece of land 4,000 miles away? This is an archaic, cumbersome and completely unnecessary procedure.

Mr. Laing: Would the hon. member permit a question? Is he aware that in the Yukon at the present time all surveyed lots have already been transferred to the control of the commissioner and that all the lands surrounding Whitehorse and other settlements will be transferred to the control of the area council? I am quite sure the hon. member is not aware of this because otherwise he would not be presenting this argument.

Mr. Nielsen: I am very keenly aware of this development, but these lands do not even make a dint in the 207,000 square miles which the minister knows is the land area of the Yukon.

Mr. Laing: It has some relation to 15,000 people.

Mr. Nielsen: This was not the argument used when the province of Manitoba was carved out. Surely the minister must get rid of the idea that democratic forms of government rest on mere population or that population must be a precedent for the establishment of an institution which will give the people the right to govern themselves. The minister thinks there is a great concession in the transfer to the commissioner, in the right of the people of the territory, of these lands he has mentioned which represent only a tiny fraction of the whole. We resent this and can see no reason for continuing this colonial process of having a commissioner, who takes his instructions from the minister, who has control over these resources. Why can they not be subject to the decision of the elected representatives of the people in those two territories?

• (12:10 p.m.)

As the minister refrained from doing so, I will not go into the great economic progress that is being made, particularly in the Yukon, at this moment, but this progress has its accompanying problems. History has shown that land problems follow in the wake of any such development. We have received inquiries already from people who want to come up from the provinces to establish such enterprises as cattle ranches. As the minister knows, unlike the southern and more fertile areas of Canada much more grazing land is required in order to sustain a head of cattle in the north. Where it takes 160 acres in the south, it takes substantially more in the Yukon or Mackenzie areas.

The commissioner has no power to make a decision for a group of ranchers who wish to establish a ranching operation in the north. He has no power to make any disposition of lands. This is maintained in the ministry and will be even following the passage of this bill. This situation only retards development inasmuch as the minister and the federal government retain control by virtue of the simple fact that the commissioner in the Yukon and the commissioner in the Northwest Territories are employees of the government of Canada.

The same argument applies in respect of the recent constitutional conference. The government thinks it granted a great concession when it said the people of the Yukon and the Northwest Territories would be "represented"—I use that word with quotation marks —at the conference. They were not, because the commissioners of both territories are federal government employees. What sort of representation is that? It is time for the government to take a more enlightened attitude toward the development of democratic institutions in both territories. Only then will the people be in a position to assume the responsibilities which are retained by the minister in this bill.

There is no need for the continuation of this archaic structure. While this bill will improve the situation in respect of the long delays which have hitherto existed in connection with obtaining titles to lands in both territories, it is not going to cure the situation. Any improvement is welcome and therefore the minister will not find me resisting even the modicum of improvement set forth in this bill. However, as I say, it does not go far enough.

Before moving from the principle of the bill I should like the minister to outline in a

little more detail the procedure which he anticipates will be adopted by the administration at the federal level and by the administration at the territorial level in substitution for the procedure that now exists. All the minister has told us so far is that there is going to be this change which will permit a simple fiat to issue from his office over his signature, thereby speeding up the obtaining of titles to lands. This does not tell us very much, and I should like him to go into some detail in respect of these procedures.

I know that the matter of legal interpretation is involved but there is a point that greatly concerns me in the first amendment. I refer to the use of the term "notification". Over the centuries the term "grant" has come to mean something in the law and has been the subject of interpretation in hundreds, if not thousands, of legal precedents. I should like the minister to assure me that my reading of the provision of the bill is accurate and that "notification" is going to mean exactly the same thing as "grant", because it will make a good deal of difference, I submit, if "notification" means something other than "grant". A grant of land has come to mean something in the law, and specifically in those laws relating to title to land. I am somewhat fearful that unless the term "notification" does mean precisely the same thing we are going to run into a good many problems.

I will leave my remarks there for the moment, Mr. Speaker, on the assumption that the minister is going to deal more elaborately with the procedures which are to be invoked once this bill is passed. I should also like him to clarify the use of the term "notification" instead of "grant".

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, the minister by introducing this bill to speed up the transfer of lands, as it affects the people of northern Canada, has once again shown the leadership he is giving in bringing government, as he says, on the ground for the people of the north. I welcome this change particularly as it coincides with the transfer of responsibility from the federal government to the territorial government in the Northwest Territories.

Last September the commissioner of the Northwest Territories together with his staff left Ottawa and moved to Yellowknife. The physical transfer took 14 hours. The government staff closed down operations in Ottawa on Thursday and began operations in Yellowknife the following Tuesday. On the Tuesday following that one of the lawyers in Yellowknife took a request for the transfer of legal title to a lot in Yellowknife to the legal adviser stationed in Yellowknife. Rather than it taking three, four, five or six weeks just for the transfer of the papers between Ottawa and Yellowknife he was able to complete this transaction in half an hour. The proposal the minister has put forward will do much to speed up the processes and do away with the incredible delays which have existed in the past and, I remind the minister, exist to a certain extent at the present time.

I should like to refer to an example which came to my attention only a week ago regarding an individual who applied for a piece of registered crown land in Yellowknife in order to build a house last summer. He applied to the town. The town required that the original application be amended and the surveyor made the necessary amendments. The town forwarded the application to Ottawa for approval but as of last Monday letters patent still had not been issued. I might add that the individual concerned built his house last summer. The only problem is that he has been unable to obtain a mortgage on it.

• (12:20 p.m.)

Even though there are difficulties at the present time, the minister through his policies has implemented the transfer of responsible government to the Northwest Territories in a manner which no other government or minister has in the past. There has been a suggestion today that in respect of our natural resources the ownership of surface and subsurface rights should be vested in the commissioners of the Northwest and the Yukon. My answer to this suggestion is a motion which was passed at the last session of the Northwest Territories council when this subject was dealt with. The council unanimously passed the following motion:

Motion No. 15.

Whereas ownership of the surface and subsurface rights to land within the Northwest Territories are vested in Her Majesty the Queen in the right of the Dominion of Canada.

Now Therefore I move that the Commissioner make representation on behalf of this Council to the appropriate federal authorities requesting that the federal government acknowledge its role as a trustee of natural resources for the future province of the north and establish guide lines for a proper accounting of that trusteeship when same comes to a close (when the province of the north comes into being) coupled at that time with a transfer of ownership of said mineral resources to said province of the north.

Mr. Nielsen: Mr. Speaker, may I ask the hon. member a question? Did the appointed members on the Northwest Territories council also vote for that resolution?

Mr. Orange: I said it was unanimous, and while I was not there at the time I would assume that the appointed and elected members voted on that motion. I might also point out that to the best of my knowledge the motion was prepared by the elected members on their own and presented to the council. What I am attempting to say at the moment is that while we are anxious to have more government on the ground in the north, so far as the Northwest Territories are concerned we recognize that the federal government still has a vast responsibility to the north in terms of building and developing the area, in order that the north can take its place in the Canadian confederation at a time and place when we are in the position to do so.

I do not intend to talk at great length at this stage of the bill. I am pleased that the hon. member for Yukon (Mr. Nielsen) has asked for clarification of the word "notification". I hope the minister will give us his definition at the appropriate opportunity. Before concluding I should like to suggest to the minister that with regard to the whole question of lands and the use of lands in the north, particularly in the Northwest Territories, principles be adopted particularly in terms of encouraging settlement.

In the southern area of the Mackenzie the bottom lands of the Slave river comprise approximately two and a half million acres of arable land. It is difficult for people who wish to settle in the north and carry out farming or ranching to obtain the necessary lands. There does not seem to be a policy laid down whereby the administration can work out some means of encouraging people to take up agricultural occupations.

We have an example in the community of Fort Smith which lies on the sixtieth parallel. A pioneer came north last year and was able to obtain a large block of land right on the border of the province of Alberta but only a very small portion of land, approximately 50 to 100 acres, in the Northwest Territories. This person said that he made money in the first year of farming because of the agricultural potential of the area. I am somewhat concerned about this question and I believe we should adopt the principle of encouraging people to settle in the north. We are looking for settlers. But until a land policy is established which will encourage people and not discourage them in terms of not only their leaseholds but the cost of leases, we shall not make progress in this area.

The proposals put forward in this bill are a continuation of the process of developing government in the north. I congratulate the minister for bringing this legislation before the house. I only hope that when his white paper is presented it will go much farther in bringing what we call government on the ground to northern Canada.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am glad that Your Honour has allowed a reasonable latitude of discussion on the terms of the legislation now before us—

Mr. Byrne: Mr. Speaker is always reasonable.

Mr. Barnett: —and in particular to the two members of the house who represent the areas most directly involved in the bill the minister has introduced. I am glad this is so because the bill touches on a very vital subject. The whole subject of land, jurisdiction over it and the manner in which it can be held by individual citizens is a rather important and fundamental one in this country.

There was an understandable difference in the tone of the presentations of the two hon. members who have spoken. I suppose this is based, in part at least, on where they happen to be sitting in this chamber. There are those who normally support the government in power and those who do not, which means that members do not have too many opportunities to voice in this chamber the real feelings and sentiments of the people they represent in the house. That of itself is, I think, a reason sufficient for these two members to use this bill as an opportunity to give expression to those feelings perhaps in the context of the more general debate that has been going on about the confederation of tomorrow.

I gather from the remarks of both hon. members that they consider this bill to be a useful step forward as far as it goes. I am quite prepared to accept some guidance from them in this respect and I think all members of the house should have the same inclination. I understand that the bill will simply change the procedure under which people can acquire access to and use of land in the two territories.

• (12:30 p.m.)

I have a continuing interest in what the hon. members have said and in legislation which the minister brings forward in this general area. My interest arises from a trip I was able to take as a member of the northern affairs committee when I was able to see a little of that part of Canada. Any hon. member who took part in that tour of the north certainly could not have helped becoming aware of the very healthy urge on the part of the people who live there for an increasing voice in matters which affect them most vitally and in the running of their affairs in their communities and territories.

I should like to make one reference to my own experience when I was in the capital city of the Yukon Territory. Some of the people whom I met there discovered that I was a member of parliament representing a British Columbia constituency. I was immediately assailed strongly on what some of them felt was the desire of my province to take over the Yukon territory.

Mr. Nielsen: Is the hon. member aware that the premier of British Columbia has now withdrawn that offer?

Mr. Barnett: I have not received any official notification from the premier of my province that he has changed his mind—

Mr. Nielsen: Unfortunately.

Mr. Barnett: —but I gather he has had some second thoughts. I know that as a British Columbian I hastily assured them that in my view this was just one of Mr. Bennett's wilder dreams and it was not taken too seriously by most citizens in my province. Perhaps Mr. Bennett, who does on occasion have some regard for the views held by the citizens of his province, may have recognized that most of us were not prepared to embark on this particular form of colonialism in this day and age. So I think it is understandable that in their own ways the members representing these two territories have sought, in speaking on this bill, to give a glimpse of the real impatience which the people whom they represent feel about their continued substatus in the Canadian confederation—

Mr. Nielsen: Vassalage.

Mr. Barnett: —in relation to the rights and constitutional arrangements enjoyed by those who live in the provinces. As a matter of fact, I was born very shortly after Alberta achieved provincial status and prior thereto it had been part of the Northwest Territories. Although I cannot say I have reached an advanced age, that period does seem to be rather remote in the history of the country, and certainly no one would suggest now that Alberta should revert to a territorial status.

I feel there is perhaps some danger that the people in these two territories, in their anxiety to enjoy similar rights as the rest of us in such matter as land holding, might feel they are being bypassed when arrangements are made with regard to the allocation of powers and jurisdiction, particularly in the resource field. Certainly it is my hope that once we settle some of the individual rights which were under discussion recently in Ottawa and will probably be discussed further in this chamber, many members of the house and people throughout the country will be prepared to take a realistic and rather unemotional approach to the whole question of resource jurisdiction. The subject is close to home for me because my constituency is involved in the whole matter of resource jurisdiction in areas over the continental shelf. For this reason I have been giving this matter some thought.

I think there may be a growing feeling on the part of some Canadians that if we are going to move away from drastic regional disparities the basic resources of this land must be considered to a greater extent as part of the national heritage. I, like many other people, am just feeling my way on this subject. It may be that some of the questions which were raised by the hon. member for Yukon and by the hon. member for the Northwest Territories, about which the people in those areas feel so strongly today, may be matters on which there will be a shift of view in the rest of the country in the years that lie ahead. Perhaps we may be ready to move toward the position which they are in now rather than them moving to the more extreme positions held by some people I know.

Mr. Nielsen: Will the hon. member permit a question? Would he agree that whatever shifts may come about the people of the Yukon and the Northwest Territories should have at least the same rights with respect to resource jurisdiction as are enjoyed by the provinces of Canada?

Mr. Barnett: I do not think that anyone, not even the minister who the hon. member for Yukon claims is pretty conservative in his

approach to change on such matters, would disagree in principle with that idea.

Mr. Nielsen: He does.

Mr. Barnett: The minister can of course speak for himself, but my own feeling is that this is a matter which lies deeply in the minds of most Canadians no matter where they live. I would be surprised indeed to find the minister expressing violent disagreement with that principle. He will have an opportunity in closing the debate to comment on the matter if he so desires. However, I do not think this is a subject which it would be appropriate to continue discussing at any great length in this debate.

As the hon. member for Yukon admits, the bill brings about a minor improvement in the administration of the transfer of land. Perhaps it is a fairly important one. I am not sufficiently familiar with the details of the Territorial Lands Act to be able to offer a final judgment. Certainly I would go along with the hon. member for Yukon in welcoming a more detailed outline of the way in which the new technique will operate. I indicated that as a member of the committee which visited the north I have an interest in this matter. I would be interested to see whether the other members who took part in that trip have any contribution to make in support of the measure proposed in the bill and are sympathetic with the desire expressed by the hon. members representing the territories that we should quickly move beyond the changes set forth in the bill.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I had no intention of entering this debate. Matters concerning the Yukon and the Northwest Territories can generally be handled very ably by the representatives of these areas, but I can recall a previous occasion a few months ago when I was prompted to speak by the remarks made by the hon. member for Vancouver-Burrard (Mr. Basford) in the course of a debate. Again today we have been treated to a series of fatuous, facetious and frivolous remarks by the hon. member for Comox-Alberni (Mr. Barnett) who has wandered rather far afield from the terms of the bill. This pattern was set earlier. I cannot quite understand how he can advocate strong centralization in terms of natural resource and at the same time pour scorn on any suggestion that the Yukon and British Columbia might eventually amalgamate into one. The timing of these remarks seems to be very poor on a day when the Atlantic provinces are beginning what I trust will be a series of meetings which may lead to economic and political union of those provinces. Even the smallest of them, in terms of population, is vastly larger than either the Northwest Territories or the Yukon.

• (12:40 p.m.)

Mr. Barnett: Does the hon. member not realize that the Atlantic provinces could probably be put very handily within the boundaries of at least our two constituencies, if not one of them?

Mr. Johnston: I am aware of the vastness of the territories. However, a most important federal-provincial conference which concerned itself very much with human rights has just finished. I am talking about the human rights of Canadians and the hope for the proposed amendment to the constitution which would grant equality of rights to all Canadians right across the country. Of course, if we have a small group of people in terms of population, not in terms of land area, in a privileged position in any one part of the country, then some of the rights of the rest of us are somewhat diminished. While you can argue a certain geographical justification for the suggestion, surely that is not the over-riding consideration. The hon. member is certainly right about the size of the area I represent now and the size of the enlarged constituency as a result of redistribution.

Both the hon. member for Yukon and the hon. member for Northwest Territories occupy a somewhat privileged position in this house at the moment as a result of the votes of a small group of people. Following redistribution they will be in an even more privileged position because while the norm for the country will be 70,000 people in each constituency I believe the Yukon will have about 15,000 and the Northwest Territories something like 30,000. These areas, which are apparently requesting provincial status, really cannot qualify as constituencies in terms of population.

Mr. Orange: I rise on a question of privilege, Mr. Speaker. Does the hon. member who is making this somewhat invidious comparison recognize that following redistribution the Northwest Territories will be the sixth smallest constituency and that the four constituencies in Prince Edward Island will be the smallest?

Mr. Johnston: Of course I realize that. I have already talked hopefully about maritime political union which, if it comes about, will rectify many of the problems to which the hon. member for Northwest Territories has drawn the attention of the house this afternoon.

Mr. Nielsen: Will the hon. member permit a question?

Mr. Johnston: Yes.

Mr. Nielsen: Would he suggest, based on his reasoning, that we should do away with the constituency of Îles-de-la-Madeleine?

Mr. Johnston: I would not do away with the Magdalen islands for a moment. As I understand, under redistribution the constituency will include a chunk of the mainland. I realize it has been something of an anachronism for a long time. I believe that the redistribution commission for Quebec agreed to do something about it.

Mr. Barnett: Does the hon. member recall from his reading of history that at the time British Columbia entered confederation that province had a population of between 6,000 and 10,000 and was represented by six members in this house?

Mr. Johnston: I entirely agree, but time marches on.

Mr. Laing: I rise on a point of order, Mr. Speaker. Do you think there is any chance of me getting my bill passed?

Mr. Deputy Speaker: Order. I suggest there might be an opportunity for the bill to be passed. However, in order to accomplish that I would expect hon. members who are commenting on this bill to confine their remarks to the bill.

Mr. Johnston: Thank you, Mr. Speaker, for the admonition. This bill applies to the Territorial Lands Act, the Land Titles Act and the Public Lands Grants Act. The new act will probably remain on the statute books for some years, I assume. Probably it will be voided by eventual union of the Yukon Territory and the province of British Columbia I feel that the remarks I have been making were therefore, not entirely off the point. In addition the subject was introduced by the hon. member for Comox-Alberni when he spoke.

If the suggestion that the premier of British Columbia has withdrawn the offer of amalgamation is true, then I am sure it is only a temporary withdrawal. The problems of British Columbia will be solved to such an extent that the province will look to new areas to assist. Quite beyond the developing of the Yukon Territory, the government the hon. member represents is at the very moment suggesting that the provinces become more involved with external aid. I am sure we would be only too happy to develop a neighbouring portion of Canada. Certainly any statement made by the premier of British Columbia should have validity because, in spite of what the hon. member for Comox-Alberni says about whom he represents, I feel the premier of British Columbia has been willing to go to the people for a renewed mandate more frequently than even the members of the N.D.P. find satisfactory.

The point I am making, Mr. Speaker, is that I hope that we will seriously consider a reduction in the number of provinces in this country rather than the creation of additional provinces that may have considerable potential for the future but a very limited population.

Hon. W. G. Dinsdale (Brandon-Souris): In introducing the bill, Mr. Speaker, the minister referred to it as a housekeeping item, and that is the main reason why I should like to make a few comments at the second reading stage. The bill has come to us from the other place where it was given rather cursory consideration. I note in reading the debates there that the gentleman who introduced the bill used precisely the same phrase, that it was merely a housekeeping bill and therefore did not require much attention or too much of the time of that body. Actually the original recommendation came from the Glassco committee which had been looking into administrative affairs in detail both in the north and in the department and had made strong recommendations that this particularly obvious administrative problem should be dealt with as quickly as possible.

• (12:50 p.m.)

At the outset, Mr. Speaker, may I say I am rather disappointed that the other place did not seize the opportunity to use this bill as a vehicle for examining the problems of northern development in a broader perspective. It seems to me that this important arm of parliament could serve a useful function by delving a little deeper when matters of this kind are referred to it. In looking at the treatment that the bill received in the other place I

notice that it went to a committee. Opportunity could have been taken then to call witnesses to discuss the broader implications of this so-called housekeeping bill that is before us this afternoon, implications that were raised by the hon. member for Yukon (Mr. Nielsen) and to a lesser extent by the hon. member for Northwest Territories (Mr. Orange).

The hon. member for Comox-Alberni (Mr. Barnett) made reference to the tour that the parliamentary committee on northern affairs made of the north some two years ago. I think it might be a good idea on any future tours to include in the party some of the hon. gentlemen from the other place. In this way they too could become more deeply and personally involved in the challenge of the north and could use their more leisurely procedures to assist in creating a climate of opinion in parliament, as well as across the country, that would make it possible for both the government and parliament to proceed much more expeditiously in dealing with the obvious delay in northern development.

Mr. Laing: Did the hon. member say "delay" in northern development?

Mr. Dinsdale: The fact that this measure is referred to as a housekeeping bill indicates that the government itself has a leisurely attitude to the challenges that have been placed before parliament since the department of northern affairs was established in 1953.

I notice the minister is objecting to my use of the word "delay"—

Mr. Laing: You want more vision.

Mr. Dinsdale: —so perhaps I will deal with that question for a moment. I say that what is needed at this time is much more than a housekeeping approach to the problems of northern development. The minister said that if he had had the opportunity he would have placed before the house some of the rather impressive figures relating to the development that has taken place during the past decade. Perhaps I can briefly do this in one or two instances in order to indicate that the time is long past when we need more than housekeeping procedural changes in administration.

For example, Mr. Speaker, in the matter of mineral production the figure for the Yukon in 1965 was $13.3 million. It is projected that this year the figure will be $30 million, a rather impressive and spectacular index of development. The figure is even more spectacular for the Northwest Territories. In 1965 it started with a base of $72 million and it is projected that this year the figure will amount to $115 million.

Even in the area of population or human resources the statistics are impressive. In 1941 there were only 5,000 people living in the Yukon Territory. In the next decade the number increased to 9,000 and in the decade to 1961 to 12,000. Since 1961 the population has moved forward proportionately at a rapid rate and it is estimated that the population today is 17,000. This indicates that economic progress in the north has been quite dramatic since prime minister St. Laurent introduced legislation in this house in 1953 to set up the department of northern affairs. At that time he stated that this great land mass with its proven resources had been administered in a state of absentmindedness by successive governments of Canada.

There was a dynamic upsurge of interest under the leadership of the hon. member for Prince Albert (Mr. Diefenbaker), the former prime minister, during the period 1957 to 1963. I recall a speech that he made on September 26, 1958 during the course of which the former prime minister used these words:

> It is my hope that by the time of Canada's centennial in 1967 the Yukon and the Northwest Territories will have gone a long way, if not all the way, toward self-government.

That was the ambition the right hon. gentleman had for the development of this 40 per cent of Canada's land area.

Today, Mr. Speaker, we have before us a piece of legislation dealing with one of the more controversial aspects of administrative red tape, the administration of land resources in both of the territories. This bill is referred to as merely housekeeping. I repeat that the time is long past when we have to get beyond the housekeeping stage and move rapidly in the direction of greater self-government and autonomy both in the Yukon and in the Northwest Territories. It has been pointed out by the hon. gentlemen who represent those areas that the demand for this from the people there is vociferous. I think it is high time that the government and parliament responded to this demand. May I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

The Acting Speaker (Mr. Tardif): The hon. member for Brandon-Souris.

Mr. Dinsdale: Mr. Speaker, when the house rose at one o'clock I was speaking briefly to the bill that we have before us, which is aimed at streamlining the procedure that has been required in the past to obtain land in the Northwest Territories and the Yukon Territory. I suggested in my preliminary remarks that at this stage the government might have gone farther than merely producing a housekeeping measure such as this one. I have long had the feeling that both territories are ready for a dramatic leap forward to greater local control and self-government. Unhappily, it is true that on those issues that are of significance in the development of confederation the people of the country seem to be ahead of parliament and of government.

The two hon. members who are most familiar with this matter have both stressed the point I again wish to stress now, that the legislative councils of the Northwest Territories and the Yukon Territory are demanding in increasingly vehement terms that parliament and the government, which have certain responsibilities under the British North America Act, move much more quickly than they have up to now. I am not being critical of the present minister in this regard. Once I had ministerial responsibility for this department but at that time I was fortunate in belonging to a government which was genuinely interested in northern development. My responsibilities as minister—

Mr. Laing: I knew that remark would make the hon. member laugh.

Mr. Dinsdale: —were easier, consequently.

Mr. Laing: I knew the hon. member could not say that without laughing.

Mr. Dinsdale: The minister wants to know if I can say this without laughing. If he suggests that I laugh when I refer to the activities of the former administration I must say that I could not mention the activities of the present administration without crying. Up to the present the actions of this government have been to introduce studies on this and studies on that. We have had the Carrothers commission, task forces, royal commissions, and so on, to accumulate the necessary background of information on which government action might be based.

Mr. Orange: Is the hon. member objecting to the Carrothers commission?

Mr. Dinsdale: The hon. member for Northwest Territories asks if I object to the report of the Carrothers commission.

Mr. Nielsen: A perpetuation of bureaucracy.

Mr. Laing: Are the two hon. gentlemen getting together, on the opposition side?

Mr. Dinsdale: My answer is that I do not object to the sentiment that is expressed in the Carrothers report with regard to the development of self-government in the Northwest Territories. It would not be politic for me to do so since many of its recommendations were based on the researches of the Winnipeg based firm of Hedlin and Menzies. Knowing both these men personally I may say that they are outstanding enthusiasts in regard to devleopment prospects in northern Canada. As a matter of fact, Doctor Menzies worked closely with the former prime minister as his economic adviser. It is obvious that Doctor Menzies' viewpoint, to the degree that it appears in the Carrothers report, was reflected in the vigorous policies of development that were brought forward by the government of the right hon. member for Prince Albert (Mr. Diefenbaker).

Mr. Nielsen: Which the minister has since lauded.

• (2:40 p.m.)

Mr. Dinsdale: Yes. I am sure that members of the house on both sides believe we must move forward in political development if we are to realize the potential of the north in terms of economic development. We must move forward toward self-government and away from the colonial status which still persists in both the Yukon and the Northwest Territories. This is the point that my colleague from Yukon and the hon. member for Northwest Territories have made. I am sure that in the minister's heart of hearts it is the objective which he has in mind. For years the rationale has been that the population and fiscal resources of these areas do not justify any further move toward self-government. But under the program of development such as has been taking place in Canada since 1957 we have moved forward to broaden the economic base. As the minister has indicated, there has been an encouraging development in this regard.

The programs that were initiated following 1957 have produced results. We have new

mines developing in the north. We have roads to resources. We have airfields. We have railroads into the north. We have modern communications such as the C.N.T. running right down the Mackenzie river to Inuvik in the Mackenzie delta. We have a governmental infrastructure. We have all the government, communication and transport services that are needed as a preliminary to dealing with the problem of local government control. The next step forward in northern development must be in the area of progress toward responsible government. At the outset of my remarks I said that this housekeeping measure can hardly be regarded as a tremendous leap forward. In making these few remarks this afternoon I wish to underscore a point and a position I held when I was the responsible minister, that we now must move forward to the objective outlined by former prime minister Diefenbaker in 1958 when he said that by centennial year he expected that the territories would be well on the way to self-government. Perhaps it is natural that someone from Manitoba, and I represent a Manitoba constituency, should be an enthusiastic supporter of this viewpoint. But I hope there will be others from other parts of Canada who will speak on second reading of this bill in the spirit of the new impetus toward a new confederation and that they will encourage the minister and the government to get busy on this long delayed objective. Manitoba was carved out of the Northwest Territories in 1870 when it had a population of only 25,000. That would not have happened if the Fathers of Confederation had lacked vision. Just a moment ago the minister used the word vision. Where there is no vision the people perish, is the inscription on the peace tower over the parliament buildings.

If the Fathers of Confederation had not had the vision to anticipate what would come out of the great movement from the colonial status of the Northwest Territories they would have used exactly the same arguments as are being used today, namely, that the population base and economic resources were not substantial enough. Indeed when it was decided to build a railway into the northwest it was described by a Liberal opposition as a railway that would go from wigwam to wigwam and would not pay for its own axle grease. Much the same arguments are being used by a Liberal government now in opposing progress toward self-government in the territories.

We all realize that progress toward self-government will be gradual. We are not going to have provincial governments overnight. There has to be a series of gradual movements toward this goal. This legislation could have provided a golden opportunity to move forward in the area of resource control. At this stage no one is asking that the legislative council of the Yukon have control over such resources as oil, minerals, water and so forth. But so far as surface land resources are concerned that control could have been given in toto to the Yukon government. It would have given a tremendous boost to the morale of those Yukoners who are away ahead of us in parliament and ahead of the government in demanding that they be masters of their own fate and captains of their own destiny in the field of democratic government.

We all agree that rapid progress has been made. What we now need to be convinced of is that if this forward momentum is to continue the next step is self-government so that the people themselves will be strongly motivated to carry out the responsibilities that should rightfully be theirs in the area of public administration. Procrastination is the thief of time. Studies are good. The Carrothers report has merely verified what northerners have known for years. The white paper which is to be tabled in the Yukon will merely be a rehash of many of the things put forward in the recent resolution of the Yukon council, which was partially placed on the record by the hon. member for Yukon. It is not studies and white papers that are needed now. It is action on the part of the government.

The Acting Speaker (Mr. Tardif): Is the house ready for the question? If the minister speaks now it is understood that he will close the debate.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, you have permitted a very wide-ranging debate on this proposal to enable the registration of land titles in the Northwest Territories and the Yukon to be done on a businesslike basis. I do not intend to use the same privilege as you have granted to previous speakers and range quite so widely, but this gives me an opportunity which I am going to embrace, if you permit me, to make some small review of the economic development taking place in these territories.

I do not think that any member who participated in the debate endeavoured to minimize the development taking place but at

least two or three of them did not try to magnify it. In the area north of 60 which comprises 40 per cent of the land mass of Canada there is an economic development taking place that, having regard to the population of the two territories, has never been equaled in any country previously. I do not know how many hon. members know that in the Yukon Territory there has been a commitment to spend $127 million in the next 24 months, covering a population of 15,000 persons. I am quite certain the hon. member for the Yukon will agree with me when I say that this government has not been wholly responsible for that situation, but it certainly has been responsible in part. Today, by means of a number of measures we have been able to interest the financial institutions of Canada and the mining interests of Canada in looking northward. I am of the opinion that within the next 25 years we will be able to prove that the part of Canada which embraces 40 per cent of the land mass of Canada also has 40 per cent of the resources of Canada.

• (2:50 p.m.)

I decided that the first thing that would be needed is an economic base under the feet of the people who live there. At the present time, as minister I must come to parliament every year to ask for about $57 million from the taxpayers of southern Canada to put into the Canadian Arctic. This is necessary because in this area we have a school system which is excellent, we have welfare standards which are excellent and are equal to those in southern Canada, and we also have health and welfare services which, under circumstances of difficult geography, are comparable with those in southern Canada. It is necessary, therefore, to ask for a great deal of money from the taxpayers of southern Canada.

This government has not always been the government of this country. It has been in office only five years. I should like to ask the hon. member for Yukon and my predecessor in this post why no great leap forward was made in the days when they were in office. I mean the great leap forward that is suddenly being called for today. I wish to repeat that the first thing we must have in the territories is an economic base. When we have an economic base we will have a stable population. At the present time there are some 15,000 people in the Yukon Territory, some 8,000 of whom live in Whitehorse or vicinity.

[Mr. Laing.]

Mr. Nielsen: There are 18,000 people in the Yukon Territory.

Mr. Laing: Your figure must be contained in something which has come forward since I read the last figure concerning the population. The figure I saw was 15,000.

Mr. Nielsen: Those are D.B.S. figures which are usually wrong.

Mr. Laing: I do know that because of the type of investments being made in this area people are moving north rapidly. I hope the figure is 18,000. Nevertheless, there are difficulties there. I admit that there is a shortage of housing and a great number of things because of the almost unbelievable investment all at once.

The hon. member for Okanagan-Revelstoke (Mr. Johnston) introduced the possibility of extending the provinces northward. This is a proposal which has been advocated many times by certain persons. In my own province of British Columbia I believe the first suggestion was made by the late Thomas Dufferin Pattullo. Some British Columbians may remember him as the most competent administrator British Columbia ever had as its head. Premier Pattullo went to the Yukon with the suggestion that it would be advisable, from the standpoint of those in the Yukon, for the boundary of British Columbia to be extended northward to take in the Yukon. He was very convincingly told by those valiant residents of the Yukon that the Yukon was prepared to take over British Columbia tomorrow but that it would not work the other way around.

I had a talk the other day with premier Bennett. He and I have resumed conversations. I do not think he would mind my repeating his words. He said that at the present time he is less interested in the Yukon than in securing some economic connection with the Mackenzie river area. I made a suggestion to him which I hope is followed by his province. It might give him the economic ability to participate with the adjacent province of Alberta in some of the developments that are going on in the Northwest Territories.

I should like to thank the hon. member for the Northwest Territories (Mr. Orange) for his contribution to the debate. He lives in a much more difficult area than the hon. member for Yukon. The Yukon has had a longer experience in government because of the great developments which took place there in

1898. It has been populated for a longer period. Some families have remained there all through the years. On the other hand, in the case of the Northwest Territories the hon. member has a vast expanse of country to serve which is populated by people living in a great number of small communities.

If we are to bring the services of Canada to these people it is necessary that there be an administrator on the spot. The administrator carries on his duties with limitations and directions concerning what he may do. A great deal of time will elapse before all the necessary services can be provided for the people. I do not think anyone is as much aware of this as are the councillors of the Northwest Territories. I regret that the hon. member for Yukon has indicated that he believes it is unwise to have appointed members on the Northwest Territories council. I do not think the people of the Northwest Territories share his feeling. I believe they would like to have some of the reports concerning development in this area carried to the people of southern Canada because they want their friends in southern Canada to know something about the north and the tremendous opportunities that are there.

I should like to say, Mr. Speaker—and I can say this now because the annual report in question has been made public—that when you have a mine such as the one in the Northwest Territories which in one year shipped out ore and concentrates to the value of $42 million and in so doing made a profit of more than $32 million, you have a real mine. In the western cordillera in the Northwestern Territories and the Yukon Territory today we probably have the best place on this continent to search for minerals. I am certain the economic development of this area is assured.

The hon. member for Yukon asked me to be specific concerning the methods by which land registrations are now taken and what we propose in comparison. The sequence of steps required to produce the present letters patent involves the following:

1. The preparation of a letter to the Department of Justice by the Department of Indian Affairs and Northern Development requesting a draft of the letters patent.

2. The preparation and transmission of the draft letters patent from the Department of Justice to the Department of Indian Affairs and Northern Development.

3. The retyping of the draft letters patent in the Department of Indian Affairs and Northern Development to insert the legal description of the land.

4. The transmission of the completed draft letters patent to the registration section of the Department of the Secretary of State for initial preparation of the document and signature by the deputy registrar general.

5. The transmission of the completed letters patent to the Department of Justice for the signature of the deputy attorney general.

6. The transmission of the letters patent by the Department of Justice to the Department of Indian Affairs and Northern Development for signature by the deputy minister of Indian Affairs and Northern Development.

7. Their transmission by the Department of Indian Affairs and Northern Development to the Department of the Secretary of State for the impression of the Great Seal of Canada.

8. Their transmission by the Department of the Secretary of State to government house for signature by the deputy governor general.

9. Their transmission from the deputy governor general to the Department of the Secretary of State for registration.

10. Their transmission by the Department of the Secretary of State to the Public Archives for microfilming.

11. Their transmission from the Public Archives to the Department of Indian Affairs and Northern Development for recording.

12. Transmission of the letters patent from the Department of Indian Affairs and Northern Development to the Registrar of Titles who then issues a certificate of title to the purchaser.

• (3:00 p.m.)

To complete the above requires from six to eight weeks, and as most of the steps are statutory requirements few, if any, can be omitted.

What is now proposed is the replacement of the present letters patent by a simple fiat prepared by the Department of Indian Affairs and Northern Development to be sent directly by the minister to the registrar of land titles who will issue a certificate of title in the same manner as he now does. This substitution will in no way affect the present system of issuing a certificate of title but will replace the present preparatory steps one to 12 by the following:

1. A fiat in the form prescribed by the Department of Justice describing the land to be granted, setting out the reservations and containing all the information essential to enable the registrar to issue a certificate of title, will be prepared in the Department of Indian Affairs and Northern Development.

2. The fiat, when signed, will be sent by the Department of Indian Affairs and Northern Development to the Public Archives for microfilming.

3. After microfilming the document will be returned to the Department of Indian Affairs and Northern Development for transmission to the registrar who will issue a certificate of title.

This procedure is expected to require a maximum time of seven to ten days.

In conclusion, I want to thank those members who have contributed to this debate. Probably something has been gained by the wide-ranging permission you have granted to us, Mr. Speaker. It may not be necessary for the hon. member for Yukon (Mr. Nielsen) to put once again on *Hansard* his ideas about freedom for the Yukon. There is a pamphleteer in the Yukon at the present time who has made certain recommendations as to how freedom should be brought to the Yukon. He has eight steps, the first of which is the creation of an impasse.

Mr. Nielsen: May I ask to what document the hon. gentleman is referring?

Mr. Laing: I am referring to a pamphlet entitled "Blueprint for Autonomy" which provides eight steps to provincehood, written by Ken Shortt. Since the hon. member has recently drawn to my attention that an impasse has been created I knew it was not necessary for him to ask me what document I was referring to.

I think we have made some progress today. I ask for the confidence of the house in passing this bill which I know, as the hon. member for Yukon knows, has been badly needed for a great number of years, both while this government was in power and while the government he supported was in power. I know he wants to get along with the business at hand as soon as possible.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

On clause 1—*Grant.*

Mr. Nielsen: Mr. Chairman, I am not going to hold up passage of this legislation but I think I should clarify one or two things said by the minister. In the first place let me disassociate myself completely from the document to which he referred just before the conclusion of the debate on second reading. I am sure it will be of interest to all hon. members to know that this document was prepared by a vice president of the Yukon Liberal Association. The tactic outlined in the document is one I cannot adhere to, condone or endorse. Some of the things Mr. Shortt has said are valid but most of the pamphlet is a résumé of resolutions which were passed by the Yukon council in 1965. I think that should be made very clear.

The great leap forward about which the minister was speaking is something I wish to discuss. He asked what steps were taken by the previous government. I am sure he would want to be fair enough not to overlook the fact that under the previous government a pattern was designed for the evolution of government in the Yukon. The previous government increased the size of the council and created the advisory committee on finance which is the nucleus of what will eventually develop into a cabinet system of government with executive responsibility. Other similar advances were made at that time.

The minister's attitude in closing the debate indicates to me that he is lumping the two territories together. He made some remarks in respect of the historical development of the Yukon and its greater familiarity than that of the Northwest Territories. He also referred to the governmental structure and so on. I am sure I need not remind the minister, but for the benefit of other members of the house let me say there is a vast difference between the two territories. We cannot apply the same norms to both. I am sure the people in the Northwest Territories are as resentful as we in the Yukon about this constant endeavour to apply the same standards to the Yukon and the Northwest Territories.

It is my hope that the procedure outlined by the minister will result in the whole process of obtaining title to land taking only seven to ten days. I am rather doubtful of this because that is only little more than a week. It is impractical to think that once the minister receives a request for a fiat the process of providing it, sending it to the archives for microfilming and returning it, remembering that the mail takes two days each way, will result in a seven to ten day process. This will not be the case. The substituting of this new procedure for the cumbersome procedure of obtaining letters patent will help to speed up the time required to obtain a title to crown land. I hope it is the eventual intention of the minister, the government and parliament to go the whole way so that the minister will relinquish the entire responsibility for commencing the chain reaction which is necessary in order to obtain title to land.

Coincidentally, the annual report of the minister's department was delivered through the mail to hon. members today. If hon. members will examine that report they will see that the federal government is involved in the granting of agreements for sale, the granting of agricultural leases, the granting of grazing leases, the granting of title in fee simple, the granting of agreements to individuals who wish to obtain title to land eventually, and

the imposition of certain requirements in these agreements. It involves itself in all the myriad administrative processes normally carried out at the provincial level. It would cost less, I submit, to go the whole way and would be in keeping with the kind of advancement in which the minister believes. While the minister has not yet admitted that he is in favour of this kind of advancement I am sure, as my friend the hon. member for Brandon-Souris said, that in his heart of hearts he believes in it. It is our hope that he will go the whole way eventually and transfer this administrative process, in which the federal government should not be involved, to the territorial level.

• (3:10 p.m.)

There is one last point I should like to make on the first clause of the bill. That is the question of the use of the term "notification." On page 2 of the bill the provision in clause 3 (3) reads as follows:

> The issue of a notification pursuant to subsection (1) has like force and effect as a grant of territorial land made by letters patent under the Great Seal of Canada.

On a closer examination of the bill I am now satisfied with respect to the legal implications which will flow from the use of the term "notification". I am satisfied it means the same thing as a grant and will have every effect of the legal use of that term as it has been interpreted over the years.

In strict compliance with the rules of relevancy, Mr. Chairman, these are the only remarks I wish to make on clause 1 of the bill. I should like to reply in detail and at greater length to some of the suggestions which have been made by the minister and by the member from British Columbia who belongs to the Social Credit party and whose riding escapes me for the moment. I shall reply later to his entirely untenable observations with respect to what I am sure are not the greedy land aspirations of the majority of the people of British Columbia. I am sure that the Vancouver based population at least would like to see more projects going forward in the more heavily populated areas of British Columbia before taking on the responsibility of an area that is almost twice as large as that province.

I should like to comment on some of the more constructive remarks made by the hon. member for Comox-Alberni. I am glad he took the position he did. However, another opportunity will present itself to deal with these matters. I understand we are to have a debate next week on constitutional reform. Perhaps that will provide a forum in which to discuss these questions or it may be that we can discuss them on the supplementary estimates.

However, Mr. Chairman, the minister can rest assured that this will not be the last time he will be hearing from this side of the house concerning these constitutional reforms which we believe to be essential. I am most sincere in this plea to the minister. We are putting them forward now not in the sense that I or those whom I represent in the Yukon wish to be critical at all but in the hope there will be that degree of enlightenment in this day and age that will permit a change of heart, a change of policy and a change of approach to these developing areas of Canada.

I cannot speak for the whole of the Northwest Territories because conditions are different in various areas. The hon. member for Northwest Territories performs very ably indeed the function of making recommendations on behalf of those whom he represents in his vast riding. I know that he and I are of the same belief in this regard. I put these observations forward, Mr. Chairman, with the intent of being entirely constructive and in the hope that the minister will react favourably, particularly when it comes to making recommendations in the white paper, to the growing requests made in all reasonableness by the people of the Yukon and which are just commencing to flow from the people in the Mackenzie district of the Northwest Territories.

Mr. Hamilton: Mr. Chairman, as one who held brief responsibility for the administration of the Territorial Lands Act I should like to make one or two remarks on this bill. I hope they will be helpful not only to the minister and the commissioners of the two territories but to the people in these areas. One of the responsibilities that bears most heavily on the minister, who has had the responsibility of initiating the transfer of crown lands into the hands of private individuals, is the protection of future generations in these territories and acting as trustee for them. In my experience, the amount of time I put in trying to make certain that there was no abuse of the right of future generations to access to the land of the territories was considerable. Yet I do not begrudge that time for the simple reason that until we have evolved a system of responsible government in the territories, under which these duties can be carried out with complete

responsibility to the electors, this responsibility remains and does bear heavily on a minister.

The technique of speeding up the transfer of crown lands to the individual has been improved under this bill. I do not think there is any question about that. The problem that concerns me as a matter of conscience is the fact that there are in the territories two groups of people who have not the same protections that people have in the provinces. I am speaking about the Indians particularly and I suppose eventually the Eskimos. If my memory serves me correctly, there are no treaties which cover the Indians in the Northwest Territories and the Yukon, or at least they were never promulgated. Therefore even on reservations the Indians do not have protection in these areas.

I have talked with the Indians in these areas. They still follow the traditional, cultural habit of moving into an area because the factor of transportation is their main concern and they squat, if you will, along a river, around a lake or some place where it is convenient to get from one area to another. Over a period of time they sometimes change the places in which they squat and settle in a village.

I recall a personal approach that I made to one group of Indians in regard to giving them title to their land in a particular area in order that they would be protected from any person coming in, asking for and getting a grant of land over which the Indians had prior squatters' rights. This is a matter you cannot deal with specifically in this legislation. The responsibility is a subjective one which falls on the minister or the commissioners, as clause 3 of the bill points out.

I ask the minister not only to consider this problem but to advise the commissioners that the persons who have the responsibility for signing the notifications should consider the problem of the Indians and see that in no case does the requirement for private property take over an area in which the squatters' rights of the Indians are paramount. Squatters' rights are an ancient part of the customs in undeveloped areas. I want to make certain that the minister will ensure that in no case will the officers of the commissioner or the minister's officers allow anybody to move into any area in which an interest is held by the Indians if that move is not legal. I do not know how this can be done legally but it is a matter which falls under the jurisdiction of the commissioner or the minister.

[Mr. Hamilton.]

• (3:20 p.m.)

The second point I wish to make is that I agree with those who have said that there is a strong desire on the part of the people in the Yukon and the Northwest Territories to acquire more responsibility. Additional responsibility is not given to them in definite terms in the bill now before us except to the extent that we give to the commissioner the right to initiate these notifications under sections 4A to 11 of the Territorial Lands Act and under other sections we give to the minister and the deputy minister the right to officiate. I would feel much happier, as I am sure the minister and the people in these areas would, if the inhabitants of the territories had more say in that notification.

I have talked this matter over with the hon. member for Yukon and he told me that if we tried to amend the bill so as to give the local bodies some say in these notifications, it would interrupt the smoothness of the legal procedure. I bow to his superior knowledge of the area. However, I should like to put my fears and worries on public record that not only does the minister of the crown acting as trustee for these people now and in the future but also the commissioner have a responsibility to ensure that nothing is done counter to the wishes of the people in these territories. Therefore, even though I recognize that no amendment can be made workable I wish to put these views forward.

I strongly believe that regardless of the financial inability of the territories to govern themselves completely at this time, we must carry on the precedent we set by granting them the financial status which we have given them in the agreements and by encouraging them at every step to take on more responsibility. Eventually we will have to turn over to the local people jurisdiction over their mineral rights. I believe that the sooner we do it the better.

The final comment I wish to make has to do with the matter of riparian rights. The act makes it very clear that jurisdiction over these rights is held by the federal government. I am referring to the strips of crown land along the navigable rivers and lakes. I hope that no government and no administration at any level will allow to be repeated in the Yukon and the Northwest Territories the disgraceful practice with regard to land along the rivers and lakes in the settled parts of Canada.

The Assistant Deputy Chairman: Shall clause 1 carry?

Mr. Barnett: Mr. Chairman, I have a question for the minister arising out of clause 1 which, as I understand from what was said during the second reading stage, has to do with the modification of the method of providing an instrument of title to lands in the territories. I wonder what the situation is. Does the basic position of the lands being held by the crown not alter the right in respect of lands lying within the boundaries of municipalities in the Northwest Territories and the Yukon? I believe that recently some communities have been incorporated. Will the new municipalities as corporate bodies acquire title to the lands lying within their boundaries, as has been the case in other parts of Canada where unsold municipal lands are one of the assets of the municipal level of government? It seemed to me this might be an appropriate point at which to ask for some clarification on this matter.

Mr. Laing: Mr. Chairman, may I say in reply to the hon. gentleman's question that I am informed that lands adjacent to or within municipalities such as Whitehorse and Yellowknife have been or will be totally transferred to the commissioner for control by his office.

While I am on my feet I should also like to comment on the representations made by the hon. member for Qu'Appelle in respect of our first citizens and tell him that there are two treaties, treaties Nos. 8 and 11, which extend into the Northwest Territories, principally around the southern extremity of Great Slave Lake and north from the Wood Buffalo park area in Alberta. Departmental officials are now in consultation with the Indians with regard to the means whereby the people of Canada can keep their undertaking to Indians.

In the case of the Yukon, as a result of our experience we have set aside certain lands to be occupied by the more or less migrant Indians to whom the hon. member for Qu'Appelle has referred. I will not defend the conditions under which some of these poor souls have been living, but I wish to assure my hon. friend that they are not getting worse but better, particularly in view of the investment which is being put into that area. I wish to pay a tribute to the investors, and I am referring now particularly to the Anvil Mining Company Limited which gave us an undertaking that when they commence operations in September or October of 1969, five per cent of the employees on their payroll will be native people. They undertook further that within five years after the commencement of their operation 25 per cent of their employees will be natives of the area. This places a great responsibility upon us, upon the Department of Manpower and Immigration and upon other departments of the government to ensure that by that time we can provide them with competent people to employ.

I can assure the hon. member that a great number of Indian people driving trucks and doing other work in plants are, according to the managers of these plants, as good and in some cases more efficient than other workers. The situation is improving, and I wish to thank the hon. member for having brought it to our attention.

Mr. Hamilton: May I ask the minister a question? Does he find any reluctance on the part of the Indians to take out land grants for homes in the area where they are working? Are they still using the squatting technique?

Mr. Laing: In the Yukon there has been very little tendency on the part of the Indians to live in areas where the white men have been living. I do not think this has been entirely the fault of the Indians. I know the area to which my hon. friend referred. He and I and all those who have had the responsibility of this department have been concerned about Indians on the outskirts of Whitehorse and various other settlements living around the corner and down the hill. I want to assure the hon. member that we have in mind these enclaves and we are making every possible effort to ensure that reasonable living opportunities are being afforded these people and that they are being adequately informed of opportunities for employment.

• (3:30 p.m.)

I believe that this custom on the part of Indians does not exist to such an extent in the Northwest Territories. I am quite certain that when my hon. friend was the minister he got the impression that every citizen in the Northwest Territories was a citizen of the Northwest Territories, regardless of his colour or where he came from. This is, of course, a product of a more recent development, it seems to me. We have none of that condition in the Northwest Territories that I can see.

Mr. Barnett: I was interested in the last points to which the minister referred covering the situation of the Indian people. However, I should like to return for a moment to a question I raised with the minister. I am not sure exactly what the relationship is between the commissioner of the territories and the

municipal level of government. If there is an equivalent to the municipal act in the Northwest Territories, I have not perused it. If I understood the minister correctly, he said that jurisdiction over lands in municipalities was being transferred directly to the jurisdiction of the commissioner of the respective territory. The question I originally asked was, is it within the discretion of the commissioner then as to where and to what extent a municipality will acquire jurisdiction over property within its boundaries and possibly offer it for sale or engage in town planning as municipalities are becoming interested in doing?

Mr. Laing: The municipalities are incorporated under the territorial acts. I am informed that the commissioner has power to transfer his control of lands within the area of the municipality itself. I think there has been good satisfaction, generally speaking, in respect of this procedure within the incorporated areas in the Northwest Territories and the Yukon. The difficulty is or has been in respect of crown lands.

Mr. Nielsen: The hon. member for Comox-Alberni has raised a point which is another argument, as I am sure the minister is aware, as to why jurisdiction over disposal of lands should be transferred to the local level. We have a current situation within the municipality of Whitehorse which is a municipal corporation under an ordinance passed by the legislative body of that territory. The same situation prevails in the Northwest Territories. There is a group which wishes to establish a shopping centre in this municipality. The land upon which the intended development is to take place is crown land and therefore the federal government must give consideration, through departmental officials, to whether or not it is in the public interest to release this land for the municipal purpose of a shopping centre. This is a function in which the federal government should not be involved. A decision has been made now that this land is going to be transferred to the territorial government from the crown in the right of Canada to the crown in the right of the territory and then transferred to the municipality of Whitehorse. Then the municipality will make a decision as to its disposal.

Of even more seriousness—and I see the minister's officials before him—is what I sincerely hope is an oversight which has prevailed for many years. I refer to the fact that in the transference of these municipal lands for municipal development the streets and lanes have been overlooked. We have, therefore, a no-man's land here because the municipal councils of the territory exercise jurisdiction over lands that really do not belong to them. This is a current problem in the Yukon. I daresay if it has not already become a problem in the Northwest Territories it will. Perhaps the minister, after consultation with his officials, might inform the house whether there is going to be a serious, immediate review of this question of public streets and lanes within municipalities with a view to the immediate transfer of the land comprised in these streets and lanes to the respective municipalities.

There is one other point I want to leave with the minister and it involves section 73 of the Land Titles Act which stipulates:

> The title to the land mentioned in any certificate of title granted under this act is, by implication, and without any special mention in the certificate, unless the contrary is expressly declared, subject to...
>
> (c) any public highway or right of way or other public easement, however created, upon, over or in respect of the land;

Section 73(c) of the Land Titles Act relates also, which gives one an indication of the complexity of a so-called housekeeping amendment, to the Yukon Quartz Mining Act, section 126. This section reads:

> Nothing herein contained shall be construed to limit the right of the proper authorities to lay out, from time to time, public roads across, through, along or under any ditch, mill-site, water right or mineral claim.

This legislation purports to reserve the right of the crown to unimpeded access to public roads, highways, streets and lanes in the Yukon. The minister must be aware of a very serious problem that is being created by the mushrooming growth of the mining industry in the Yukon. Under earlier provisions of the quartz mining regulations there were certain crown granted mineral claims. These now exist in the form of fee simple titles. These claims are scattered throughout the Yukon and a problem is going to arise in respect of access to current mineral developments unless the government now takes action to establish trails and roads which have existed for 50 to 60 years as public highways or public roads, thus giving unimpeded future right of access to mineral developments that are now taking place. Before these developments can take place there must be an assurance to an investor that the developer is going to have the right of access. If a developer is confronted at some time in the future with people erecting a gate or fence across trails that are crossing

crown granted mineral claims or private land granted by way of certificate under the act, then you are going to stifle investment and consequently retard development. These two very serious problems exist in the Yukon. I am sure they will exist in the Northwest Territories if they do not now. There has to be immediate consideration given to the approval of streets and lanes within municipalities.

Even more serious is the problem of considering the right of access to mineral developments, regardless of where service roads must travel. I do not mean to suggest that a mineral developer is to be given a future right of access through the front room of an expensive home that has been erected on a piece of private land. I am thinking more particularly of crown granted mineral claims, lands that have been reserved for railways, lands that have been set aside for the use of the Indian people but not utilized by them or lands still set aside for the use of the old department of mines and resources. Some of these lands to which there is existing title are now being traversed by mineral developers who are gaining access to their site of operation. However, the whole question has to be clarified, and the minister's officials should ascertain the position of these access roads with a view to declaring that a public right of access does indeed exist.

• (3:40 p.m.)

Mr. Orange: Mr. Chairman, I have two small matters about which I should like the advice of the minister. As I mentioned earlier today, one of the basic problems in the past has been the incredible delays that occur in issuing title to land, either letters patent or leasehold. I am sure that in the course of my short experience in Ottawa as the member of parliament for Northwest Territories I have received as many complaints on this matter as I have on a number of others combined.

I understand that within the framework of the minister's department and as a result of the recent reorganization the lands administration section has been relocated. I should like to ask a question about this for two reasons. One is that prior to this change the administration itself was located in the section of the northern administration branch that was transferred to the territorial government, and I am wondering whether or not it still remains under the direction of the northern administration branch or has moved to the new resources group.

The second question on which I should like the advice of the minister concerns the definition of territorial lands. Are we still in the position where people who wish to take leaseholds of large areas for such pursuits as ranching or farming must come down through the administration to Ottawa, or are these lands now to come under the control of the commissioners for the Northwest Territories and the Yukon?

Two matters raised by other hon. members I think should be commented upon. The hon. member for Qu'Appelle made a very valid point, one that has concerned people in the north before. I refer to the use of land for government purposes. I think the system has changed substantially in the last several years. I understand that now, so far as lands that lie within the boundaries of municipalities under the control of the crown are concerned, the municipality determines the use the land is put to unless it is for crown purposes.

With regard to lands that lie outside the municipalities—and these comprise the vast majority of the communities in the Northwest Territories—community societies, local advisory councils and development councils are responsible for making recommendations to the senior administration with regard to the use of the land. I am thinking in terms of the sort of town planning that is under way in many northern communities. Between the time the town planning authority first consults with the local officials and the time the plan is approved, agreement is reached among the town planners, the government and the local advisory group on what use the land will be put to.

I think the situation is a little different in so far as the Indian and Eskimo people are concerned. In the case of the Indian people it has been the policy of the Indian affairs branch to acquire lands on behalf of bands of individuals in order that permanent housing may be built in some of these settlements.

However, I understand that the situation is a little different in regard to the Eskimo people. I am thinking of a situation that was brought to my attention within the last month in Tuktoyaktuk where a group made application to purchase lots in the community and made a payment of $5 as a sort of holding payment. About one year later the $5 was returned to the families concerned with the explanation that they could not purchase the land in question because it has not been surveyed and was not up for disposal. The individuals concerned already had their houses on the particular lots. I do not know

whether or not leases had been issued, but I think this situation does raise the important philosophical and very practical question: What land rights do the Eskimo people have?

At the present time there is a rental housing program under way in the north intended to provide adequate housing for the Eskimo people. This program is in its second year. Within the next two years it will be completed and the total Eskimo population of the north should have adequate rental housing. These people will be paying rents according to their ability to earn and the size of their families. However, Mr. Chairman, I understand that unless these people wish to purchase these homes—and believe me, Mr. Chairman, it would not necessarily be economic for them to do so in view of the price of oil and utilities in the north—they will never be able to acquire land in their own right.

That is one part of the question. The second part relates to the policy of the department. As I understand it, at the moment lands can be leased for long periods, if necessary, but not purchased unless a survey is undertaken. Many cases have been brought to my attention of people wanting to go ahead and build their own homes and become permanent residents in a community, but they are unable to raise the necessary financing because of the problems of surveying and leaseholding. I hope the minister will be able to comment on the various points I have raised.

This morning I raised the problem of disposal of lands in the north, about which there seems to be some confusion in the minds of many people there. The bill before us today is intended, I firmly believe, to remove a lot of the doubt and confusion. I cannot help but smile to myself when I hear others condemn this government for a lack of activity during the last five years. This period has been the greatest five years in the history of the north. We may have had the opportunity to correct some problems but somehow or other did not get around to it. With those few remarks I hope the minister will be good enough to answer some of the questions I have raised.

Mr. Laing: Mr. Chairman, may I thank the hon. member for Northwest Territories for his intervention. In asking his questions he has given me an opportunity to learn something myself. The departmental change to which he referred eventuated as a result of the establishment of our resource group which today I believe comprises as competent a group as we have in government. We are proposing to turn over to the resource group the responsibility for the lands here.

• (3:50 p.m.)

The hon. member asked for the definition of territorial lands, which I believe is contained in the bill. I think the hon. member was thinking of large properties such as the one he mentioned along the Slave river, which might be used for agricultural purposes. Such properties might contain several thousand acres of land. He was wondering, since agriculture is a territorial responsibility, whether an application for such land would have to be made to the territorial government.

Soon after a settler settles on a piece of land, he wants to be accommodated with roads and other forms of transport, and that brings the matter back to us. Then we should have to have discussions with the territorial government. Where it is a matter of opening up brand new territory which is large in extent, and of providing for transportation, my answer to the hon. member is that we should need to have conversations with the territorial government.

In the case of the Eskimo people at Tuktoyaktuk and elsewhere, I am sure the hon. member will agree with me that our main difficulty in the northern territories is to get surveyors in when we want them. This problem applies to a lesser extent to the Yukon territory or to that part of the territory which has a reasonable population. I might say that quite suddenly these days we are attracting a great number of engineering firms to and around the main population centres of the Yukon.

Mr. Nielsen: They travel all over the territory now.

Mr. Laing: In the Northwest Territories it is much more difficult to bring a group of engineers in for a specific job which might involve only three or four surveys. That can be pretty costly. As a result we are leasing land for 30 years. The leases are conditional, and depend on surveys, but they do enable people to obtain mortgage money. Lands can be occupied and their exact description confirmed by survey. I think that covers most of the questions which the hon. member asked. I thank him for his intervention.

Mr. Nielsen: Could the minister elaborate on the problem which concerns public streets and highways, both within municipalities and

without. Could he also elaborate on the aspect of mineral developers?

Mr. Laing: I have an idea that streets and sidewalks were probably retained under federal crown authority for the influence that that might have on planning within the area. Since the towns have grown to a large extent I would think that this arrangement, as a protection to the government, has outgrown its usefulness and we shall also look at that aspect of the matter.

Mr. Nielsen: What about the mineral developers and their future rights of access?

Mr. Laing: The hon. member for Qu'Appelle warned me that in the case of lands or Indians, Indians must come first. The hon. member for Yukon says that in the case of Indian lands which are not being used by Indians, the mines must come first. I shall try to steer a middle course and help both hon. members. I am fully aware of our responsibilities to the Indian people, as is the hon. member for Yukon. Probably we are talking about two different types of land. In any event we shall try to see that access is provided for mining companies.

The hon. member knows the encouragements we have given the mining industry in recent years. We build them roads and pay them 40 per cent of their hunting costs—and it is good hunting ground, I can tell you. If they want an airstrip, we pay for half of that. These are all things we are doing to encourage the investment, which has been going on in the area, and these policies are being followed not only in the interest of the parties who are directly concerned but in the interest of Canadian development as a whole.

Mr. Nielsen: I could not agree more with what the minister said about policies, but no doubt he will agree with me that these are policies which have been continued by the government. They existed before this government came to power.

I do not want to be misconstrued about this business of putting mines before the Indian people. It is not that, at all. We have here an access problem, a problem involving access over crown grants of land. Not only is the department custodian of Indian lands, but there are also crown grants to private individuals and crown grants of mineral lands. That is the problem.

The problem involves the survey rights and access across the entire spectrum of and private lands. There is an impelling urgency, because of the rapidly accelerating development going on, to give mineral developers the assurance that they will have future rights of access; otherwise the investment potential just will not be there, especially if investors feel that they will be confronted with land problems.

As the minister knows, some of these mineral developments are away in the hinterland. In some cases roads are constructed entirely by the mining companies and must extend 70, 80 or 90 miles. In so doing they encroach on the surface rights of various classifications of land. I point out that section 73 of the Land Titles Act and section 126 of the Yukon Quartz Mining Act gives the minister power to make a declaration that the government assures the mineral developers that they will have future rights of access. That is what I am trying to get the minister to say this afternoon, that he will exercise the discretion that is available to the crown in right of Canada, in respect to this and other relevent sections of federal legislation. I should like to hear the minister give that kind of assurance which is necessary at this time, if developments are not to be retarded.

Mr. Laing: I am told that we can give the kind of assurance that says that we shall look into the matter. There are certain instances where surface rights preclude the interests of a mining company from being developed. Nevertheless if it is advantageous for the economy to let a certain mine go into an area, of course we are interested and will look into the matter.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Issue of Notification*

Mr. Nielsen: I wonder if the minister can inform me when the government will appoint a registrar of land titles for the Yukon territory?

Mr. Laing: The answer is, almost at once. We expect to incorporate in his office the administration of other resources also. This is because these relate to one another, and a person is sometimes qualified to undertake both.

• (4:00 p.m.)

Mr. Nielsen: Can the minister say whether the appointee will be a professional lawyer, a barrister or a solicitor? I am sure the minister is aware of the complexities of the laws surrounding the disposal of lands and mineral

rights in the Yukon. I think the appointment of a professional person would be a great advantage.

Mr. Laing: I am sure the hon. member will agree that in the Yukon we have some of the finest public servants anywhere in Canada. I can assure him that when the organization is set up we propose to run as efficient a ship as we have in the past, even more so, with wider powers, covering all of the arts, including the law.

Mr. Nielsen: Again, Mr. Chairman, I did not intend any criticism. Once more the minister has taken me wrongly. He knows that until recently the post of registrar of land titles in the Yukon was held by a lawyer in the employ of the government of Canada. The succession of lawyers who occupied that post did excellent jobs. I hope the minister can tell us he will follow the policy of appointing professional people with specialized knowledge of the administrative problems involved. Can he go so far as to say that the appointment which is to be made almost immediately will be of a person of professional standing?

Mr. Laing: This is certainly our intention. The hon. member has used the words "professional standing." It will be necessary to pay a great deal of attention to this appointment because I am sure the hon. member will agree with me that the future of the Yukon is metal and mining.

Mr. Nielsen: For a moment, Mr. Chairman, I thought the minister said mental.

Mr. Laing: We will certainly give our earnest attention to the calibre of the people with whom the office is to be filled.

Mr. Orange: As I understand this legislation, responsibility for the registration of land titles will be turned over to the commissioners of the two territories. Will the individuals to be appointed be federal civil servants or will they be hired by the territorial governments? If they are to be hired by the federal authority and are federal civil servants, what will be the relationship between the commissioners and these federal employees?

Clause agreed to.

Clause 4 agreed to.

On clause 5.

Mr. Orange: A matter which has been of great concern to people who live in the smaller communities of the north has been the land grants made available in the past to missions, and bodies such as the R.C.M.P. Believe it or not there is a lack of building space in the north, particularly in the centre of towns where land grants were made to such agencies many years ago. Many of the land grants are not being fully utilized by these agencies. Does the minister have any plan to work out arrangements with the Hudson's Bay Company, various missions, the R.C.M.P. and branches of his own department whereby they might release some of their lands for building purposes?

The time has come when we should take a look at large tracts of land held by missions or agencies which are not using them fully. As settlements grow and people move to them they are being forced to build on the fringes of those settlements because of lack of space in the centre. I hope the minister will make some comment on this matter.

Mr. Laing: Mr. Chairman, I tend to agree with the hon. member. In both territories, but probably more so in the Yukon than in the Northwest Territories, there are grants covering very large properties, dating back to wartime. These are serviced lots and I think a thorough study is necessary of the requirements of the department. I have an idea that this work could probably be done as well by the commissioners as by anybody else.

Clause agreed to.

Clauses 6, 7 and 8 agreed to.

On clause 9.

Mr. Nielsen: May I point out to the minister that there may have been a mistake in the drafting of this clause. Clause 9(2) sets forth that paragraph (c) of section 2 of the Public Lands Grants Act is repealed "and the following substituted therefor." But that which follows sets forth not only new paragraph (c) but also paragraph (d). I have compared this paragraph (d) with the paragraph (d) already in the Public Lands Grants Act and there is no change in it. Perhaps an amendment would be in order, emanating from the minister, to delete paragraph (d) of subclause (2) in this bill.

• (4:10 p.m.)

Mr. Laing: Mr. Chairman, I hope my legal friend is not being unfair to the farmer's boy. I am informed that the object here is to keep the definitions in alphabetical order. This easy definition may mean something to the hon. member. I hope it does. If not he may have to ask another question.

Mr. Nielsen: I see what the intention is. I think this is a long way of going about it. Parliament is not relettering a subsection which becomes (d) but is re-enacting the whole subsection. This seems to be a rather cumbersome way to do it. I am sure parliament does not intend to do things in this way.

Clause agreed to.

Title agreed to.

Bill reported, and read the third time and passed.

DEFENCE PRODUCTION ACT

AMENDMENT RESPECTING LETTING OF CONTRACTS

Hon. C. M. Drury (Minister of Industry) moved the second reading of Bill No. S-28, to amend the Defence Production Act.

Mr. Howe (Wellington-Huron): Mr. Speaker, is it the intention of the minister to make a statement in respect of this bill?

Mr. Drury: Mr. Speaker, I believe it would be helpful if I were to make a short statement. I should begin by pointing out that this is a bill which has been considered at some length and approved by the Senate. It is a simple bill of a housekeeping and unexciting nature. The purpose is to achieve a more efficient way of doing government business than is possible under the present act. This bill arises from the recommendations made by the Glassco commission. Members of the house will recall that the royal commission under Mr. Glassco discovered that the paperwork involved in the letting of government contracts was unnecessarily detailed and recommended that there be a substantial further delegation of the authority to enter into contracts.

The result of this was that in respect of government contracts, not otherwise governed by statute, and entered into under authority of the government's contract regulations, the Treasury Board would delegate the authority for entering into contracts to departments on a much larger scale than had been the case hitherto. However, contracts entered into by the Department of Defence Production on behalf of the Department of National Defence are entered into under the authority of the Defence Production Act. The Defence Production Act as presently written in section 17, subsection (1), paragraphs (d) and (e), provides a limitation on the authority of the minister to enter into contracts without government approval of the governor in council in the amount of $25,000 in cases where no tenders are called, or where there is only one tenderer, and in the amount of $50,000 where there is more than one tender and where the contract is awarded to the lowest tenderer.

Under the government contract regulations evolved as a consequence of the recommendation of the Glassco commission, the authority of departments to enter into contracts without the further authority of the Treasury Board, but with a provision for reporting on such contracts entered into, is limited to contracts in the amount of $250,000 where there have been no tenders or where there is only one tenderer, and $500,000 where there is more than one tender and where the lowest tender has been accepted and a contract has resulted therefrom. There is an obligation periodically to report such contracts to the Treasury Board. The result of this has been that the Department of Defence Production, which has been progressively taking over the purchasing responsibilities of civil departments, and will be taking over the procurement work for all government departments, both civil and military, finds that where procurement is undertaken on behalf of civil departments the arrangements for contracting are carried out within the limitation laid down by the Treasury Board now, namely $250,000 and $500,000.

Where contracts are entered into for the Department of National Defence in respect of defence contracts there is a limitation of $25,000 and $50,000 which involves as a consequence not only disparate procedures but a vast amount of what I think the Glassco commission recognizes to be unnecessary paperwork. The purpose of this amendment is to alter the Defence Production Act in such a way that the procurement for defence purposes under this act will be subject to the same rules and regulations as procurement for civil departments, through the delegated authority from the Treasury Board.

I should point out that in addition to making the limits correspond this also removes a provision in the present act which authorizes the minister to enter into a contract without Treasury Board authority in any amount at all, provided that in his opinion the contract must be entered into immediately in the interests of defence. This was perhaps a wise provision at one time, but it does seem that perhaps it gives the minister unlimited authority which is not required. This particular authority is being removed by means of the amendment to the act which is now before the house.

In the interests of rationalizing and simplyifying the procurement I would commend this amendment for the favourable approval of the house.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, the hon. member for Wellington South (Mr. Hales) intended to say a few words at this time. May I say that those of us who have been here for some years remember the defence production debate of 1955, which went on for so many weeks and days and had so much to do with the downfall of a government at that time. However, this amendment, as the minister has pointed out, is more or less a case of housekeeping. It was suggested by the Glassco commission and is one in respect of which this party gives its complete approval. We have no objection to the passing of this piece of legislation.

• (4:20 p.m.)

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1.

Mr. Nowlan: Mr. Chairman, perhaps the minister could answer a question which probably arises from a confusion in my own mind, rather than in his explanatory statement on the motion for second reading. Is the housekeeping effect of this bill the removal of the ceilings from $25,000 and $50,000 without tender to $250,000 and $500,000?

Mr. Drury: That is correct in so far as procurements for the Department of National Defence are concerned. As I tried to explain, the Department of Defence Production acts as purchasing agent on behalf of civil departments, such as the Department of Agriculture. We have now been instructed by the Treasury Board to operate within limits of $250,000 and $500,000 as recommended by Mr. Glassco. For the past two years we have been doing this in respect of procurements for civil departments.

In so far as procurements for the Department of National Defence are concerned, these are governed by the Defence Production Act and not by government contract regulations. The purpose of this amendment is to bring the practices and procedures for procurement for the Department of National Defence into line with what has and is continuing to be done in respect of procurement for other civil departments.

[Mr. Drury.]

Mr. Nowlan: Thank you. In other words, where there are no tenders the ceilings will be $250,000 or $500,000?

Mr. Drury: That is correct, Mr. Chairman.

Mr. Barnett: In his remarks at the second reading stage the minister made reference to increasing emphasis and expanded activity of the department in the field of procurement for civil departments. I am wondering why the minister when bringing in this bill to amend the act did not bring in an amendment which would change the name to something more indicative of the role the department is playing. There is a little confusion in my mind, as well as in the minds of people throughout the country, about this business of the Department of Defence Production being involved in the procurement of things for other activities of the federal government. Can the minister tell us why he did not take advantage of this opportunity to bring about a change in name?

Mr. Drury: There may be some confusion in the minds of the public as well as in that of the hon. member. It is our intention to set up efficient purchasing arrangements for all government departments, including the Department of Defence Production. This is being evolved progressively, and I hope on an orderly basis. When we have a little more experience and know precisely what is needed, a rather more comprehensive bill should be brought forward to incorporate in a single statute those authorities which are now obtained largely through the authority of the Transfer of Duties Act. At that time perhaps the bill will also change the name of the department to one more appropriate than the Department of Defence Production. Perhaps a year hence or thereabouts, would be the right time to do this. As we are not yet prepared to advertise that we are fully in this business, it would be a little premature the change the name now.

Mr. Barnett: The minister is running sort of a department store that has not yet reached the position which would justify an official name. Perhaps the minister could give us some explanation as to the manner in which regional agencies act in respect of procurements, for example, in the province of British Columbia there are times when people are confused as to whether they should approach authorities in Ottawa or Vancouver for information about contracts, eligibility to

tender and that sort of thing. Could the minister take advantage of this opportunity to enlighten us, and through us some of the people, as to what the present situation is in respect of regional management in this area of the operations of the Department of Defence Production?

Mr. Drury: I hope to be able to reassure the hon. member that in so far as interested people in British Columbia are concerned, they should be able to obtain answers to all these questions from the regional representative in Vancouver. Inquiries seeking information should not be referred by him to Ottawa.

When deciding which procurement should be undertaken locally and which should be undertaken on a national basis we apply the principle that we should follow the procedure which will obtain the best value for the taxpayer's dollar. One has to offset administrative expense in regard to the calling of national tenders for relatively small orders, to satisfy purely local demands, against the slightly higher cost. To take an extreme example, the cost of obtaining a dozen pencils for a local administrative unit in Vancouver would not warrant setting into operation the national tendering apparatus. By the same token one could readily assume that the taxpayer would not get the best possible value for his dollar if tenders for a ship required in Vancouver were called for by the regional office in Vancouver and limited to the province of British Columbia. In the broad general sense the test is related to procurement on the basis of the best value for the taxpayer's dollar. I suppose one could really generalize fairly safely, although all generalizations are supposed to be dangerous, by suggesting that procurement is undertaken by regional offices to satisfy local demands; that is, the demands of administrative units for which they are responsible and for which there exists within their region sufficient competence and interest to ensure that there will be real price competition, and consequently value obtained for their money.

• (4:30 p.m.)

Mr. Barnett: Mr. Chairman, the minister mentioned pencils. This brings to mind another question, as to whether or not the department is engaged in what might be described as the operation of regional warehouses in which there are held such items as pencils, stationery supplies, and so on, from which offices in the regional area requisition their requirements for such items. Is this activity being developed in centres like Vancouver, shall we say, where there are quite a large number of federal departments in operation at the regional level?

Mr. Drury: Mr. Chairman, this is an activity which is in the process of being put in place. This is one of the things we have not yet accomplished to the point where we would want to change the name of the department, which implies the ability to operate effectively under such a régime. We are now endeavouring to consolidate and forecast demands for all the departments and buy on a consolidated basis, which tends to reduce quite considerably the unit price. We are now endeavouring to have these items contracted for on a large scale, delivered in large quantities and held for distribution and use in regional warehousing centres, as the hon. member suggests. An administrative unit of the government calling for these items of normal use will merely provide a requisition and will be able to get them off the shelf, rather than our having to enter into a separate, individual purchasing arrangement in respect of each item as it arises.

I have one example here of what this program has been able to achieve in the way of savings on one rather prosaic item, namely typewriters. By adopting the system I have outlined, that of consolidating demands, purchasing under a single contract and holding and issuing as required instead of operating under separate purchase contracts, we have in the last 12 month-period been able to save about $94,500 in respect of the year's acquisition of typewriters. I think hon. members will agree that this is a significant and useful system and that we should continue to proceed along these lines.

Mr. Howe (Hamilton South): Mr. Chairman, I should like to ask the minister whether this program has anything to do with the purchase of drugs.

Mr. Drury: The Department of Defence Production does purchase the pharmaceutical needs—I presume that by "drugs" the hon. member has in mind pharmaceuticals—of most government departments, the most important of which, of course, are the Department of National Health and Welfare, the Department of Veterans Affairs and the Department of National Defence.

Mr. Howe (Hamilton South): Mr. Chairman, if it is appropriate, I should like to ask the minister what the experience has been up to

this point with regard to the purchase of generic drugs as opposed to brand name drugs? What practice does the department follow in this regard?

Mr. Drury: In respect of pharmaceuticals, where we can we purchase by specification rather than brand name. This has the effect, of course, of producing competition between the purveyors of a given specification under a brand name and the manufacturers of the same specification not carrying a brand name, or so-called generic drugs. It as been our experience that in cases—and this is almost universal—where the prescribing physicians are prepared to accept the specification, the result is a significant saving of money. There are of course cases—and responsibility for this must reside ultimately with the prescribing physician—where for professional, clinical reasons a general specification is not regarded as satisfactory and a brand name, which is another way of calling up a special specification, is called for. In those instances one has no choice but to acquire under the brand name.

Mr. Howe (Hamilton South): Mr. Chairman, I apologize for using the word "drugs"; "pharmaceuticals" is certainly a preferable term. I should like to ask the minister two questions. Are these pharmaceuticals sold to the department by tender from various companies under their generic names and, second, has the experience of the department been that doctors will prescribe the generic drug by generic name as readily as they will a brand name? Is this found to be just as effective as far as purchases by the department are concerned?

Mr. Drury: We do call for tenders by specification, which is neither brand name nor generic name. It is a specification without, in a sense, the name at all. Our experience generally has been that the medical practitioners in the government service using these drugs have been satisfied to prescribe the specification. I tried to explain that there have been some instances where special circumstances, in the view of the medical practitioner, demand the special qualities or what in his view are the special qualities, of a brand name pharmaceutical.

Where this arises we, as a service department, buy what is asked for. We do not try to tell him what he should use. It is our job to acquire what the user wants under the best possible circumstances from the taxpayers' point of view. But with regard to pharmaceuticals it is the doctor who says what is needed. It is not our job to tell him what he should use.

In so far as the experience of medical practitioners is concerned and whether the pharmaceutical purchased has been satisfactory or not, I would really hesitate to express an opinion. I do not know. The question should perhaps better be directed to medical practitioners. I do know that in the past two years this has been our experience in buying pharmaceuticals, that is, that we purchase according to specification. These pharmaceuticals have been bought, delivered and used in very large quantities indeed, and I suppose one might assume from the fact of their acceptance and consumption that they have produced reasonably satisfactory results.

Mr. Howe (Wellington-Huron): Mr. Chairman, I understand that under the Financial Administration Act the minister has absolute power and discretion in respect of contracts up to $250,000, but with regard to contracts of $500,000 he has to receive competitive tenders and the lowest tender is accepted.

• (4:40 p.m.)

My question is whether these tenders are open to the public and whether a report is made of the number of people who tender, the number of tenderers who do not get them, and the reasons why certain people are not allowed to participate in these jobs.

Mr. Drury: The object of the tendering system is to endeavour to obtain for the purchaser the best possible price arrangement, and unless the tendering system succeeds in doing this, much time and effort is wasted and it becomes an inefficient and costly procedure. To achieve the most effective price competition, and consequently the most advantageous prices, it is necessary to have the prospective sellers believe that the system which is being proposed is a satisfactory and fair one. After some years of experience we have evolved the practice of not disclosing the results of these tenders in an organized way, but making available to anyone interested the publishable information, that is the price, and the name and address of the tenderers if this is desired.

The private opening of tenders by officials of the department is subject to a procedure which is understood and agreed to by the manufacturing industry in general. They have sufficient confidence in the department, and no sense of unfairness is experienced by

them. I should mention one general exception, and that is in respect of construction contracts. The construction industry has asked that tenders on construction contracts should be subject to public opening, and this is being done. We would be prepared to have a public opening of tenders in respect of any group of commodities or any industrial operation if the consensus within that industry was in favour of it. Public opening imposes a cost on the tenderers in that one of their representatives must attend this opening and this costs money. Our experience has been that most manufacturers would sooner leave it all to us rather than incur the expense of having a witness attend the opening.

There has been one other exception, a fairly recent one, when the Shipbuilding and Ship Repairing Association asked for a public opening of the tenders for the four D.D.H. naval vessels. As I have indicated, in any instance where the tenderers ask for a public opening, we are only too willing to accede to their request. In the case I mentioned, there was a public opening. Whether or not the shipbuilding industry as a whole will want public openings, I do not know.

Mr. Winch: Mr. Chairman, there is just one question which I should like to ask the minister. It came to my mind as a result of his reference to the construction industry. I believe it was the policy in the past when calling for tenders in the construction industry to set forth in the specifications what is generally known as the prevailing wage rate in the area. To the best of my knowledge the prevailing rate was the trade union rate in that area. I should like to ask the minister whether or not this is the present generally accepted policy, and if so why it is that in the recent calling for tenders, of which I have personal knowledge, the prevailing rate in the specifications was sometimes as much as $2 an hour lower than the prevailing trade union rate.

I have also noted that in some instances the rate in the specifications, which was supposed to be the prevailing rate, was almost identical to the rate in a tender which was called in almost the same area four years ago. I am certain that the minister knows there has been a considerable change in the rate of wages and fringe benefits in the last four years, and yet I have recently noted the two instances which I have mentioned. I think this is distinctly unfair, and I believe not in accordance with what we were given to understand, at least in the past, was the policy of the government in the mapping out of the specifications and calling of tenders, especially in the construction contracts.

Mr. Drury: Mr. Chairman, I wonder if I might ask the hon. gentleman, who is clearly speaking from detailed knowledge of a specific contract, whether this was a contract awarded by the Department of Defence Production or by some other department.

Mr. Winch: By some other department, Mr. Chairman.

Mr. Drury: He will understand then that I would be hesitant about offering comments on the administrative practices of other departments.

Mr. Winch: May I ask the minister a further brief question? What is the policy on contracts which come under the minister's department?

Mr. Drury: In so far as we are concerned, the prevailing rates are established by a body which reports to the Treasury Board. These rates are established by that body as a result of surveys carried out in various regions in Canada. This body, on behalf of the Treasury Board, establishes for the various trades and classifications what are said to be prevailing rates. Whether these are the present union rates, a particular union rate, an amalgam of union and non-union rates, high, low or average, a portion or a quartle of the prevailing rates, I do not know.

If it interests the hon. gentleman, I would be glad to have inquiries made at the Treasury Board and to advise him accordingly. The determination of prevailing rates, however, is not a function of the Department of Defence Production. We merely use the information we receive. The official prevailing rates for government are determined by the Treasury Board.

• (4:50 p.m.)

Mr. Winch: I should not like the minister to have to go to the trouble of getting the rates all across Canada. Perhaps he could assist me by sending me the presently accepted prevailing rates in the construction industry in the Yukon and Northwest Territories.

Mr. Drury: I would be glad to do that, Mr. Chairman. I regret that the hon. member for Wellington South is not here because yesterday I discussed with him an answer to one of his questions directed to the Department of

Defence Production. I have ascertained, and have so advised him, that information obtained subsequent to the preparation of the answer in respect of the contract about which he inquired makes the answer as given no longer valid. I should like, therefore, if I may to make a change in *Hansard* to the reply to question No. 628, asked by the hon. member for Wellington South. The answer given to part 5, now reads "in Canada". The answer to part 5 would now read—

The Assistant Deputy Chairman: Order. The minister's request for a change will have to be made when the Speaker is in the chair.

Mr. Drury: I stand corrected.

Mr. Nowlan: I should like to ask three more questions which the minister may be able to answer to help clarify this bill. Will he tell me when the civil procurement procedure was changed to bring it to the $250,000 and the $500,000 that was mentioned? Second, what was the recommendation by the Glassco Commission in connection with changing defence procurement? Was the change to bring it directly in line with civil procurement or did the commission suggest certain figures? Third, is it possible to say what percentage of government procurement is now handled by the minister's department in relation to civil procurement? Perhaps the first answer might help me in trying to rationalize the change, but is there a material change in procurement in the sense that civil procurement is half or three quarters of the government procurement, or what is it? This is what I am trying to get at.

Mr. Drury: In respect of civil procurement, the change which authorized the department to undertake this work was made on March 18, 1965, not quite two years ago.

In so far as the relationship between the department and the civil field, it is now running on behalf of civilian departments at the rate of $8 million a year. This represents roughly 40 per cent of the total civil procurement. We are half way to doing the total. The figure for procurement on behalf of national defence per year is considerably higher than that. I am not sure whether the hon. gentleman wants that information publicly now or whether I can give it to him privately later.

Mr. Nowlan: I thank the minister, because this was part of my concern. While this is a housekeeping change, I think the minister would agree with me that the change is going to involve many more millions of dollars than any other change in civil procurement regulations, is that correct?

Mr. Drury: As things stand now, this is correct.

Mr. Nowlan: As I understand it, before the change in civilian procurement, the Treasury Board authorization was $25,000 and $50,000. What was the reason the Glassco commission suggested the increase?

Mr. Drury: It was increased because the commission, I think quite rightly, reached the conclusion that it was unnecessary, undesirable and inefficient to engage competent staff for procurement in a department such as defence production to buy intelligently, subject to all the normal checks and subject to audit by the Auditor General, and have those transactions reviewed by the staff of the Treasury Board. I think the test as to how much delegation one can engage in is a measure of the responsibility which one feels can be entrusted to others. The view of the Glassco commission, which I must say I would heartily endorse, was that competent, trustworthy people were not being trusted to make full use of their talents by placing responsibility in the Treasury Board rather than in the department itself. This was a waste of time and effort on the part of the treasury staff and is also an encouragement to irresponsibility in the department in that they are not answerable for their mistakes.

Mr. Nowlan: Can the minister advise what the limits are, say in the province of Ontario, for tendering for civil procurement?

Mr. Drury: I cannot answer that. I do not know what the practices are in any of the provincial governments.

Mr. Howe (Wellington-Huron): I wonder if the minister could tell us what departments of government defence production buys for now?

Mr. Drury: Yes, Mr. Chairman. They are public printing and stationery, public works, excluding some specialized services; manpower and immigration; Royal Canadian Mounted Police in respect of vehicles; national health and welfare, prosthetic services—I am sorry, national health and welfare is not limited to prosthetic services—Department of Veterans Affairs; Department of Trade and Commerce; Department of Fisheries; Department of Indian Affairs and Northern Development; Department of National Revenue and the Department of Industry.

The Assistant Deputy Chairman: Shall clause 1 carry?

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time, now?

Some hon. Members: By leave.

Mr. Drury moved third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (5:00 p.m.)

AGRICULTURE

PURCHASE OF BRUCELLOSIS HIP TAGS

Mr. T. S. Barnett (Comox-Alberni): On a point of order, Mr. Speaker, a short time ago when the house was in committee I believe the Minister of Defence Production (Mr. Drury) wanted to say something by way of a correction to a question. It seems to me that if the minister would like to do this there might be a disposition to revert to motions so that he could give the answer that he was not able to give in committee.

Mr. Deputy Speaker: If it is the wish of the minister to do this I will ask the house for unanimous consent to revert to motions.

Some hon. Members: Agreed.

Hon. C. M. Drury (Minister of Industry): I thank you, Mr. Speaker, and I thank the house for its indulgence.

I should like to make a correction in *Hansard* in respect to the answer given to question No. 628 asked by the hon. member for Wellington South. In light of the remarks I made earlier I wish to change the answer to part 5 of the question to: "in the United States".

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, perhaps I could indicate the business that we propose to submit to the house for its consideration on Monday. We propose to submit item No. 51 on today's order paper, a bill to amend the Patent Act and the Trade Marks Act; then item 55, a bill to amend the Income Tax Act; item 57, a bill to amend the Unemployment Insurance Act; and then item No. 43, resuming debate on the second reading of the bill to amend the Publication of Statutes Act.

I should add that consideration is being given to setting aside Thursday, February 15, for a debate on constitutional matters, but I am not able to make a statement on that in absolute form at the moment. Nevertheless I give that indication, and there will be further conferences on this point with the leaders of the other parties early next week.

Mr. Monteith: Mr. Speaker, I am wondering whether by his remarks the minister is limiting the debate to one day, or is that open to consultation next week with the leaders of the other parties?

Mr. McIlraith: My understanding is that the proposal was to limit it to one full day. Perhaps it could be raised with the house leaders next week.

Mr. MacDonald (Prince): Could the minister tell the house which item of business will be before us when this matter is being discussed?

Mr. McIlraith: No, Mr. Speaker, I cannot give the form in which it will be presented at the moment.

Mr. Knowles: It will probably be a motion to adjourn.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely public bills and private bills.

OATHS OF ALLEGIANCE ACT

PROVISION FOR AFFIRMATION—ENLARGEMENT OF PLEDGE

Mr. William Dean Howe (Hamilton South) moved the second reading of Bill No. C-24, to amend the Oaths of Allegiance Act (affirmation).

He said: Mr. Speaker, it is not my intention to delay the house very long over this bill; I am sure it can be passed very quickly. This bill is only common sense, as I will try to point out, and it will be well understood why there has been great need for it for some time.

In September 1964 a Dutch couple were refused Canadian citizenship because they would not take an oath stating "so help me God". To this wording there is no alternative, even within the Bill of Rights. According to the Bill of Rights freedom of religion does not allow freedom of no religion. Second, the Bill

of Rights was not applicable to this couple because they were not Canadian citizens.

The main purpose of this bill is to declare the rights of Canadians and those who want to become Canadians to freedom of conscience in pledging allegiance by providing that any person in Canada may affirm his allegiance as well as swear to it. A second purpose is to enlarge the pledge specifically to include Canada as well as sovereign. A third purpose is to validate oaths that have been taken in the past, as well as those that may be taken in the future, by persons without religious belief. A fourth purpose is to validate affirmations of allegiance that may have been administered in the past where, by law, an oath of allegiance should have been administered. And finally, this bill would bring the Oaths of Allegiance Act into conformity with the Royal Style and Titles Act, 1952-53 acts, Chapter 9.

In support of this bill I should like to say that, aside from atheists and agnostics, any other people who believe in other than Christianity of Judaism could not in all honesty take the oath as it now stands. Therefore, Mr. Speaker, I ask whether we really have freedom of religion in this country. I should like to quote Dr. J. R. Hord of the United Church, who said, at the time this subject received much publicity in the press:

> Canadians boast of their freedom. We are not free to believe in God if we are not free to disbelieve.

Shortly after this, Mr. Speaker, I received a document from the Baptist convention of Ontario and Quebec. This document was a brief, part of which dealt with freedom of and freedom from religion. On this subject it had this to say:

> Because the law of Canada, as interpreted by district and provincial courts in Ontario in the case of Mr. and Mrs. Ernest Bergsma, seem to bar from Canadian citizenship persons who do not believe in God and are thereby unable to take the required oath, and
>
> Because Baptists have traditionally opposed any religious test as prerequisite to the enjoyment of civil liberties—either political or economic, and
>
> Because this law deprives a prospective citizen of liberties enjoyed by native Canadians,
>
> WE—although we believe that faith in God is essential to a full and complete life—
>
> Therefore
>
> (a) commend Mr. and Mrs. Bergsma for their honesty in refusing to invoke the name of a deity in which they do not believe,
>
> (b) express our appreciation to the government of Canada for its offer to pay the expenses of testing this law in the case before the Supreme Court of Canada,
>
> [Mr. Howe (Hamilton South).]
>
> (c) request that, in the event that the Supreme Court sustains the ruling of the lower courts, the Canadian parliament should, without delay, remove from our statutes every last vestige of any religious test as prerequisite to the full enjoyment of the civil liberties of native, naturalized and prospective Canadians.

This, Mr. Speaker, is simply one aspect of the bill that I am presenting. Another, possibly more interesting aspect is that at the present time members of parliament are sworn in by an oath of allegiance that is known as the fifth schedule to the British North America Act. It is worded as follows:

> I, A.B. do swear, that I will be faithful and bear true allegiance to Her Majesty Queen Victoria.

The reference to Queen Victoria gives hon. members an idea how old is this provision and how much it needs to be changed to bring it up to date.

• (5:10 p.m.)

The interesting part is that the British North America Act is a British act, and therefore is in English. At present French speaking members of parliament are sworn in by taking a French oath. Since there is no official translation of the B.N.A. Act their oath or acclamation in French is not valid. This bill to amend the B.N.A. Act provides that members of parliament may swear their oath of allegiance with the words "So help me God". Or, they may affirm. Also, since this bill would become a Canadian act, we could have an official French version of the oath in the French language.

Mr. David MacDonald (Prince): Mr. Speaker, it gives me great pleasure to speak to Bill C-24, which is to amend the Oaths of Allegiance Act. The question before us raises further interesting questions, some of them legal, some religious. While I have little familiarity with the legal aspects of Canadian life I do claim to have some familiarity with the religious aspects.

The very question which is considered in this bill, the question of an oath, is somewhat anachronistic, since the roots of this question are buried in the past of our society and in the past of other societies which are much older than ours.

In the past, swearing an oath was taken very seriously. When you gave a man your blessing, and this was taken very seriously, the recipient of the blessing knew that you intended only good things, only pleasant things to happen to him. On the other hand, when a man was cursed, everyone knew that

the curse was intended to inflict an undoubted tragedy on the recipient in the unforeseen future. Men took seriously what they said on their honour and what they said under oath.

These days we do not believe nearly so much that the taking of an oath involves the forging of a bond, in some supernatural manner, with a supernatural being. In earlier days people believed something like that. In days gone by people believed in a very real sense that when they swore an oath the divinity was involved. The idea that the divinity is involved is retained in our modern concepts of oath taking, though to a somewhat lesser extent. For instance, in the past when a man swore to uphold his rights as a citizen he was, in a very real sense, expressing his veneration and affiliation with the divinity.

In earlier societies a man's right to citizenship was related to his religious beliefs and development. If a man had reached that stage in life where he felt that he should be accepted as a citizen of a country, he was quite willing to express his belief in and affirm his respect for God.

As the first speaker and introducer of the bill said, our society has moved away from its earlier concepts. Today we believe that for a man to have freedom of religion he must also be free to have no religion. He must be able to say that he does not believe in God. It has been said by many theologians that if man has free will, he has the concomitant freedom to deny the existence of God. As a result the question before us this afternoon entails an accurate reflection of our present society and also a refinement of theological understanding.

Though in an earlier age a man knew what you were talking about when you talked of God, today, when a group of people get together and discuss God, it is difficult for us to know what they mean. Not only in Christianity but in many other religions there is discussion, controversy and confusion, not so much about whether, as one theologian said, "God is," but as to what form He takes. The question becomes very complex and in our search for God we tend to distinguish between God and the state.

This afternoon I wish to talk about the clearcut distinction between man's religious rights and convictions and his allegiance to the state. We have opted for a society which understands the value of an independent church, a church that can reflect on and be the conscience of man and the state. I think it is a mark of maturity in our society that we can distinguish between a man's religious convictions and his convictions as a citizen. As our Lord himself said in an earlier age, we must render unto God that which is God's and unto Caesar those things which are Caesar's. To the detriment of our society do we lump God and the state together.

Having taken this short diversion into theology I wish to return to the substance of the bill that is before us. It raises some interesting questions about the quality of citizenship in our country today. For instance, we all know that when a person decides to come to this country, decides to become a resident of Canada and a citizen of Canada, he must meet a considerable number of conditions. There is a waiting period of about five years; often this is considered a period of probation during which he must show certain minimum qualities in order to be acceptable as a Canadian. He must study diligently the history of our country and the social and political system under which it operates. He must write examinations and then take part in a formal ceremony of acceptance in a court. He is then officially granted citizenship. In other words, he is acceptable as a Canadian citizen.

I suggest that few in this chamber have undergone that experience, and this is unfortunate. A person said to me the other night that in this country there are two great roles, two great professions, for which one needs absolutely no qualifications. Both professions or functions go to the very heart and soul of our nation. Both need absolutely no qualification. One is to be an elected member of parliament, legislature or city council; the other is to become a parent.

I have had some experience with the political aspect and I am on the threshold of the other.

Some hon. Members: Hear, hear.

Mr. MacDonald (Prince): Whether I shall be better qualified with respect to the other aspect remains to be seen. Yet I think the person who made the observation about our society should have included a third factor, and that is that most Canadians inherit their citizenship. They are Canadians, not because they have chosen to be, not because they have had a chance to exercise a choice, but through accident. They are accidental Canadians. They were born into this country, as I was, and they have inherited their citizenship. They have not had to undergo any trial period. There was no probation, no examination for formal acceptance, and most personally distressing to some of us is the fact that

we have no real way of proving we have citizenship. We have no certificates to hand up indicating that we are citizens of this country. I suppose such certificates can be obtained from the Secretary of State (Miss LaMarsh) for $2 each, and I doubt if there are any extensive examinations, apart from the financial penalty, that would prevent any of us from obtaining them.

• (5:20 p.m.)

Earlier this year we had some discussion in this house about reducing the voting age to 18. There is also something very easy about inheriting the right to vote in Canada. I suggest that we should make much more of our inheriting of Canadian citizenship, not perhaps in a legal way because it might smack of so many other things that are against the grain of tradition. Instead of allowing only our new Canadians to have all the benefit of education for citizenship and for the ceremony that I am sure is invested with great meaning for them, we should assist our accidental Canadians, and these comprise the majority of us, to a more useful development in citizenship through a co-ordination of activities in our schools and other community ventures. If the right to vote has any meaning it has to be tied to the meaning of citizenship itself.

I congratulate the hon. member who introduced this bill in an attempt to clean up one of the anachronisms that exist under our current citizenship laws, but I would suggest we go further to make citizenship meaningful for all Canadians, both those who are new and those who are accidental.

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I listened with great interest to the remarks of the previous speaker. I think there are very few of us in this house who will forget the Bergsma case when it occurred in 1965, and when the hon. member who introduced this bill gave it so much attention, attention which it rightly deserved.

I am interested in the hon. member's bill because a somewhat similar case occurred in my riding of Victoria, B.C. It concerned a family by the name of van der Pol who, under similar circumstances, were denied the right of citizenship because the judge of the citizenship court when hearing their application, and understanding they refused to give the oath of allegiance, returned the certificates to Ottawa and refused them citizenship.

I hope that this important private members bill before us today will come to a vote. To try and establish just exactly what I will be voting for if it does, I have gone into the bill as carefully as I could. I have sought the advice of experts, because I am not a lawyer, to interpret some of the implications of the bill. I found this difficult to do, and it points up one of the frustrations of being a private member of this house, in that we have so much to do, so little time to do it in, and so few facilities to help us. Because of this I have found great difficulty in marshalling my thoughts on the matter, but I hope this will not be too obvious to hon. members as I try to outline them. How much easier it would be for all of us if, as private members, we had more research assistance; how much more intelligently we could vote on bills presented to us, such as this bill, if we were able to devote more time to research or had more facilities available to us. I know that this is in the works and that sooner or later we will get more assistance. I most certainly look forward to that day, and I know that a lot of other members do so, as well.

Returning now to Bill C-24 which has to do with the oath of allegiance, may I say that laws are made for the public. They apply to laymen and they must be understood by laymen. As I understand it, as a layman, when one becomes a citizen the taking on of citizenship also assumes the taking on of responsibility for obedience to law, and the taking on of responsibility in the defence of one's country. To give solemn significance to the taking on of such responsibility the oath of allegiance is taken on the Bible, and at the end of it we use the solemn words, "so help me God." The reason for this has been outlined by the previous speaker.

To digress in a personal vein for a moment, Mr. Speaker, and speaking of defending one's country, it has always seemed rather curious to me that the first time the oath of allegiance appears in Canadian law is in the British North America Act, an act of the British House of Commons. I cannot speak for either of the other services but I do know that in the British navy they do not swear an oath of allegiance. Members of the Royal Navy, defenders of the crown and defenders of the country, are not required to be sworn men. In the British navy no officers and no men take an oath of allegiance. Neither did we in the Royal Canadian Navy, as I recall it, until some time during the war when certain members were required to take the oath of allegiance. Those responsible, however, seemed to overlook some of the other men, including

myself, and in fact they did not catch up with me until some time around 1952. In the Royal Navy the only exception to this rule was the Royal Marines, who were sworn men.

The substitute for the taking of an oath of allegiance in the British navy was that, every quarter, all members of every ship and establishment were mustered and the Articles of War, which state what a man's conduct is to be in the line of duty, in the face of the enemy and so forth, are read by the commanding officer to the men lined up and, to signify the difference between sworn men and those not sworn, the sworn men were allowed to leave their caps on. These, as I say, were the Royal Marines.

When we in the Canadian navy were required to swear the oath of allegiance we continued with the quarterly reading of the Articles of War, but we still carried on with the matter of taking off our caps, regardless of whether we were sworn or not. I bring this up to show that sometimes traditions are carried on after they have ceased to have any meaning.

Returning to the bill under discussion, Mr. Speaker, I notice that in my research I uncovered the same references which the sponsor of the bill uncovered. At the time of the Bergsma case the public press came out very strongly in support of the suggestion that the law should be changed to permit people to take the oath of allegiance without swearing an oath, not that this was supporting the fact that they should not have any religious convictions but supporting the stand that freedom to believe presupposes freedom to disbelieve.

• (5:30 p.m.)

This is the reason I was very anxious when the van der Pol case in my own riding, which is so similar to the Bergsma case, was before the court that these people should be provided with some means of becoming citizens without taking the oath of allegiance as it was then written. I think it is useful to remind the house of what the government did on that occasion, because I believe it was a good step. I believe the minister at the time that case came up for final review was hon. Mr. Nicholson. He undertook to have the Bergsma case appealed to the supreme court and the government bore the costs of the appeal. The appeal was granted and the Bergsmas were allowed to become citizens by taking the affirmation rather than the oath of allegiance. It was because of the precedent set in the Bergsma case that the van der Pols and many others since have come citizens of Canada.

Mr. Howe (Hamilton South): This was only in Ontario.

Mr. Groos: The hon. member points out that this was only in Ontario. I should like to mention that at the time the van der Pols were granted their citizenship the minister of citizenship and immigration of that time came to Victoria and presented the certificates to the van der Pols at a special ceremony. So I am sure it applies outside the province of Ontario. We all admit that Ontario is a wonderful province, but some of the wonderful things they do there are also done in British Columbia.

Mr. Howe (Hamilton South): I meant that the precedent was set in Ontario by the Bergsma case, rather than federally.

Mr. Groos: I accept that. Mr. Speaker, the Oaths of Allegiance Act as it stands at present supplies a form of oath of allegiance for use whenever any person is required by law, or desires, to take an oath of allegiance. There are only two stated exceptions—the oath required under the British North America Act, 1867, and the one required by the Canadian Citizenship Act. In both cases the form of oath to be used, which has already been read in the house by previous speakers, is set out.

The act also provides in section 3 that in certain cases no other oath is required, and provides in section 4 for the time within which the oath may be taken. Section 5 of the act allows the prescribed oath to be affirmed by "all persons allowed by law in civil cases in any part of Canada to affirm instead of making oaths". The last section of the act, section 6, designates what persons may administer the oath as set out in the act.

We have perhaps heard enough about the Bergsma case, so I shall not go into that, although I have some fairly extensive notes which I made in respect of that case. In view of the judgment of the court of appeal of Ontario in the Bergsma case I wonder whether any change in the existing law is required in order to achieve the main purpose of the hon. member's bill as set out in the explanatory notes. I have already explained how it seemed to apply to the courts in British Columbia.

The bill would eliminate the two stated exceptions—the British North America Act

and the Citizenship Act—retaining only that portion of the British North America Act provision which relates to the provinces, which a federal act could not change in any event. The result would be that the oath of allegiance set out in the amended act would purport to apply to the Canadian Citizenship Act and the British North America Act. Having spoken to members of the legal profession I am of the opinion that it is doubtful whether this would be the actual result, because the bill does not purport to repeal the oath of allegiance set out in the Canadian Citizenship Act, or any of those sections of the Canadian Citizenship Act that specifically state that the oath of allegiance required to gain citizenship is the oath set out in the Citizenship Act. In view of the judgment in the Bergsma case it would appear undesirable to confuse the situation by any amendment at all, but if an amendment still was thought to be desirable the better method of proceeding would be simply to amend the Citizenship Act itself.

I might make an incidental comment concerning the form of the oath. The draft bill is said to enlarge the oath in the existing act by adding the requirement of observing the laws of Canada and fulfilling one's duties as a Canadian citizen. These things may have some relevance to a person newly acquiring citizenship under the Citizenship Act, as being a promise for the future that he must make as a condition under a grant of citizenship, but as noted at the outset the Oaths of Allegiance Act does not purport to provide an oath for that purpose. It provides an oath for other general occasions where it might be required or desirable to have someone swear an oath of allegiance. This was presumably to include persons who already are Canadian citizens and who already have been obeying the laws of Canada and fulfilling their duties as Canadian citizens.

While it probably does no harm to draw these matters to the attention of a person who is already a Canadian citizen, nevertheless it hardly seems appropriate that these matters should be added to a general oath of allegiance. Furthermore, on grounds of policy one may question the two objects of validating past oaths that were wrongly given to persons who, at law, were unable to swear, and of validating past affirmations that should have been oaths. Rewriting the past is, even if justified, somewhat unusual; but unless we are dealing with specific and known instances of injustice, little can be said in favour of a retrospective amendment. At any rate it is not clear that the purpose is accomplished by the wording in the draft bill. The bill in its proposed amendment to section 5 of the act, in the first subsection, reads as follows:

> Where, prior to the 1st day of January 1967 or thereafter, an oath has been duly administered and taken, the fact that the person to whom the oath was administered had, at the time of taking the oath, no religious belief, shall not for any purpose affect the validity of such oath.

Presumably the reference to "an oath" would be broad enough to refer to any oath, not just an oath of allegiance, and the implication that the words "of allegiance" would be read into the section may be open to some doubt because they are included specifically in the second subsection of the proposed section 5 which reads as follows:

> 5.(2) Where, prior to the 1st day of January, 1967, an affirmation of allegiance has been made instead of an oath of allegiance taken, that fact shall not for any purpose affect the validity of such affirmation which shall be of the same force and effect as if the person who made his affirmation had taken the oath.

Moreover, in conclusion it seems to me that if on its face the proposed new subsection applies to all oaths, it might be declared ultra vires. Therefore I feel that while I sympathize with the objective of this bill I cannot vote for it.

• (5:40 p.m.)

Mr. Heath Macquarrie (Queens): Mr. Speaker, at the risk of being unkind to a very important group of people I was about to say I have enjoyed very much this discussion on a subject of this kind because I noted that no lawyers participated in it. We are hearing from doctors, clergymen, professors and gentlemen from British Columbia. This may have something to do with the remarkable state of the discussion.

I find this a very interesting piece of proposed legislation. My colleague, the hon. member for Prince (Mr. MacDonald)—in this case there is double jeopardy today in that two members from Prince Edward Island have discussed the measure—referred to the place of an oath in society. Like that hon. gentleman, I have encountered very devout people in my part of the country who were affronted by the idea of ever taking an oath to tell the truth or to swear to the contents of a document. They felt that the word of a good man was always good and one did not have to buttress it in this way.

Many countries, as we know, in our own western tradition do not require swearing of

the oath. The constitution of the United States indicates that the president may assume office and take the oath either by swearing or by affirmation. Interestingly enough, I understand that not a single president has even chosen to affirm. They all have been prepared to swear. It is not surprising, of course, that this should be the case in a country like the United States which, in its inception, laid great stress on the separation of the church and state. This was very much a part of the thinking of the philosophers and political figures of the eighteenth century.

The separation of the church and the state is something very appealing. Many of us are attracted and impressed by the thought that secular institutions like schools should not be schools for religious instruction. Many believe that we should separate the church from the state, and that the state should allow the church to function freely within it. This appeals to many.

On the other hand, there are few things which are clear-cut, or black or white. Our own state is not a wholly secular state. Many of our institutional patterns of government and society are based upon Judaic law and Christian precept. We always open our sittings here with the ceremony of prayers, to which the public are not invited, for historic reasons which I shan't go into.

This bill does to my mind have much merit. It provides for those people who are not Christians; it provides for those people who are not believers in any God or gods, and another group of people, I think not mentioned so far—those Christians inclined to believe that man should not swear. They take very literally the injunction against swearing "by anything in heaven because it is the Lords, or by anything on earth because it is his footstool." These people believe that man should not swear.

Another thing that is very disturbing about the compulsion to oath taking is that it instils hypocrisy. You must take an oath. You have no belief in any deity but you comply and you invoke a deity. This leads to and spreads hypocrisy. As that great debunker of an earlier day, George Bernard Shaw, said: "Sir, I am an atheist, and I thank God for it." This is the sort of situation we are developing by the existing legislation.

Unlike the hon. member for Victoria, B.C. (Mr. Groos)—I believe there are two parts of the bill which are very helpful and might bring a measure of *ex post facto* equity or justice to situations which are unfair. I hear an interruption about the other Victoria.

Mr. Barnett: What other Victoria could there be but Victoria, B.C.?

Mr. Macquarrie: Victoria, Prince Edward Island, is the one I had in mind. It is a most beautiful place. It is a little smaller than Victoria, B.C., but equally sedate, I might say.

Mr. Groos: Distinctive.

Mr. Macquarrie: I was looking at the explanatory notes and I thought perhaps the hon. member, when he referred to enlarging the pledge to include Canada as well as the sovereign, was moving into an area which gave status to the country as a focal point of one's allegiance, just as the Americans have done by using the phrase "My country, 'tis of thee". On reading the proposed bill I see that his mind is not working in that direction. I wonder exactly what is the advantage of a reference to the country, and what is really meant by:

> —I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second, her heirs and successors according to law, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

It seems to me the last part of that is redundant. Under a monarchial society, if the crown is the emanation of the law and the centre of authority, an affirmation of true allegiance to the sovereign would naturally imply obedience to the laws which emanate therefrom. It is not sufficient merely to say or believe that we are not a secular state and we must also look pretty carefully at the whole monarchial structure of our society. We get into a very intricate and sensitive area.

If we accept, and we must of course, under present circumstances, the crown as the centre of our political and legal structure, then the addition of the portions of the bill I have read add nothing. They are at best unnecessary. If the hon. member enlarged his scope of allegiance and broadened the focus of the citizens' inspiration, if I may use that word, to the country itself, then he would have made an advance in our thinking if not in our legal structure and our society.

I suppose we might typify this by the two national anthems about which we have talked. One is devoted to the historic institution of the monarchy and the other is devoted to the land itself. I see nothing in the proposed legislation which does broaden the concept in that way.

Oaths of Allegiance Act

• (5:50 p.m.)

Since the inexorable hand of time is cutting me short, and one theologian has already spoken, I say simply that with the exception of the redundant part, which could be misleading and at best is unnecessary, I find much value in this piece of legislation. Therefore I will desist from further remarks so we will have time to take an orderly vote on the bill.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I read with a great deal of interest my hon. friend's bill, and I praise him warmly for his initiative. He had a very commendable thought for those whose religious convictions are different from those of some important sectors of the population. I think that it is quite appropriate to change, if need be, the institutions as well as the wording, in order to enable those who are entitled to their convictions to be normally accepted in our civilized society.

On the other hand, Mr. Speaker, in view of the decision rendered in the Bergsma case the bill under consideration is now unnecessary, in my opinion, because it does not add anything new or change the situation. In fact, the Ontario court of appeal ruled that section 15 of the act was of general application with regard to making a solemn statement instead of taking an oath.

Such a ruling makes the bill under consideration unnecessary since its passage would not change the situation, as the matter has been settled by the Ontario court of appeal and constitutes precisely a solution to the problem which the hon. member for Hamilton South (Mr. Howe) generously wished to settle.

I notice that the form submitted to us is respectful of the traditions of our country, in that we live under a constitutional monarchy.

The hon. member for Prince (Mr. MacDonald) was happy to point out a moment ago the efforts made by the hon. member for Hamilton South with a view to eliminating archaisms and an obsolete terminology. However, if we refer to the proposed terminology, we note that the hon. member does not act in accordance with his convictions, which are well known to me. In suggesting this wording, he is respecting a certain traditionalism which is basically distasteful to him.

I had the opportunity of participating in a debate which took place in Quebec city before an audience of about 1,500 people. Another participant was professor Charles Taylor, one of the great minds behind the doctrine of the New Democratic party and one of the foremost personalities in the political group to which my hon. friend belongs.

The hon. member for Hamilton South represents an N.D.P. riding. By the way, in France, representatives are called by their name and not by the name of their riding, a tradition which we might perhaps adopt in this house. The hon. member for Hamilton South has made a suggestion which is basically incompatible with the political philosophy he professes to believe in and which is advocated by his colleagues. In Quebec, in front of 1,500 people, professor Taylor said that his political party was not opposed to the abolition of the monarchy in Canada.

I am convinced that even the member for Waterloo South is of this opinion, and I suggest he somewhat lacked courage in proposing that terminology.

I must say, Mr. Speaker, that when I speak in this fashion I am not acting as a spokesman for the party to which I belong; I am expressing a personal opinion and, in fact, I am expressing it courageously, because I know that I may be stirring antagonism, if not hostility, against me.

I should have liked the hon. member to have shown the same courage and said what he really thinks, because I know that the policy of the New Democratic party has not yet reached the stage where they advocate the establishment or the continuation of a constitutional monarchy in Canada. I know that full well, and I trust the member will some day have the courage to say so officially just as the Quebec Liberal Federation did two weeks ago.

I admit that this may hurt the feelings of the premier of Newfoundland who, on the other hand, has the guts to state positively his traditionalism and who does not do so in an evasive way, in short who says things the way they should be said according to his convictions. We ought to respect the convictions of the premier of Newfoundland. However, when we have our own convictions, we must, at least, have the guts to state them emphatically.

Mr. Speaker, I make an appeal. The hon. member for Prince (Mr. MacDonald) said earlier: Let us avoid archaism. Well, there is, in Canada, a young generation which does not quite admit a certain traditionalism becoming more and more outdated. I wish that some

day the feelings and convictions of the young generation will be taken into consideration—and when I refer to the young generation I mean the English-speaking as well as French-speaking young people—and let us get out of the rut of the old traditionalism in which some old conservatives would like us to keep forever.

Let us keep up with the times, let us be proud of our Canada and let us Canadianize our institutions. In that way we shall uproot any separatism in Canada.

[*English*]

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, February 12, 1968

The house met at 2.30 p.m.

MAIN ESTIMATES, 1968-69

A message from His Excellency the Governor General transmitting estimates for the fiscal year ending March 31, 1969, was presented by Hon. E. J. Benson (President of the Treasury Board), read by Mr. Speaker to the house, and referred to the committee of supply.

SUPPLEMENTARY ESTIMATES (C), 1967-68

A message from His Excellency the Governor General transmitting supplementary estimates (C) for the financial year ending March 31, 1968, was presented by Hon. E. J. Benson (President of the Treasury Board), read by Mr. Speaker to the house, and referred to the committee of supply.

THE MINISTRY

APPOINTMENT OF MEMBER FOR VERDUN AS MEMBER OF ADMINISTRATION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to inform the house that the hon. member for Verdun (Mr. Mackasey) has been sworn as a member of the Privy Council and has joined the government as Minister without Portfolio. He will act as Minister of Labour during the absence of that minister in India as head of the Canadian delegation to the United Nations conference on trade and development, replacing the Minister of Trade and Commerce who has returned to Ottawa.

[*Translation*]

POWER

TABLING OF AGREEMENT ON NELSON RIVER AND ENGINEERING BOARD REPORT ON COLUMBIA

Hon. Jean Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to table copies of the agreement reached between the Canadian government and the provincial government of Manitoba on the development of the Nelson river hydro-electric resources.

[*English*]

I should also like to table the third annual report to the governments of the United States and Canada of the permanent engineering board on the Columbia river treaty.

Mr. Speaker: Has the minister leave to table these documents?

Some hon. Members: Agreed.

HEALTH AND WELFARE

MEDICARE—STATEMENT AS TO IMPLEMENTATION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to make a statement on medicare, as I promised to do some days ago.

Early in 1965 the government announced its plan to discuss with the provinces "a way in which federal and provincial action can most effectively contribute to programs that will provide health services to Canadians on a comprehensive basis". At the federal-provincial conference held at Ottawa on July 19, and 20 of that year, 1965, I made it clear that medicare was a matter which required the closest co-operation between federal and provincial authorities. I said then that while the responsibilities of decision and of execution in this matter were essentially provincial, the scope and the nature of the problem was such as to create a national concern, and a measure of federal responsibility.

Today it remains the concern of the federal government to find the best way in which federal and provincial action can most effectively contribute, once the present legislation has come into effect, to achieve a practical medical care program available to as many Canadians as possible and as soon as possible.

• (2:40 p.m.)

To this end we have consulted the provinces fully at every stage of the development of the medical care program. At the federal-provincial conference to which I have referred, at subsequent federal-provincial meetings of ministers of health, and at a large number of meetings of federal and provincial officials, detailed proposals and arrangements were discussed. Therefore, because of the

nature of the issue as well as this requirement of consultation, the government took seriously into account representations made to us recently by the provinces concerning the financial consequences for them in current conditions if they participated in the medicare plan provided for in the legislation passed almost unanimously by the house in December, 1966, and which comes into effect on July 1 of this year.

The situation is that while the benefits of this act are available to any province which wishes and is able to meet the requirements set out in it, only one or two provinces have indicated their intention to come into the program on the date the act comes into effect. The remaining provinces, including the two largest provinces, have indicated that either because of current financial pressures, or of objections to the plan itself, or both, they will not be participating in the national plan at least for the time being.

It is, of course, the responsibility of the provincial governments to decide on financial priorities within their own spheres of operation. Their decisions on medicare made by them in the light of their assessment of the financial situation should be respected and understood.

As a result, on July 1, 1968, when the act comes into effect there will not be anything approaching a universal medicare program in Canada provided jointly by federal-provincial action. A consequence of this is that there will be no significant increase in total financial outlays by the provinces and the federal government for medicare in the next financial year, and nothing to support alarmist and unwarranted statements about the massive and harmful impact of new outlays on financial conditions.

The federal government, while remaining committed to the policy of full medical care coverage for all Canadians, certainly has no wish to bring pressure to bear on provincial governments who, for their own reasons, have decided that full implementation of the medical care program as of July 1 of this year is not in accordance with their own financial priorities.

We shall continue to keep in close touch with the provinces on this subject, and it is our hope that as current financial conditions change, the benefits to Canadians of a full, national medicare program will be achieved through close co-operation between the federal and provincial governments. Indeed, once the act is in effect as of July 1, 1968, it will be possible to discuss its operation with the provinces, not only in the light of changing economic conditions but also in the light of the experience of its operation in the one or two provinces which came in on the date provided for in the legislation.

[Mr. Pearson.]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the announcement of the Prime Minister indicating no change with regard to the medicare program comes to me as a great disappointment because I think it represents a grave disservice to Canada.

Some hon. Members: Hear, hear.

Mr. Stanfield: The government has been urging restraint, has told everybody that it will set a good example and has been urging the provinces to be restrained. The reasons for this, of course, are unprecedented inflation in the country accompanied by a sharply rising cost of living, sharply rising interest rates and a deteriorating competitive position of Canadian producers and manufacturers in world markets as a result of this situation. In addition there has been concern for the Canadian dollar.

In view of the unsettled times in terms of international finance it is surely important that the government of Canada demonstrate to the country and to the world its readiness and the readiness of the Canadian people to make the decisions that are necessary to ensure a strong and growing Canadian economy. Instead of this we have an indication of the willingness of the government to embark upon a vast new spending program, and inviting the provinces to join it. Indeed, this program places a heavy pressure upon the provinces to join in, because the residents of all the provinces will be paying for the program in the provinces which participate in it.

Whatever may have seemed reasonable a couple of years ago when this program was considered by the house is unreasonable today in this regard. A program of this magnitude is obviously completely incompatible with and contrary to the policy of restraint preached by the Minister of Finance. It is bound to increase the difficulties of the government and of the people of Canada, will most probably bring about inappropriate and inflationary measures, and will be interpreted abroad as an act of weakness on the part of the Canadian government. What are we to think of a government which cannot find any money to deal with its own superannuated

pensioners, which finds it necessary to welch on commitments already made in connection with manpower training, and yet wishes to embark on this expensive program?

Furthermore, as the Prime Minister has indicated, the majority of the provinces do not want this program in its present form at this time. They may be pressured to join, with the sole result that it will interfere with programs which they consider more urgent, including the training of additional medical personnel so necessary in this country for an effective medical services program.

Despite what the Prime Minister has said, the government has never effectively consulted the provinces of this country on this program. The four basic conditions of the program were imposed and insisted upon by the federal government although the matter is clearly within the provincial jurisdiction. The provinces wanted a more flexible program. Indeed, most provinces questioned the universality of the program.

In nearly every instance the provinces are hard pressed financially to a degree which perhaps few Canadians realize. The government of this country should realize that programs such as the hospital plan and the provinces' own educational programs have a built in cost escalation which is difficult to control. The result is that the provinces are the financial prisoners of programs already adopted. What this program does is to further box them in.

It is folly to say that the provinces do not have to accept the program. The program has meaning as a national program only to the extent that the provinces accept it and proceed with it. Of course a number have already said they cannot join. I do not think they should be pressured to proceed with the program, but the government certainly does that.

• (2:50 p.m.)

Furthermore, this puts an additional strain on federal-provincial relations. Let us not kid ourselves, Mr. Speaker. We are in for tough days ahead in terms of federal-provincial negotiations. This pretence at consultation and then ignoring what the provinces recommend, going ahead in some provinces when the majority have clearly indicated they do not want the program in this form, is harmful to federal-provincial relations. It is a further strain upon our confederation.

There ought to have been genuine consultation with the provinces, Mr. Speaker. There never has been, but there ought to be now. There ought to be consultation designed to ensure that medical services are available throughout the country to those who need them. There ought to be programs to meet the national need which the provinces would feel they could afford without interfering with other necessary programs with which the provinces must proceed.

This decision announced by the Prime Minister is wrong for the following reasons, amongst others.

1. The program will not bring help where it is most urgently needed, in the provinces where the need is greatest. These provinces cannot afford to proceed with this program. What we need is a medical services program with which the provinces are able to proceed.

2. This decision will badly strain federal-provincial relations because the views of the provinces have been ignored and because of the implied pressure on the provinces to increase their expenditures and participate in this program.

3. This decision makes a farce of the policy of restraint announced by the government, and makes a joke of the policy of the Minister of Finance. Even more serious, it discredits Canada in the eyes of the world.

4. This decision will increase the financial difficulties of Canada, causing a further loss of confidence, lead to a higher cost of living and to further unemployment. Let me quote what the Minister of Finance said, as recorded in *Hansard* for December 1, 1966, at page 10607, when he justified deferring this program:

> Hon. members will see from what I have read from *Hansard* that in postponing the implementation of medicare the government had in view four considerations: First, the need for a stronger fiscal policy so that there would be less reliance on monetary policy; second, the need to keep future tax increases to a minimum; third, the containment of inflationary pressures; and fourth, the views and the financial problems of the provinces.

If the Minister of Finance felt these reasons were imperative a year ago, Mr. Speaker, they are even more imperative today. Every reason rings more strongly today than it did then. I say the government of this country should be prepared to put the country ahead of any party commitment. It should be prepared to practise restraint and not simply preach it. It should set an example itself. Conditions are serious. We are experiencing uncontrolled inflation, rapidly mounting unemployment and international instability.

The government should be working toward flexibility.

Mr. Speaker: Order, please. I hesitate to interrupt the Leader of the Opposition because I know how important this matter is. However, I feel it is my duty to remind the hon. gentleman, and all hon. members, of the terms of the standing order which provide for brief comments on ministerial statements.

Mr. Stanfield: I shall be finished in just a minute, if I may have the indulgence of the house. I say the government should be working toward more room for manoeuvre instead of boxing itself in further. It should consult with the provinces to work out a program with which the provinces can proceed. As I say, the government should set an example. The government should try to increase confidence rather than destroy it. We now have a 7 per cent bank rate, prices are increasing, and I ask, what next? The government should not put party politics ahead of the national interest.

I urge the government to reconsider the situation and stop taking the country of Canada nearer and nearer the precipice over which it would tumble to disaster.

Mr. David Lewis (York South): Mr. Speaker, after the words of doom with which the Leader of the Opposition finished his statement I suppose every member of this house and every Canadian ought now to put on sackcloth and ashes and go after the Prime Minister for having been so bold as to do something that a royal commission that was appointed by the hon. gentleman's predecessor stated Canada ought to have. The Leader of the Opposition has at last broken his silence, and the result has been an exposure of Toryism such as I have not heard in a long time.

Some hon. Members: Hear, hear.

Mr. Lewis: I am very glad to have the agreement of hon. gentlemen who are behind the Leader of the Opposition; it shows that he is expressing reactionary ideas that his followers support.

May I say to the Prime Minister, Mr. Speaker, that the difficulties in which Canada now finds itself with regard to medicare are the direct result of the hesitation, the shilly-shallying and the lack of courage the government showed when it first introduced this bill. It presented insurance companies and the medical associations with another year of lobbying all across the country, another year during which they could misrepresent the needs of the people and the facts as they are.

I suggest that nothing contributed so much to the reactions of provincial governments and their supporters than the unjustified and unfounded declaration by the Minister of Finance that what is involved in the medicare scheme is an expenditure of $1 billion. No calculation by any responsible person has gone much beyond $800 million, but the minister made it his business to go as high as he possibly could. I suggest, Mr. Speaker, that the Minister of Finance and perhaps other members of the government have done the best they could during the past year to discourage the provinces from adopting the medicare plan which is now on the statute books.

Some members on both sides of the house have for many years believed that one of the major social measures needed in any civilized community is a medicare plan that is made available as of right to every citizen. Some members of this house have believed that one of the marks of a civilized society is to make certain that no citizen in that society need fear financial disaster following ill health.

When the government brought in this measure, I will be corrected if I am wrong, Mr. Speaker, but as I remember it, with the exception of only very few, the members of Her Majesty's loyal opposition supported the legislation which was at last to give such a plan to Canada. But now, Mr. Speaker, we are told this is not to be the case.

• (3:00 p.m.)

The Leader of the Opposition talked about economic ruin flowing from medicare. I say that it is economic balderdash to talk of a medical plan, in the circumstances of today, adding to inflation. Most of the medical costs are already being paid by the people of Canada. The plan is essentially a transfer of payments from private plans to the public treasury, and the added costs probably would not be more than $80 million in a full fiscal year and considerably less than that in the fiscal period that would remain from July 1 of this year.

It is significant, Mr. Speaker, that outside the Atlantic provinces, which find it impossible to enter because the major provinces are not entering—

Mr. MacInnis (Cape Breton South): That is not so.

Mr. Lewis: In the opinion of some hon. members that is not so, but it is so in my opinion.

Mr. MacInnis (Cape Breton South): The hon. member should get his mind straight. He should straighten his mind and that might help his tongue.

Some hon. Members: Oh, oh.

Mr. Lewis: I shall just wait for a little quiet in the chamber rather than trying to answer the hon. member's inanities.

The Atlantic provinces cannot enter the plan because, unless the two major provinces enter, the amount they would receive would not be 50 per cent of what the plan would in fact cost; and the Atlantic provinces, of course, can afford less than other provinces to pay a percentage of the cost that is larger than that offered to them by this act. The fact is that in the past year medical services have increased in cost by from 30 per cent to 40 per cent. This increase has been deliberately brought about, I suggest, by those responsible in order to make the public medical plan less palatable to some of the authorities across the country.

I am glad the government has not brought the bill back for any change. I am certain the people of Canada in all provinces will demand that the medical plan be implemented, and I am confident that the effect on the economy will be positive instead of negative, since production itself will be increased as the result of proper medical attention being provided for the people of Canada.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the Prime Minister (Mr. Pearson), has just announced that medicare will be implemented on July 1, 1968, if the provinces desire so.

The Leader of the Opposition (Mr. Stanfield) is rightly concerned about that government statement on the implementation in 1968 of medicare, a plan laid down by the government.

I feel that is an interference in a provincial field, since several provinces have objected and are still objecting to such a scheme, especially Alberta which has a voluntary medical plan and which frowns on any interference of the federal government in a provincial field.

I was listening to the hon. member for York South (Mr. Lewis) who was blaming the leader of the Progressive Conservative party, claiming that they wanted to help and protect large corporations.

Mr. Speaker, I would point out that in Saskatchewan, when there was a socialist government in power they endeavoured to implement a medicare program on a compulsory basis, but because of the opposition from the medical profession of that province, they were forced to retreat. Such is the result gained by socialism in Saskatchewan. Moreover, it disappeared from that province since then.

Mr. Speaker, the Canadian people need medical insurance; I am convinced of that. But they do not want socialist measures which would impose on them a plan they do not want. That is why we have been suggesting for a long time to the government to consider a group insurance plan open to all Canadians, under which the government would merely guarantee the payment of an initial premium and would leave to the individual the initiative of paying his contribution to the company he chose, if it cost more, he would pay the difference between the government premium and that of the medical insurance of his choice.

Mr. Speaker, respect for the individual is essential in a medicare program and I say that at the present time through its attitude the Liberal government is interfering with individual freedom. The government should study programs which would guarantee to the individual the right to choose the program that suits him. If, until July 1, the government studied various programs, we would not have to follow in the footsteps of Sweden or other communist or socialist countries in Europe. We are able to have a program which can be used as a model by other countries later because we are convinced—and I am convinced—that state socialism is not the answer to our social and economic problems.

The solution, Mr. Speaker, lies in the setting up of a program which will enable each individual to develop freely according to his own aspirations. That is a plan which respects the individual and not a yoke such as the one advocated by the hon. member for York South. He blames those who make profits, but he makes profits in the practice of his profession, and he does not complain about it. Profits stimulate initiative, and in my opinion initiative should be encouraged as much as possible by a responsible government, whether the Ottawa government or that of any other province in Canada.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we have awaited with interest the

announcement the Prime Minister made this afternoon about the medical care plan. The Prime Minister said he had no desire to bring pressure to bear on the provinces. I suggest that this is an about face; neither the Prime Minister nor the government took that position when the bill was before the house. In fact the bill was presented with an attitude of "Take it or leave it". No changes to the legislation were contemplated and none were allowed. It was said that the provinces would have a perfect right not to come in; they could exercise their own judgment. Yet the big stick was held over them. If they had their own plans in operation they were told those plans would have to conform with the national plan in order to qualify for the 50 per cent contribution from the federal government.

Many of us supported the legislation although we had serious reservations. We took exception to the compulsory aspect of the medical care plan, to the degree of coverage it provided and to the fact that it was to be administered by a public agency. Despite all representations about these matters the government insisted on putting the legislation through as it stood then.

The Prime Minister, I think, should have discussed with the provincial premiers the possibility of phasing in the program gradually. In that way those in the low income brackets or on pensions would receive coverage and, if it were desirable later, other categories could be phased in as the situation warranted. I believe that this afternoon we might have had a wonderful opportunity to reconsider some of the major issues that were discussed when the bill was before the house. Above all, I think consideration should still be given to the possibility of allowing the existing provincial plans to qualify and be recognized under the national medical care plan.

• (3:10 p.m.)

PRIVILEGES AND ELECTIONS

REFERENCE TO COMMITTEE OF REPORT ON ELECTION EXPENSES

On the order: Government notices of motions:

February 12—The Secretary of State:

That the report of the committee on election expenses tabled on October 11, 1966, be referred to the standing committee on privileges and elections.

Mr. Speaker: Pursuant to section 2 of standing order 21, this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

[Mr. Patterson.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRAVEL BY SOLICITOR GENERAL AND STAFF

Question No. 518—**Mr. Nielsen:**

1. For each of the years 1964 to 1967 inclusive, what was the cost of travel of the Solicitor General and his staff?

2. What trips were undertaken and for what purposes?

Hon. L. T. Pennell (Solicitor General): 1.

Fiscal Year	Amount
1964-65	$ 570.00
1965-66	791.41
1966-67	3,002.34

Note: The increase in travel costs for the fiscal year 1966-67 over those of the preceding two years resulted from the taking on by the Solicitor General of added responsibilities as the head of a department under the Transfer of Duties Act pending the passage of the Government Organization Bill, 1966 creating the Department of the Solicitor General. These added responsibilities necessitated extensive inspection and familiarization tours of various institutions throughout Canada to gain a knowledge at first hand of their functions and methods of operating.

2. Trips undertaken included the opening of Matsqui Institution and inspections of other institutions in British Columbia; visits to Saskatchewan penitentiary, Dorchester penitentiary, to Newfoundland, to institutions in Ontario and attendance at law conferences.

NATIONAL DEFENCE MILITARY PERSONNEL, OTTAWA

Question No. 773—**Mr. Ormiston:**

What were the total numbers of military personnel employed either temporarily or permanently in the Ottawa Area at National Defence Headquarters, Canadian Forces Headquarters, Materiel Command, Defence Research Board, Canadian Forces Base at Rockcliffe, Canadian Forces Communications System, Canadian Forces Base at Uplands, as of December 1, 1966, and as of December 1, 1967?

Hon. Léo Cadieux (Minister of National Defence):

	1 Dec. 1966	1 Dec. 1967
National Defence Headquarters	70	72
Canadian Forces Headquarters	2428	2549
Materiel Command	1076	1054
Defence Research Board	6	1
CFB Rockcliffe	1055	1164
Canadian Forces Communications System	38	72
CFB Uplands	1767	1796

POST OFFICE CONSTRUCTION UNDER WINTER WORKS PROGRAM

Question No. 868—**Mr. Southam:**

1. How many Post Offices will be constructed in Canada during the 1967-68 winter season under the federal Winter Works Program?

2. What are the numbers and locations of the Post Offices to be built under the 1967-68 Winter Works Program in each of Canada's 10 Provinces?

Hon. G. J. McIlraith (Minister of Public Works): 1. It was found that 855 locations met the basic criteria of the program. From this total 210 locations were selected initially; however, there now are 117 locations in the program and all these may not be built.

2. Figures showing for each province (a) the number of locations that met the basic criteria and (b) the number of locations where construction is now expected in 1967-68 are listed below.

Province	(a)	(b)
Newfoundland	26	7
Prince Edward Island	9	1
Nova Scotia	49	4
New Brunswick	35	5
Quebec	426	72
Ontario	105	17
Manitoba	41	2
Saskatchewan	69	4
Alberta	17	2
British Columbia	78	3
Totals	855	117

SALE OF GOLD TO U.S.

Question No. 895—**Mr. Reid:**

1. What was the maturity of the "Short Term Bills" or "Treasuries" Canada took in return in the sale to the United States of the one hundred million dollars worth of gold announced December 21, 1967?

2. Was there a "gold clause" attached?

Hon. Mitchell Sharp (Minister of Finance): 1. The term to maturity of the United States treasury bills which the exchange fund purchased with the proceeds of the sale of $100 million of gold to the United States announced by the Minister on December 21, 1967, ranged from 7 to 13 weeks.

2. No.

FEDERAL OBSERVATORIES

Question No. 896—**Mr. Caouette:**

1. In what provinces are federal observatories located?

2. Is there an observatory in the Province of Quebec, and, if not (a) for what reason (b) does the government intend to build one or more in the Province of Quebec?

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. Federal observatories for geophysical observations are located in the provinces of Newfoundland, Nova Scotia, Quebec, Ontario, Manitoba, Alberta and British Columbia and in the Northwest Territories.

Federal observatories making astronomical observations are located in the provinces of Ontario, Alberta and British Columbia. In addition, small observatories for a meteoritic observation and recovery program are being prepared in Saskatchewan.

2. In the province of Quebec, fully owned federal seismic observatories are located at Poste de la Baleine, St. Fereol and Schefferville. In addition, seismic observatories at Montreal and Sept-Iles are supported by the Department of Energy, Mines and Resources, and contribute to the federal network.

A federal magnetic observatory is located at Poste de la Baleine, and a federal earth tides observatory at Poltimore.

(b) There are no approved plans to build additional geophysical and/or astronomical observatories in the province of Quebec.

NAPPAN EXPERIMENTAL FARM

Question No. 911—**Mr. Coates:**

1. What was the size of the staff at the Nappan Experimental Farm on January 1, 1963, and of this number how many were permanent and how many seasonal?

2. What was the payroll at Nappan Experimental Farm for the fiscal year 1962-63?

3. What was the size of the staff at the Nappan Experimental Farm on January 1, 1968, and of this number how many were permanent and how many seasonal?

4. What is the estimated payroll at the Nappan Experimental Farm for the fiscal year 1967-68?

Questions

Hon. J. J. Greene (Minister of Agriculture):

1. Continuous: 58. Seasonal: 1. Total: 59.

2. $265,610.

3. Continuous: 40. Seasonal: 6. Total: 46.

4. $310,000.

OXFORD, N.S., FEDERAL BUILDING

Question No. 920—**Mr. Coates:**

Is it the intention of the government to construct a new federal building at Oxford, N.S., in the fiscal year 1968-69 that will house the facilities of the Post Office Department and, if so, when does the government intend to call tenders for this new federal building?

Hon. G. J. McIlraith (Minister of Public Works): No.

PARRSBORO, N.S., FEDERAL BUILDING

Question No. 921—**Mr. Coates:**

Is it the intention of the government to construct a new federal building at Parrsboro, N.S., in the fiscal year 1968-69 that will house the facilities of the Post Office Department and, if so, when does the government intend to call tenders for this new federal building?

Hon. G. J. McIlraith (Minister of Public Works): Yes, but the date of the tender call cannot be stated at this time.

ARDA PROJECTS, CUMBERLAND COUNTY, N.S.

Question No. 928—**Mr. Coates:**

1. How many projects are under way in Cumberland County under ARDA at the present time and how many projects are under consideration for Cumberland County at the present time?

2. Of the projects at present under way, where is the location of each, what is the estimated cost of each, and what proportion of the total cost in each instance will be borne by the federal government?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): 1. Three ARDA projects are under way in Cumberland county at the present time and no project under consideration.

2. (a) Development of crown lands; Springhill junction area; total estimated cost of $153,000 of which 50 per cent or $76,500 is the federal share. (b) Community pasture; Minudie; total estimated cost of $74,000 of which 50 per cent or $37,000 is the federal share. (c) Flood control; West Brook; total estimated cost of $40,000 of which 37.5 per cent or $15,000 is the federal share.

[Mr. Coates.]

REPORT ON BAY OF FUNDY POWER

Question No. 929—**Mr. Coates:**

On what date will the government receive the report on the power potential of the Bay of Fundy tides from the committee composed of representatives from the federal government and from the Governments of Nova Scotia and New Brunswick, and is it the intention of the government to make a summary of the findings of this Committee in the House when the report is received?

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): According to the federal-provincial agreement setting up the Atlantic Tidal Power Programming Board under whose direction the study of the power potential of the Bay of Fundy tides is being carried out, the final report on the study is not due until the end of 1968. With the concurrence of the other parties to this federal-provincial agreement a summary of the findings will be presented to parliament.

COST OF TAX REMINDER CALENDARS

Question No. 972—**Mr. Thompson:**

1. What was the cost involved in producing and mailing the "tax reminder" calendars with the dates circled?

2. To whom was this calendar sent?

3. How many of these calendars have been distributed?

Hon. Jean Chrétien (Minister of National Revenue): 1. $18,920.53.

2. Self employed farmers.

3. 355,000.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC RELATIONS SERVICES, SOLICITOR GENERAL'S DEPARTMENT

Question No. 515—**Mr. Nielsen:**

1. (a) For each of the years 1964 to 1967 inclusive what individuals were employed from time to time in the information and/or public relations services of the Department of the Solicitor General (b) in each year what was the total amount of salaries paid for such services?

2. (a) For each of the years 1964 to 1967 inclusive what other persons, firms or corporations have been employed and/or retained for the purpose of preparing, disseminating or in any manner dealing with the information and/or public relations services of the Department (b) what are the names of such persons, firms and corporations, if any; for what purpose and period was the employment and what was the cost in each instance?

3. (a) For each of the years 1964 to 1967 inclusive how many press releases have been prepared for or on behalf of the Department and/or the Minister and at what cost (b) for each of the years 1964 to 1967 inclusive what radio and television time has been purchased by the Department; for what purpose and for what cost (c) for each of the years 1964 to 1967 inclusive, what advertising or other space was purchased in domestic and foreign newspapers, magazines and other publications; for what purpose and for what cost?

4. For each of the years 1964 to 1967 inclusive what advertising or any other related contracts have been awarded by the Department; to whom were the same awarded, for what purpose and for what cost and were public tenders called in each instance and, if not, upon what basis and by whom was the contract awarded?

5. Does the Department maintain and/or operate any office located elsewhere than in Ottawa for the purpose, in whole or in part, of promoting the public relations of the Department and/or the Minister and, if so, where are such offices located; what is the cost of the maintenance and operation of such offices; how many are employed in each such office and at what salary or remuneration in each case?

Return tabled.

CREDITS GRANTED TO ENGLAND

Question No. 866—**Mr. Grégoire:**

1. What credits have been granted to England under the Export Credits Insurance Act?

2. What amounts have been loaned directly or indirectly to England by any Crown corporation since 1938?

Return tabled.

Hon. E. D. Fulton (Kamloops): May I ask the parliamentary secretary to the Secretary of State whether he would have a look at question No. 727 about which I have spoken before. This question relates to the cost of the medicare program and asks for an authoritative statement with respect to one of the provinces. In the light of the statement made today and the discussion which is bound to be precipitated, this information is very important indeed. I submit that it is not beyond the present knowledge of the federal government and that it is capable of an answer at the present time I earnestly solicit a prompt reply.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I will do that, Mr. Speaker.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister, in view of the record increase in the cost of living recently announced by the Dominion Bureau of Statistics, when he proposes to announce new plans to provide effective measures to halt the mounting inflation occurring in Canada.

Right Hon. L. B. Pearson (Prime Minister): The supplementary estimates were tabled this afternoon. They will be called very shortly, I expect, and this would provide a very good occasion on which to discuss this subject in a more constructive way than by answering a question on the orders of the day.

Mr. Stanfield: Does the Prime Minister propose at that time to announce to the house new plans to combat inflation in Canada?

Mr. Pearson: We propose to discuss this whole matter if the opposition would be good enough to bring it up on the estimates.

Hon. George Hees (Northumberland): Bearing in mind the Prime Minister's indication last week that he wished to have a debate on economic affairs as soon as possible and that the supplementary estimates would provide an opportunity for such a debate, would the right hon. gentleman advise the house when the supplementary estimates will be presented so we may go ahead with this debate as soon as possible?

Mr. Pearson: Well, the house leaders can get together and arrange for a date as early as possible. I think we could finish the legislation now before the house—that should be possible today, perhaps—and then there is no reason I can see which would prevent our going ahead with the discussion of the estimates.

Mr. Hees: It is the Prime Minister's wish that if possible this debate should go forward this week?

Mr. Pearson: I would hope so, provided we could dispose of the bill which is now before the house.

Mr. Hees: Will the President of the Treasury Board take that answer into consideration and make an announcement which would enable this debate to be held as soon as possible?

[*Later:*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of his most recent championship of

the rights of consumers, what does he propose to do to offset the 4½ per cent rise in the cost of living since January, 1967?

Mr. Speaker: Order, please. The hon. member is asking for a statement of policy, and I suggest the question cannot be asked at this time.

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE USE OF NUCLEAR WEAPONS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to address a question to the Prime Minister. In the light of grave warnings by the Prime Minister of the United Kingdom to the effect that there is a danger of the war in Viet Nam escalating through the use of tactical nuclear weapons, and similar concern expressed by a distinguished United States senator, will this government contemplate making a statement on the matter?

Right Hon. L. B. Pearson (Prime Minister): The hon. gentleman's question is based on rumours and I know of no evidence which would support those rumours. If there were to be that kind of escalation it would indeed be madness—I believe the Prime Minister of the United Kingdom called it lunacy—and I do not believe the United States government would go in for that kind of madness.

Hon. E. D. Fulton (Kamloops): I take it from the Prime Minister's remarks that this subject was at least discussed between himself and Prime Minister Wilson during their recent meeting. I would ask the right hon. gentleman whether he can elaborate on what he has said with respect to the evidence, or lack of evidence. Have inquiries been made of the United States, and is the Prime Minister in a position to assure the house, one way or the other, that no official consideration is being given, as rumour has it, to the use of nuclear weapons in the war in Viet Nam?

Mr. Pearson: I say there is no evidence to support the rumours which have been spread.

Mr. David MacDonald (Prince): Can the Prime Minister tell us whether any further consideration has been given to reconvening the Geneva conference of which Britain is one of the co-chairmen? Can he say whether this possibility was fully explored during Prime Minister Wilson's recent trip to Moscow?

[Mrs. MacInnis (Vancouver-Kingsway).]

Mr. Pearson: Britain is, of course, one of the co-chairmen, but the other co-chairman is the government of the Soviet union, and from the talks I have had and the messages I have received lately, there does not seem any indication on the part of both co-chairmen that the conference will be reconvened.

Mr. L. R. Sherman (Winnipeg South): My supplementary question should probably be directed to the Secretary of State for External Affairs. Does the minister have any word yet about Ambassador Ormond Dier and his attempts to get out of Hanoi?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Dier has returned to Saigon and I expect to hear from him very shortly. In the meantime I would call the attention of the hon. gentleman to the statement by the foreign minister of North Viet Nam over the week end reiterating willingness to talk if the bombing stops.

Mr. W. B. Nesbitt (Oxford): A further supplementary to the Prime Minister. Is the government considering making special assistance available to the reported 300,000 Vietnamese who are presently dispossessed because of the recent violent warfare in that country?

Mr. Pearson: This tragic addition to the misery of this country is now being looked into by the external aid office to determine whether there is any way in which these people can be helped. The best way they could be helped would be to stop the fighting.

Mr. A. B. Patterson (Fraser Valley): Could the Secretary of State for External Affairs tell us whether the government has received any reports on the recent discussions between the Secretary General of the United Nations and the Soviet leaders with respect to Viet Nam peace talks?

Mr. Martin (Essex East): No, Mr. Speaker. The Secretary General has left Moscow and is on his way to London. Before the end of the day I expect to hear from our ambassador as to the nature of the discussions.

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Prime Minister for an explanation of his remark to the effect that the best method of aiding South Viet Nam would be to stop the fighting. Is the right hon. gentleman advocating the complete cessation of United States activity in that country, giving in completely to the Viet Cong and the North Vietnamese?

Mr. Pearson: No, Mr. Speaker.

NIGERIA—COMMONWEALTH EFFORTS TO END CIVIL WAR

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): A supplementary question to the Prime Minister. Did his discussions with the Prime Minister of the United Kingdom include the subject of the possible use of Canadian forces in Nigeria to form a kind of peace keeping corps there?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this question is directed to the Secretary of State for External Affairs and relates to an answer given to my colleague the hon. member for Oxford. Is the Secretary General of the commonwealth group authorized in any way by the Canadian government to propose or suggest that there should be an international police force in Nigeria, and that there would be a Canadian component?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker; there have been no instructions given to the Secretary General of the commonwealth. The Secretary General has been endeavouring, with full support of the commonwealth countries, to bring about an accommodation between the dissident elements in Nigeria. So far as I know there has been no proposal from this government or from any commonwealth government along the lines involved in the question.

TRADE

PROPOSED U.S. RESTRICTIONS ON WOOD PRODUCTS IMPORTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Trade and Commerce. As a member representing a constituency which produces more than 200 million board feet of forest products every year I wish to address the following question to the minister. In view of announcements in Washington that the United States treasury department intends to take action which could cost Canadians upward of $300 million per year in lumber exports, has the minister discussed this serious threat to Canadian exports with the United States treasury department?

Hon. Robert Winters (Minister of Trade and Commerce): My colleagues from British Columbia have been discussing this subject with me. As the hon. member knows, I

returned to Canada only a short time ago and I have not had an opportunity to look into all these matters. Representatives of the forest industries of British Columbia are here today to discuss this question with the Department of Trade and Commerce. I will look into it and report to the house at a later date.

Hon. George Hees (Northumberland): I have a supplementary question, Mr. Speaker. When the minister is bringing this matter to the attention of the United States government will he point out to them very strongly that this country has a $1 billion annual trade deficit with that country, and that any action of this kind would be very unfriendly—

Mr. Speaker: Order.

ECONOMIC COUNCIL

MINISTERIAL COMMENT ON STATEMENT BY CHAIRMAN

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the right hon. the Prime Minister. It arises out of the statement by the Minister of Finance in this house on Thursday, February 8, as reported at page 6514 of *Hansard*. When answering a question asked by the hon. member for Carleton he commented on a statement made by the chairman of the Economic Council, and the Minister of Finance is reported as having said:

> When Mr. Smith made his statement he made it without the knowledge and without the authorization of the government.

My question is this. The Economic Council of Canada was set up by this parliament to be an independent research body. Are we to assume from the minister's statement that this situation is now altered, and that the Economic Council of Canada is only a mouthpiece of the current government and the Minister of Finance?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the minister never intended any such deduction to be drawn from his speech.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to ask the Prime Minister whether he can give me any other deduction from this frank statement. If so I would be very pleased to have it.

Inquiries of the Ministry

EXPO '67

REQUEST FOR STATEMENT ON FEDERAL INVOLVEMENT

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, my question is for the Minister of Trade and Commerce. Can the minister inform the house when we might expect an accounting with regard to the extent of the involvement of the federal government in Expo '67.

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker; I can do that in the very near future.

GRAIN

INQUIRY AS TO FINAL PAYMENTS FOR 1966-1967 CROPS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, this question is directed to the Minister of Trade and Commerce. When can we expect the announcement of the final accounting by the Canadian Wheat Board with regard to wheat, oats and barley for the past year?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I expect to be conferring with members of the Canadian Wheat Board on Thursday of this week. Then I shall be able to give the hon. member an answer.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a supplementary question. Would the minister also say when the final payments for the 1966-67 wheat crop will be paid to western farmers?

Mr. Winters: I shall be able to give an answer to that question at the same time, Mr. Speaker.

[*Later:*]

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I should like to direct to the Minister of Trade and Commerce a related question regarding wheat as a prelude to his Thursday morning meeting with Canadian Wheat Board officials. Will the minister discuss with board officials the suggestion from the Department of Agriculture that western farmers reduce their wheat acreage this year because of a surplus of wheat resulting from lower exports?

Mr. Winters: Mr. Speaker, I am not familiar with any such suggestion and am unable therefore to undertake to discuss it with the wheat board.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

HOUSE OF COMMONS

REPORTED RESIGNATION OF PARLIAMENTARY SECRETARY TO MANPOWER MINISTER

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, this question is for the Prime Minister. Has the Prime Minister received a letter of resignation from the hon. member for Hamilton East (Mr. Munro) asking that he be relieved of his duties as parliamentary secretary to the Minister of Manpower and Immigration?

Mr. Speaker: Order, please. A question involving a communication between the Prime Minister and a member cannot be asked in this way.

Mr. Hales: I was just asking for an acknowledgement, Mr. Speaker.

Mr. Speaker: This is precisely the information which cannot be given at this time.

Mr. Hales: May I ask a supplementary question?

Mr. Speaker: The hon. member may ask another question; he may not ask a supplementary.

Mr. Hales: Mr. Speaker, could the Prime Minister advise the house whether the parliamentary secretary to the Minister of Manpower and Immigration has resigned?

Right Hon. L. B. Pearson (Prime Minister): When there are changes in the administration they are announced in the house.

TRADE

REPORTED STATEMENT BY PRIVY COUNCIL PRESIDENT

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct this question to the Prime Minister. On Friday I addressed the following question to him:

> Was the President of the Privy Council expressing the view of the government when he said in Toronto recently "the fact remains that we have become an economic colony of the United States"?

The Prime Minister said he would have to consult with the President of the Privy Council. Is he in a position to answer the question today?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. gentleman must know that he is out of order in asking me to comment on a newspaper report of a statement

made by my colleague. If he keeps on asking this kind of question I will have to raise his rent.

An hon. Member: More inflation.

Mr. Hees: Now that we have had considerable verbiage on the part of the Prime Minister might I have an answer to my question?

Mr. Speaker: Order, please. The hon. member for Grenville-Dundas.

Mr. Fulton: Mr. Speaker, may I ask the Prime Minister whether it is not a fact—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Grenville-Dundas.

[*Later:*]

Mr. Hees: Mr. Speaker, I have a question for the Prime Minister arising out of my inability, because of noise in the house, to hear his answer to my last question which reflected on my personal lodging situation. Let me bring him up to date by stating that his wife has already raised the rent.

Some hon. Members: Oh, oh.

Mr. Hees: As a result I must inform him, regretfully, that he has lost a very good tenant.

Some hon. Members: Oh, oh.

Mr. Pearson: Mr. Speaker, I did that knowing it would not be acceptable and therefore there would be no increase of inflationary pressures.

FINANCE

REPORTED DIFFICULTIES IN OBTAINING LOANS BY SMALL BUSINESSES

On the orders of the day:

Mrs. Jean Wadds (Grenville-Dundas): Mr. Speaker, this question is for the Minister of Finance. Has the minister been advised of the present difficulties faced by those who are endeavouring to obtain loans under the Small Businesses Loans Act?

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker; I have not been aware of this but will take the question as notice.

REFUSAL BY BANKS TO MAKE FARM IMPROVEMENT LOANS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question for the Minister of Finance in relation to the one just posed by the hon. member for Grenville-Dundas regarding difficulties in obtaining loans for small businesses. This situation is also affecting farm credit and farm improvement loans in western Canada. When the minister replied that he would look into this matter did he mean he would look into it also in respect of farm loans?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I was asked a similar question last week, to which I replied that I recognized this difficulty and had urged the banks to continue to make farm improvement loans pending revision of the legislation.

OIL

REQUEST FOR STATEMENT ON AGREEMENT WITH U.S.

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wonder whether I might address this question to the Minister of Energy, Mines and Resources. I should like to ask him whether he would make an early, comprehensive statement to the house with regard to the new Canada-United States oil deal.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I have already answered that question.

INDUSTRY

SUGAR—REQUEST FOR STATEMENT OF POLICY

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, this question is for the Minister of Trade and Commerce. In view of the recent proposal for an interdepartmental study on the problems of the sugar beet industry in Canada, could the minister tell the house whether his department will be working in conjunction with the Department of Agriculture to draw up a Canadian sugar policy that will permit the continued existence of the Canadian sugar beet industry and which will be of greater assistance to the commonwealth members in the West Indies than is the present pattern of sugar purchases?

Mr. Speaker: Order. The hon. member is asking for a statement which should be made on motions.

Inquiries of the Ministry

AGRICULTURE

REQUEST FOR STEPS TO INCREASE RETURNS TO FARMERS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I had intended to direct this question to the Minister of Agriculture but perhaps in his absence I should direct it to the parliamentary secretary. This is supplementary to the question I asked in respect of the increase in the cost of living index. Could the parliamentary secretary indicate what steps the department is contemplating taking to rectify the situation in agriculture where we have this continued increase in food costs with no compensating increases in the prices paid to the farmers of the nation?

Mr. Speaker: Order, please. I suggest again that this is a question which should not be asked at this time. The hon. member is asking for a general statement which should be made on motions.

EXTERNAL AFFAIRS

NORTH VIET NAM—PROTESTS OVER KILLING OF MISSIONARIES AND CIVILIANS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this question is for the Secretary of State for External Affairs. What protest has the government of Canada sent to Hanoi in view of reports of the killing of some missionaries, women and children, by the forces supported by the government of North Viet Nam?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as I indicated a while ago I expect to have a report from our commissioner who has been in the north on other matters. He was in a position, of course, to pass judgment on this situation. I would prefer to hear from him before giving an answer.

Mr. Churchill: Mr. Speaker, I should like to ask the minister whether he waits for reports from our representative on this commission with regard to United States bombing of the north before he makes statements concerning that matter.

Mr. Martin (Essex East): Mr. Speaker, there is of course no association between my hon. friend's observation and my answer.

[Mr. Speaker.]

TRADE

STEEL—REPORTED IMPORTATIONS AT LOW PRICES

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to direct this question to the Minister of Trade and Commerce. Is the minister aware that steel is being imported into Canada at prices which are detrimental to our steel industry?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, that whole matter is being looked into.

Mr. Noble: I should like to ask a supplementary question, Mr. Speaker. Does the minister consider that anti-dumping legislation will be necessary to protect our steel industry?

Mr. Winters: We are looking into it under the provisions of the anti-dumping regulations.

Mr. Robert Muir (Cape Breton North and Victoria): I have a supplementary question, Mr. Speaker. May I ask my colleague the Minister of Trade and Commerce, who is a good Nova Scotian, what steps his department is taking, apart from looking into the matter, to protect the steel industry, particularly at this time when Sydney is faced with annihilation?

Mr. Winters: Mr. Speaker, we are looking into this matter with officials of the Department of Finance and the Department of National Revenue. I understand that a report has been prepared. I am not familiar with the exact details of the report, but perhaps I could familiarize myself with it and answer a little later.

NATIONAL DEFENCE

SUMMERSIDE—POSSIBLE PHASING OUT OF AIR BASE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, I intended to direct this question to the Minister of National Defence had he been here. In his absence perhaps I can put the question to the Prime Minister. On Friday, in reply to questions I put to the Minister of National Defence about the future of the Canadian Forces base at Summerside, he suggested that in respect of the phasing out of the Neptunes redeployment of the Arguses

was being contemplated. Will the Prime Minister assure members of this house and the people of Prince Edward Island, in view of the disastrous economic effect of closing the base outside of Summerside, whether a special task force is being set up by the department to consider alternative use for this establishment?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, an investigation is being made into that very point.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to ask the Prime Minister whether consideration is being given to moving the Downsview establishment to Summerside?

Mr. Pearson: Yes, Mr. Speaker, that is one possibility I mentioned myself.

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to ask the Prime Minister whether any study is being made by the Department of National Defence regarding ways and means whereby a permanent unit, either of national defence or the Defence Research Board, could be stationed at Summerside in order to provide some hope of continuing permanency for this base?

Mr. Pearson: I can assure my hon. friend that every aspect of this question is being considered exhaustively. We realize the importance of this matter to the island and we realize we should do everything possible. This is a very complicated problem and we are trying to find a solution.

LABOUR CONDITIONS

STEPS TO DEAL WITH UNEMPLOYMENT IN ATLANTIC PROVINCES

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the Acting Minister of Labour and at the same time extend my congratulations and good wishes upon his appointment. Has he already undertaken to make a special effort to assault the high unemployment situation in the Atlantic provinces, which has now reached nearly 11 per cent?

Hon. B. S. Mackasey (Acting Minister of Labour): Mr. Speaker, I thank the hon. member for Queens for his very kind remarks, which are very much appreciated. I can only point out to him the success we have had in reducing the high unemployment rate in the maritimes since we took office. I hope we will be as successful in the coming months.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the new Minister without Portfolio whether he will be piloting the new labour bill, C-186, through the house.

Mr. Mackasey: Mr. Speaker, I will be fulfilling the functions normally carried on by the Minister of Labour. If he is back in time I am sure he will have this honour and privilege.

COAL

ROUTE TO BE FOLLOWED BY EXPORTS TO JAPAN

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask the Minister of Transport whether his communications with Kaiser Mines Limited have progressed to the point that he can now report to the house on whether coal from British Columbia for Japan will be carried to the coast over an all-Canadian route?

Hon. Paul Hellyer (Minister of Transport): I cannot make a specific report, Mr. Speaker. I did meet with them on Thursday, I believe, and underlined the government's position, which is that the coal should go via an all-Canadian route. They were very sympathetic to our point of view. Negotiations are continuing and I hope it will be possible to make a clear announcement in the not too distant future.

Mr. Barnett: Mr. Speaker, I should like to ask the minister whether he can give any information to the house to the effect that all or part of this coal will be carried in bottoms owned by a subsidiary of the Canadian Pacific Railway, namely Canadian Pacific Steamship Lines?

Mr. Speaker: Order, please. I do not believe this question should be asked at this time.

RURAL DEVELOPMENT

NOVA SCOTIA—REPORT OF ARDA TASK FORCE ON EASTERN COUNTIES

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I should like to direct my question to the Minister of Forestry and Rural Development. It relates to an answer he gave in

the house on February 1. Can the minister now advise whether he would be willing to release to interested parties, including the department of agriculture of the province of Nova Scotia, the report of ARDA task force on the eastern counties?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, I have nothing to add to that answer. If at all possible the documents will be released.

Mr. MacEwan: Will the minister advise when?

Mr. Sauvé: I have no objection to releasing them but we are not the only party involved.

AIR TRANSPORT

LEASING OF AIRCRAFT WITH NON-CANADIAN CREWS

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Transport in relation to an inquiry I directed to the Prime Minister last Friday concerning the accident at Vancouver involving a Boeing 707. Will he inform the house whether the government intends to adopt a policy insisting upon dry leasing of aircraft by Canadian carriers when the need arises so that the crews flying them will be Canadian?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, under existing conditions arrangements for the wet lease of foreign aircraft by Canadian commercial air carriers have been approved by the air transport committee, and by the Canadian Transport Commission in a very limited number of instances upon demonstration of an urgent short term requirement for aircraft necessitating such arrangements and upon the committee being satisfied in each case that suitable aircraft are unavailable from Canadian sources. The need for such leases will diminish on receipt of new aircraft now on order by Canadian air carriers.

Mr. Nielsen: In view of the number of representations by the Canadian Airline Pilots' Association recommending dry leasing of such aircraft, is the government reconsidering its policy in this regard to give effect to these representations?

Mr. Hellyer: There have been no formal communications in this regard of which I am aware, at least none in writing. I understand there have been some verbal communications. Naturally we would be willing to reconsider the policy but there are certain reciprocal rights with the United States going back many years, of which I am sure my hon. friend is aware. As I stated, however, the question becomes more and more academic as the requirements of Canadian carriers to lease either wet or dry are reduced by the availability of new aircraft.

THE SENATE

INQUIRY AS TO FILLING OF VACANCIES

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I should like to ask the Prime Minister whether he will be filling vacancies in the other place before the end of this fiscal year.

Mr. Speaker: Order, please.

ADMINISTRATION OF JUSTICE

PUBLICATION OF INSTRUCTIONS FOR U.S. DRAFT DODGERS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in the absence of the Minister of Justice I should like to ask the Solicitor General whether the government is making any examination of books or pamphlets published at the University of Toronto, as reported in a news broadcast this morning, purporting to outline methods by which United States draft dodgers can and should come to Canada. Will the government make such an examination in order to establish whether there is a publication in Canada which recommends the breaking of the laws of Canada or the United States?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I can assure the hon. member that officials of the department keep themselves abreast of such developments, and I am sure they will look into this matter.

[*Translation*]

IMMIGRATION

REPRESENTATIONS RESPECTING ADMISSIONS TO QUEBEC

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Has he received representations from Quebec provincial authorities with regard to the admission of immigrants to the province of Quebec?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I believe I have already informed the house that I shall meet with Quebec's secretary, Mr. Gabias, in order to discuss that problem.

[*English*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

REQUEST FOR TABLING OF CORRESPONDENCE WITH RESPECT TO AMENDING LEGISLATION

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister. In view of the Prime Minister's extensive fan mail regarding Bill C-186, would he be prepared to table all such correspondence and communications prior to consideration of that bill?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is a way of getting that correspondence, namely by putting a request on the order paper.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question I would like to address to the Minister of Manpower and Immigration. When I inquired this morning for copies of Bill C-186 I was informed that unless the minister gave authorization there would be no more printed. There have been two additional printings but there is not a single copy of the bill available. I would like to inquire whether and when further copies of Bill C-186 will be available?

Mr. Pearson: I will look into this matter, Mr. Speaker. I am not sure whether the printing of the bill is the responsibility of the government, but I would certainly hate to think that my hon. friends cannot get a copy of it. Perhaps it is so popular it is out of print.

Mr. Bell (Saint John-Albert): Someone has burned them.

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question, Mr. Speaker, along the same lines as previous questions. I believe there is a shortage of copies of Bill C-195. Would the Prime Minister investigate that matter also?

Mr. Speaker: Order, please. I am sure the suggestions have all been noted by the appropriate authorities.

Patent Act—Trade Marks Act

PUBLIC SERVICE

REPORTED RECRUITING OF SENIOR OFFICERS IN U.S.

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Prime Minister. Is the federal government recruiting for the public service non-Canadians from outside the country and, if so, why?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I believe this question was answered by the Secretary of State last week.

PATENT ACT—TRADE MARKS ACT

AMENDMENTS RESPECTING IMPORTATION OF PRESCRIPTION DRUGS

Hon. John N. Turner (Minister of Consumer and Corporate Affairs) moved the second reading of Bill No. C-190, to amend the Patent Act and the Trade Marks Act.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Carried.

Mr. Speaker: The Minister of Consumer and Corporate Affairs.

Mr. Muir (Cape Breton North and Victoria): The minister of high prices.

[*Translation*]

Mr. Turner: Mr. Speaker, members of the house may recall that on June 16, 1967, during the debate on the estimates of the Department of the Registrar General, I indicated that it was my intention to introduce legislation in this session to implement some of the major recommendations of the special committee of the House of Commons on drug cost and prices.

Public concern about this subject has been intense and sustained. There are obvious reasons for this. During any given interval of time, the incidence of disease is far from uniform, and those who pay the largest drug bills are, because of their disability, likely to have incomes substantially below the average. Not only, however, is the incidence of illness in the population uneven, but it is quite unpredictable so that consumers cannot budget for a situation in which they may have to assume the burden of heavy drug costs. Beyond all this, health is naturally a value in

itself. It is also an important determinant of the productivity of human resources in the economy.

Evidence of the high level of public concern about the supply of drugs in Canada may be found in the number and character of official investigations dealing with the quality, cost and prices of drugs which have taken place.

In 1958, the combines branch began a general inquiry into the manufacture, distribution and sale of drugs following informal complaints about the high cost of drugs. In 1963, after public hearings from coast to coast, the restrictive trade practices commission published its report concerning the manufacture, distribution and sale of drugs.

In 1964, after extensive hearings, the royal commission on health services, commonly known as the Hall commission, published its report which included many recommendations to the government in connection with the drug industry. And finally, last April, after extensive hearings, the special committee of the House of Commons on drug costs and prices presented its final report.

As members are likely aware, similar concern has been demonstrated by government agencies in other countries like the United States and Great Britain.

[*English*]

Mr. Speaker, I want at this stage to extend my own congratulations to the chairman of the House of Commons committee on drug prices, the hon. member for Halton (Mr. Harley), who is sitting in the chamber this afternoon, and the members of his committee who spent many long days and hours reviewing this subject of prime importance to the Canadian people, who gave the situation a thorough review and contributed to public debate and public education on this subject. This committee has reported to the house with many constructive suggestions, some of which are being implemented in the present legislation.

Some hon. Members: Hear, hear.

Mr. Churchill: There is another vote for you.

Mr. Turner: I want to set forth the principles of this bill with some care because of the fundamental importance, I believe, of what I am laying before the house and because of the complicated nature of the legislation. Evidence was put before the Restrictive Trade Practices Commission and the royal commission on health services, as well as the special committee of the House of Commons, which demonstrated that the price of drugs to consumers in Canada was much higher than comparable prices in most western countries other than the United States.

All three inquiries concluded that Canadian drug prices are unduly high. All agreed that no single measure by itself would bring about a significant reduction in the price that the consumer must pay for drugs, and that a number of co-ordinated steps must be taken.

To illustrate these conclusions I want, first of all, to deal with a number of international comparisons of drug prices. In its report published earlier this year, the special committee of the house indicated that it had decided to assure itself that the situation had remained more or less unchanged since the reports of the Restrictive Trade Practices Commission and the Hall commission. It therefore checked with reliable sources the cost of certain drugs at the retail level in Canada, in the United States and in six European countries. Twelve of the most commonly used and important drugs were selected.

I have in my hand a composite table showing the results of the comparison. If the house would allow me, I prefer not to take up the time of the house to read it but would ask to be allowed to table these figures as an appendix to *Hansard*.

• (3:50 p.m.)

Mr. Speaker: Is it the wish of the house that the information to which the minister referred be printed as an appendix to *Hansard* or that it be part of the text?

Mr. Churchill: Part of the text.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Table Showing Comparative Prices to the Retailer of Some of the Most Commonly Used Drugs in Different Countries

Trade Name	Country	(100's) Price to Retailer
*Chloromycetin	Boston, U.S.A.	33.04
	Chicago, U.S.A.	33.04
	Los Angeles, U.S.A.	33.04
	Canada	23.64
	Bonn, Germany	17.70
	London, England	11.18
	Rome, Italy	11.08
	Berne, Switzerland	9.86
	Paris, France	—

Trade Name	Country	(100's) Price to Retailer
Achromycin	Bonn, Germany	24.55
	Berne, Switzerland	22.40
	Rome, Italy	19.50
	Canada	17.62
	Boston, U.S.A.	16.15
	Chicago, U.S.A.	16.15
	Los Angeles, U.S.A.	16.15
	London, England	9.83
	Paris, France	—
Gantrisin	Berne, Switzerland	4.34
	Canada	4.14
	Rome, Italy	3.75
	Boston, U.S.A.	3.17
	Chicago, U.S.A.	3.17
	Los Angeles, U.S.A.	3.16
	Paris, France	3.05
	Bonn, Germany	2.56
	London, England	2.40
Decadron	Canada	17.44
	Rome, Italy	15.90
	Boston, U.S.A.	15.70
	Chicago, U.S.A.	15.66
	Los Angeles, U.S.A.	15.66
	London, England	14.11
	Paris, France	—
	Berne, Switzerland	—
	Bonn, Germany	—
Librium	Los Angeles, U.S.A.	7.68
	Boston, U.S.A.	7.56
	Canada	7.20
	Chicago, U.S.A.	7.12
	Rome, Italy	4.12
	Paris, France	3.66
	Bonn, Germany	3.13
	London, England	3.02
	Berne, Switzerland	2.73
Equanil	Los Angeles, U.S.A.	7.34
	Canada	7.20
	Chicago, U.S.A.	7.02
	Boston, U.S.A.	6.26
	Berne, Switzerland	5.15
	Rome, Italy	4.25
	London, England	2.85
	Paris, France	—
	Bonn, Germany	—
Enovid	Rome, Italy	19.20
	Canada	11.70
	Boston, U.S.A.	9.46
	Chicago, U.S.A.	9.46
	Los Angeles, U.S.A.	9.46
	Paris, France	8.80
	Berne, Switzerland	8.47
	London, England	7.70
	Bonn, Germany	—
Butazolidin	Boston, U.S.A.	6.31
	Chicago, U.S.A.	6.31
	Los Angeles, U.S.A.	6.31
	Canada	6.18
	Berne, Switzerland	2.33
	London, England	2.12
	Paris, France	1.84
	Rome, Italy	—
	Bonn, Germany	—
Premarin	Rome, Italy	9.85
	Berne, Switzerland	8.23
	Boston, U.S.A.	6.79
	Chicago, U.S.A.	6.79
	Los Angeles, U.S.A.	6.79
	Canada	6.36
	London, England	5.78
	Paris, France	—
	Bonn, Germany	—

*The special committee noted that the U.S. prices for chloromycetin were reduced almost 50 per cent after this price was quoted due to the expiration of the patent.

Mr. Turner: Thank you, Mr. Speaker. With this evidence, the special committee confirmed the previous findings on public record and said that it had come to the inescapable conclusion that drug prices in Canada are in effect high and that every fair and reasonable step should be taken to reduce them.

In the course of the proceedings before the special committee the Pharmaceutical Manufacturers Association of Canada also produced a table setting out an international comparison of drug prices. I will be grateful if the house would allow me to table these figures and make them part of the text in *Hansard*?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

International Drug Prices in Canadian Dollars * (Canadian Pharmaceutical Manufacturers Association)

Product	Country	Price to Retailer
Achromycin	Holland	4.71
	Germany	4.27
	Sweden	3.41
	Canada	3.24
	U.S.	3.11
	Italy	2.89
	U.K.	2.31
	France	—
Chloromycetin	U.S.	5.48
	Germany	4.92
	Canada	3.96
	Holland	2.11
	U.K.	2.04
	France	1.99
	Italy	1.71
	Sweden	1.56
Terramycin	Germany	4.27
	Canada	4.17
	U.S.	3.90
	Italy	3.83
	Holland	3.74
	Sweden	3.42
	France	3.30
	U.K.	2.79

* Canadian prices include sales tax.

Product	Country	Price to Retailer
Penbritin	Germany	6.98
	France	6.11
	Holland	6.00
	Italy	5.47
	Canada	5.37
	U.S.	4.73
	U.K.	3.87
	Sweden	—
Gantrisin	Holland	4.29
	Canada	4.14
	Italy	3.49
	U.S.	3.16
	France	3.11
	Sweden	2.75
	Germany	2.57
	U.K.	2.40
Decadron	Canada	11.94
	U.S.	10.93
	U.K.	9.56
	France	8.67
	Germany	7.92
	Sweden	6.66
	Holland	5.41
	Italy	—
Librium	U.S.	7.52
	Canada	7.20
	Holland	4.49
	Italy	3.82
	France	3.71
	Sweden	3.25
	Germany	3.13
	U.K.	3.00
Equanil	Canada	3.40
	U.S.	3.11
	Germany	1.88
	France	1.30
	Holland	1.22
	U.K.	.94
	Sweden	.90
	Italy	—
Stelazine	U.S.	4.22
	Canada	3.75
	U.K.	2.62
	Germany	2.50
	Italy	1.66
	France	—
	Holland	—
	Sweden	—
Ismelin	U.S.	7.30
	France	5.33
	Canada	4.33
	U.K.	4.14
	Sweden	2.57
	Italy	2.43
	Holland	2.36
	Germany	2.05
Hydrodiuril	U.K.	4.43
	U.S.	4.08
	Sweden	3.96
	Holland	3.79
	Germany	3.48
	Canada	3.12
	Italy	—
	France	—
Diuril	Sweden	6.52
	U.S.	6.44
	Germany	6.20
	Holland	6.02
	U.K.	4.79
	Canada	4.38
	Italy	—
	France	—
Peritrate	U.S.	2.69
	Canada	2.50
	Italy	2.06
	France	1.04
	Holland	.80
	U.K.	.77
	Germany	.76
	Sweden	—
Doriden	U.S.	4.30
	Canada	3.97
	Italy	2.78
	Germany	2.75
	U.K.	—
	France	—
	Holland	—
	Sweden	—
Seconal	Italy	4.11
	Germany	2.90
	Canada	2.85
	Holland	2.83
	U.S.	2.32
	Sweden	2.04
	U.K.	.90
	France	—
Pyribenzamin	Germany	1.66
	Sweden	1.54
	Canada	1.53
	U.S.	1.50
	France	1.29
	Italy	1.01
	U.K.	.84
	Holland	—
Banthine	Canada	5.76
	U.S.	4.64
	Holland	4.52
	Sweden	4.03
	Germany	2.21
	U.K.	—
	Italy	—
	France	—

Mr. Turner: A reasonably representative selection of 17 drugs for comparison was made by the Pharmaceutical Manufacturers Association. In its report the special committee said that on the face of the statistics it appeared again that Canadian drug prices were amongst the highest of the countries selected for comparison.

In the same proceedings the hon. member for Hamilton South (Mr. Howe) presented to the committee a list of 58 drugs the retail

[Mr. Speaker.]

price of which was from 3 to 20 times as high in Canada as in the United Kingdom. The accuracy of these prices was accepted by the Pharmaceutical Manufacturers Association.

The special committee thus confirmed the result of what it called a thorough and comprehensive comparison between Canadian drug prices and those in other countries from the survey that had been undertaken earlier by the combines branch of the then department of justice and which led the director of investigation and research to conclude that prices of drugs in Canada are among the highest in the world.

One of the comparisons placed before the Restrictive Trade Practices Commission by the combines branch set out prices to retailers for a number of important drugs in anywhere from 7 to 14 countries. Again, if I may have the indulgence of the house I would like to table these figures and have them included as part of the text in *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Product	Country	Marketing Company	Price to Druggist
Prednisone	Japan	Merck	27.78
	Australia	Merck	24.00
	Panama	Merck	22.99
	Italy	Merck	22.16
	Canada	Merck	20.80
	United States	Merck	17.90
	Austria	Merck	17.16
	Holland	Merck	16.05
	Brazil	Merck	14.15
	Great Britain	Merck	7.53
Chlorpromazine	Canada	Rhone-Poulenc	3.75
	United States	Smith Kline & French	3.03
	Japan	Banyu Pharmaceutical Co.	2.14
	Brazil	Rhodia	1.53
	Belgium	Specia	1.37
	Holland	Specia	1.31
	Italy	Farmitalia	1.22
	Germany	Bayer	.97
	Australia	May & Baker	.94
	Great Britain	May & Baker	.77
	France	Specia	.51
Prochlorperazine	United States	Smith Kline & French	3.93
	Canada	Rhone-Poulenc	3.60
	Australia	May & Baker	2.84
	Great Britain	May & Baker	2.24
	Belgium	Specia	1.61
	France	Specia	.80
	Germany	Bayer	.80
Meprobamate	Venezuela	Wyeth	5.44
	India	Lederle	4.79
	Iran	Cyanamid	4.68
	Canada	Wyeth	3.60
	Holland	Cynamid	3.56
	Australia	Wyeth	3.47
	United States	Wyeth	3.25
	Belgium	Cyanamid	3.25
	France	Byla	2.65
	Japan	Banyu	2.56
	Brazil	Wyeth	2.20
	Mexico	Cyanamid	2.00
	Italy	Wyeth	1.94
	Austria	Cyanamid	1.56
	Great Britain	Cyanamid	1.48
	Germany	Asche (Wyeth)	1.36
	Argentina	Cyanamid	.75

Product	Country	Marketing Company	Price to Druggist
Sparine	Canada	Wyeth	3.15
	United States	Wyeth	3.00
	Venezuela	Wyeth	2.70
	Mexico	Wyeth	1.66
	Holland	Wyeth	1.59
	Italy	Wyeth	1.32
	Brazil	Wyeth	1.26
	Australia	Wyeth	.94
	Germany	Bayer	.83
Serpasil	United States		12.00
	Canada		9.87
	Venezuela		7.85
	Japan		5.56
	Brazil		5.53
	India		5.29
	Italy		4.90
	Iran		4.87
	Australia		4.41
	Belgium		4.24
	Great Britain		3.94
	Germany		3.42
	Austria		2.78
	France		1.21

Mr. Turner: I shall not refer to it further except to say that the prices in Canada range from two and a half to eight times the lowest prices available elsewhere.

In order to have the most up to date comparative prices at this time, I have obtained from the same sources as were used by the Harley committee the current prices of the same drugs to the retailer in Canada and the current prices in the United States and in the same five European countries. This will be the last table I intend to produce, and I would ask for the indulgence of the house to have the text printed in *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

February 9, 1968.

Table Showing Comparative Prices to the Retailer of Some of the Most Commonly Used Drugs in Different Countries

Trade Name	Country	(100's) Price to Retailer
Chloromycetin	Canada	21.68
	Los Angeles, U.S.A.	20.41
	Chicago, U.S.A.	14.87
	Bonn, Germany	14.16
	Boston, U.S.A.	13.60
	London, England	11.18
	Rome, Italy	11.08
	Berne, Switzerland	9.86
	Paris, France	—
Achromycin	Bonn, Germany	24.55
	Berne, Switzerland	22.40
	Rome, Italy	19.50
	Boston, U.S.A.	16.57
	Chicago, U.S.A.	16.15
	Canada	13.56
	Los Angeles, U.S.A.	12.11
	London, England	9.83
	Paris, France	—
Gantrisin	Berne, Switzerland	4.34
	Rome, Italy	3.75
	Canada	3.64
	Los Angeles, U.S.A.	3.20
	Boston, U.S.A.	3.17
	Chicago, U.S.A.	3.17
	Paris, France	3.05
	Bonn, Germany	2.56
	London, England	2.40
Decadron	Canada	16.10
	Boston, U.S.A.	15.70
	Chicago, U.S.A.	15.66
	Los Angeles, U.S.A.	15.66
	Rome, Italy	15.66
	London, England	14.11
	Paris, France	—
	Berne, Switzerland	—
	Bonn, Germany	—
Librium	Los Angeles, U.S.A.	7.68
	Boston, U.S.A.	7.56
	Chicago, U.S.A.	7.12
	Canada	6.49
	Rome, Italy	4.12
	Paris, France	3.66
	Bonn, Germany	3.13
	London, England	3.02
	Berne, Switzerland	2.73

Trade Name	Country	(100's) Price to Retailer
Equanil	Los Angeles, U.S.A.	7.34
	Chicago, U.S.A.	7.02
	Boston, U.S.A.	6.26
	Canada	5.50
	Berne, Switzerland	5.15
	Rome, Italy	4.25
	London, England	2.85
	Paris, France	—
	Bonn, Germany	—
Enovid	Rome, Italy	19.20
	Canada	10.50
	Boston, U.S.A.	9.46
	Chicago, U.S.A.	9.46
	Los Angeles, U.S.A.	9.46
	Paris, France	8.80
	Berne, Switzerland	8.47
	London, England	7.70
	Bonn, Germany	—
Butazolidin	Boston, U.S.A.	6.31
	Chicago, U.S.A.	6.31
	Los Angeles, U.S.A.	6.31
	Canada	5.57
	Berne, Switzerland	2.33
	London, England	2.12
	Paris, France	1.84
	Rome, Italy	—
	Bonn, Germany	—
Premarin	Rome, Italy	9.85
	Berne, Switzerland	8.23
	Boston, U.S.A.	6.79
	Chicago, U.S.A.	6.79
	Los Angeles, U.S.A.	6.79
	Canada	5.84
	London, England	5.78
	Paris, France	—
	Bonn, Germany	—

Mr. Turner: This last table shows that while Canadian prices have decreased, reflecting no doubt the abolition of the sales tax following the budget of the Minister of Finance effective September 1 this year, the situation remains basically the same. In general, the Canadian prices are substantially higher than the lowest prices available elsewhere.

I should now like to leave the subject of international comparisons of drug prices and turn to other evidence. There is one sector of the drug market in Canada where a greater degree of competition exists. I am speaking of the market provided by hospitals and other institutional buyers such as government agencies. As the special committee of the house pointed out, many hospitals use a type of drug formulary which allows them to buy on a tendering system. In these circumstances the hospital will call for tenders for a particular drug without specifying its brand name. As a result, where there are several companies producing different brands of the same drug they are compelled to reduce their usual price to hospitals if they want to be sure of getting the business.

In its report the Restrictive Trade Practices Commission included evidence supplied by the province of Manitoba in connection with a tender call for drugs for use in mental hospitals in that province. The quotations for equal quantities of the same type of drug showed a variation between high and low bidders of 194 per cent, 221 per cent, 279 per cent and 491 per cent.

Although there is much more evidence, I shall only refer to one other piece of evidence on this subject. Evidence was given to the royal commission on health services that prodnisone, a cortisone preparation used in arthritic and asthmatic conditions, sold for $17 per 100 units to the retail pharmacists in Saskatchewan at the same time that it was being sold at $1.95 per 100 units to hospitals and government departments.

Now I wish to refer to some specific examples which illustrate that there is often little relation between the cost and the selling price of patented drugs. These examples were part of the evidence before the special committee. The first one relates to the drug stelazine. During the inquiry conducted by the combines branch in 1960 the Canadian company concerned was importing stelazine tablets from its parent company in the United States at a laid down cost of $1.32 per 1,000 tablets. The selling price to druggists, deducting the sales tax, was $67.60 cents per 1,000 tablets. Another example was the drug trancopal. The tablets were imported by the Canadian subsidiary at the laid down cost of $3.88 per 1,000. Packaging and other costs amounted to 24 cents, making the total factory cost $4.12. These tablets were sold to druggists at $70.50 and to hospitals at prices ranging from $47.16 to $63.51 depending on the quantity purchased. By the time they reached the consumer these tablets which cost $4.12 already packaged at the factory in final form were sold for $105.

The fact that prices of certain drugs, particularly patent drugs, are high is further illustrated by the price declines which occur when a patent expires. There are not too many examples of this because the real drug explosion started with the discovery of the broad spectrum antibiotics in the late 1940's, so that not many patents have expired, the length of the patent being 17 years. The patent for the drug terramycin recently expired in England, and in April, 1966 Imperial

Chemical Industries started producing and selling this drug under its own brand name at one-third the price charged by the manufacturer which held its patent. United States prices for chloromycetin have recently been reduced almost 50 per cent with the expiry of the patent on that drug. These examples demonstrate dramatically the central importance of patents as a factor in the high cost of drugs.

I am not for one moment alleging that the high price of drugs is a result of sinister behaviour by the industry. The drug industry operates within a given economic framework and members of the drug industry, like rational businessmen anywhere, have responded to the profit opportunities provided by that framework. However, I am suggesting that where parliament is not satisfied with the result of operations within a given framework, it is surely up to parliament to alter the ground rules.

Let me take a moment to describe the framework in which the drug industry operates. First, the demand for ethical drugs is determined largely by the incidence of sickness and the writing of prescriptions by doctors. Because he must follow the doctor's advice, the patient is unable to purchase any but the specified drug. Ordinarily the busy physician is not price conscious. Often he may not even know the prices of different brands of drugs and therefore he gives the factor of price little consideration when he prescribes a medicine. There is little opportunity for the consumer to switch to something else if he does not like the price. It is true that the consumer could make some savings by shopping around with his prescription, because prices do vary at the retail level. Often, however, quite understandably the worried patient does not do so. More important, as I have said, if the prescription calls for a basically expensive drug, there is nothing the consumer can do about that.

On the supply side of the market, the framework in which the industry operates is such that there are high barriers to the entry of newcomers who might inject new and more vigorous competition by importing the basic drugs for processing and packaging in Canada or by importing dosage forms. The most important of these barriers arise as a result of the interaction of the Patent Act, the Trade Marks Act, the customs tariff, the very intensive and costly program of marketing and promotion undertaken by the established firms, and the requirements of the Food and Drugs Act.

• (4:00 p.m.)

It is not surprising in these circumstances that the major drug firms have not on the whole found price competition necessary. In many cases they have been able to use patents to prevent the entry by others into the production of individual drugs. They have substituted for price competition the development of minor differences in the product and vigorous sales promotion of these small differences. They have also used vigorous sales promotion to minimize the impact of such price competition as might be offered by smaller firms. The vast bulk of advertising done by the major firms tends by its sheer magnitude to obscure the very existence of small sellers. In the case of patented drugs, no price competition need ever develop during the life of the patent.

We are now in a position to explain why the level of Canadian drug prices is amongst the highest in the world. Because of the heavily protected position enjoyed by the producers, drug pricing is based chiefly on demand. The policy of charging what the traffic will bear can be followed. This means that drug prices will be the highest in those countries where the per capita income is the highest. This relationship was confirmed by an analysis presented by the Canadian Pharmaceutical Manufacturers Association of Canada to the special committee under the chairmanship of the hon. member for Halton (Mr. Harley). The higher the income, the higher the price that can be obtained.

The alternative explanation that drugs are sold at lower prices in foreign countries because production costs are lower there does not stand up to factual examination. It is quite common to see a drug that is manufactured in the United States and exported to a European country selling much more cheaply in that country than in the United States. Since the demand and supply characteristics of the market tend to rule out price competition in the Canadian drug industry, except in sales to institutions, rivalry between drug firms takes the form of concentration on the development of minor differences in products and of sales promotion. Competition is, therefore, cost increasing. The more intense the competition, the higher costs are driven. Since there are no downward pressures on

prices, there is no downward pressure on costs. Rivalry between the firms requires more detail men, more advertising and so on. The resulting higher costs are used to justify higher prices. The evidence submitted to the special committee of the house by the Canadian Pharmaceutical Manufacturers Association showed that virtually the same amount was spent by the industry on sales promotion as on manufacturing the product. There were 49 members of the association who employed 1,799 detail men, and the association estimated there was one detail man for every ten physicians in Canada.

It is understandable, therefore, that the special committee of the House of Commons, as well as the other inquiries to which I have referred, came to the conclusion that the funds spent on promotional activity by the industry are excessive. The government now has a program which it calculates will bring about a reduction in the price of drugs to the consumer. The objectives of the government's program are to bring about the reduction in the price of drugs to the consumer by a number of steps which are expected to have a cumulative effect. The steps must be consistent both with the supply to the Canadian market of quality, safe, efficacious drugs in which the medical profession has confidence and with the existence of a viable, competitive Canadian drug industry. The program, therefore, has three objectives: lower prices, safe drugs and a viable domestic drug industry.

The program may be summarized in this way: The first step is the one which the Minister of Finance (Mr. Sharp) has already taken in removing the sales tax from drugs and reducing the customs duty from 20 per cent to 15 per cent as well as substantially narrowing the application of the dumping duty to imports of drugs.

The second step is the one we are now bringing before the house. It is proposed to stimulate price competition among sellers of patented and trademarked drugs through reducing protection against imports which is provided by the Patent and Trade Marks Acts.

As a third step, it is proposed that a program be undertaken to provide objective information to the medical profession about the properties and prices of available drugs so that prescribing physicians will be aware of the price differences between competing drug products of demonstrated quality, safety and effectiveness.

Fourth, it is proposed that steps be taken to strengthen the small sector of the industry that manufactures and sells lower price prescription drugs.

Fifth, consultation with the provinces is planned to tackle the problem of reducing the cost of retail distribution of drugs. This subject falls primarily within provincial jurisdiction.

While each element in the program will be effective on its own, Mr. Speaker, no single step by itself can be depended upon to have a substantial effect on prices. These measures are cumulative and we shall therefore be proceeding with the program as a package.

I want to make it clear to the house, sir, why the amendments to the Patent and Trade Marks Acts are in our opinion necessary. The tariff changes announced by the Minister of Finance should assist in stimulating price competition. However, as the law now stands patents may be used as an absolute barrier to imports and thus may frustrate the benefits of tariff reduction. The effect of removing the sales tax could also be frustrated. The special committee of the house concluded that without more effective operation of competitive forces than now exist in the drug industry in Canada, the only certain result of the removal of the sales tax would be a reduction in cost to the manufacturer. In actual fact, most drug producers appear to have passed on the bulk of the sales tax removed, and I am glad to acknowledge this. Unless more real competition can be introduced, we can have no guarantee prices will not move upward again and absorb the tax saving.

As hon. members know, the Patent Act creates a temporary monopoly in the patented product or process for the inventor with the object of encouraging invention, change and innovation and of making the fruits of that invention available in due course to the public at large. The granting of a patent to the inventor or his assignee gives him the power to prevent others from making, using or selling the patented product or process for a certain period of years. Under Canadian law, patents relating to food and drugs have been placed in a special category. In the first place, the act provides that in the case of an invention relating to a substance prepared or manufactured by a chemical process and intended for food or medicine, the patent does not include the product itself unless prepared by the patented process. This is the present law and it has been the law since

1923. Any person, therefore, is free to produce, import and sell the same product as long as it is not made by the patented process.

In the second place, under the present law provision is made for the granting of a compulsory licence of a patent for invention intended for or capable of being used for the production of food or medicine. When an application is made, the commissioner of patents must grant a licence, which is limited to the use of the invention for manufacturing a food or medicine, unless he sees good reason to the contrary. The commissioner, in so doing, fixes the amount of royalties payable by the licensee for the use of the patent, having regard to the desirability of making the food or medicine available to the public at the lowest possible price consistent with giving to the inventor due reward for the research leading to the invention. This is the present law.

The full privileges of patent protection, therefore, have not been granted to drugs. The Canadian Pharmaceutical Manufacturers Association has referred to this as discrimination. I think it is more accurate to suggest that parliament, for over 40 years, has recognized the important principles of public policy involved, has weighed them and has decided that in this particular case the immediate welfare and interest of the general public is paramount and private interests of the industry, as well as whatever inducement to research the patent would represent, are to be subordinated to the public interest.

I think it is worthy of note that less than 5 per cent of the patents granted by Canada on drug processes are issued to residents of this country. Thus the patent system is an expensive way of stimulating inventive activity in Canada. The government can and does provide more direct and effective inducements to research in the form of statutory grants made available through the Department of Industry. These grants are made available only to the firms which are actually willing to do research in Canada. Patents, on the other hand, are given equally to those who are prepared to do research in Canada and those who are not prepared to do such research.

Compulsory licences to manufacture under section 41, subsection 3, of the Patent Act have not been sought in substantial numbers. In many cases it is apparently uneconomic to manufacture in Canada the basic drug to which the patent relates. This is borne out by the fact that the existing firms, including the major international firms, import most of their active ingredients. In fact, it is my information that 85 per cent of the manufacturing in Canada does not relate to the manufacture of the basic chemical or ingredient that goes into the drug but involves the conversion of the basic chemical that is imported into the final dosage form, whether it be a pill, tube, or whatever form it takes.

• (4:10 p.m.)

The Pharmaceutical Manufacturers Association of Canada has stated that "it has not proved economically feasible to develop a pharmaceutical chemical industry itself, primarily because of the limited size of the Canadian market." Those words are the association's. I think there are other factors that probably bear on the situation. These include the high promotion costs which would subsequently be entailed, opposition to and appeals against licence applications which would have to be anticipated, and the live and let live attitudes on the part of the established international firms.

It is instructive that compulsory licences have been obtained and exploited chiefly by wholly Canadian firms. The Harley committee found that competition over a wide range of products has not developed through compulsory licences to manufacture. The alternative stimulus to competition, namely, the importation of drugs ranging from the basic chemical to the final dosage form, has not been given an opportunity to work in the Canadian market because the commissioner of patents has held that he is not authorized to issue a compulsory licence for import of a drug under section 41 (3) of the Patent Act. The fundamental purpose of this bill is to amend the Patent Act to provide beyond any doubt that the authority of the commissioner of patents to issue compulsory licences for patented drugs shall extend to the import of drugs in all forms.

I want to make it clear that this is not such a novel or unorthodox proposal as some industry spokesmen would have us believe. First, it is at least arguable in law that the commissioner now has authority to issue compulsory licences for the importation of the active ingredients. The amendment will eliminate any uncertainty in the present law. Second, one of the main recommendations of the royal commission on patents—the Ilsley commission—was that the Patent Act should be amended to prevent patents from being

used as a non-tariff barrier to trade. In other words, the Ilsley commission recommended the abolition of patents in so far as those patents acted as a substitute for a tariff. Third, as the special committee of the House of Commons pointed out, the section in the United Kingdom legislation of 1949 which corresponds to our section 41 (3) authorizes compulsory licences for imports, and this fact does not seem to have held back the growth of the British drug companies. Fourth, in the United States in circumstances in which a drug patent covers only the process and not the product made by the process, importation of the product does not constitute infringement.

The special committee of the House of Commons recommended that the commissioner of patents should grant a licence for import only when he considers it is in the public interest to do so. At present the commissioner is required to issue a compulsory licence, as the statute says, "unless he sees good reason to the contrary".

I want to deal with some of the recommendations made by the special committee of the house so as to show where, in certain details, we are departing from those recommendations.

This recommendation of the special committee introduces a new principle which would tend to restrict the issue of licences to import. It would place on the commissioner the difficult burden of determining the public interest. Accordingly, the existing principle of licensing, that is, the issue of a licence unless the commissioner sees good reason to the contrary, will be maintained by the amendment and extended to the compulsory licensing of imports.

Another recommendation of the special committee was that "the patent commissioner, in assessing royalities on the granting of a compulsory licence, shall consider that the patentee who discovers and initially develops the drug in Canada should have higher royalties than the drug manufacturer who discovers new drugs outside Canada". While I have a good deal of sympathy with the purpose of this recommendation, we are unable to adopt it, particularly because discriminatory royalties would be in breach of the Canadian government's obligations under the international patent convention.

Under the United Kingdom legislation the comptroller, in assessing the royalties for a compulsory license, takes into account the patentee's expenditures on research and development and on the promotion of the patented drug. It has been urged that this or a similar formula should be imported into the Canadian legislation. There are a number of compelling arguments against this but to save time I shall mention only three of them.

First, in the United Kingdom the patent is on the product as such, whereas in Canada the patent is on the process, or on the product when made by the patented process. Since the patent does not extend to the drug substance as such in Canada, the key factor being the process, the supreme court has held that the promotion and other costs associated with the finished drug are irrelevant in setting the royalty. It seems obvious that in principle the royalties should be related in some way to the invention, that is, to what is patented. Not only is this logical but it is the established practice in Canada with respect to other industries.

Second, the cost of research, or a contribution with respect thereto, may be recovered not only by royalty payments on the patents but also by the repatriation of profits earned by the Canadian subsidiary. While prices in Canada remain so much higher than they are in many other countries, the argument in favour of an increased research contribution by the Canadian consumer is not persuasive.

Third, the adoption of the principle followed in Britain could frustrate or at least impair the downward pressure on prices we seek to achieve.

The special committee of the House of Commons expressed the opinion that there is no doubt that the manufacturer who introduces a new drug should be allowed a certain time to promote the drug and establish his position in the market following appropriate clinical testing, so that for a period of time at least he retains his monopoly position. However, the new drug regulations of the food and drug directorate in effect provide a monopoly for five years. The committee felt this was an adequate period for recouping a reasonable return on research, and I agree with their view.

The special committee of the House of Commons also expressed the opinion in connection with compulsory licensing that difficulties can be anticipated from artificial delay that may be introduced by the patentee during the course of prosecution of the application which could lengthen enormously

the period between the date of application and the date the patent issues. The monetary rewards to a patentee as a result of delay in the compulsory licensing application, the committee said, can be substantial. The special committee therefore recommended an amendment to provide that if the grant of a compulsory licence takes longer than 12 months the commissioner may issue the licence subject to revocation if any appeal against the issue of the licence is upheld. Subsections 5 to 11 inclusive are intended to give effect to the principle which the special committee recommended should be adopted.

The special committee also recommended that the grant of a licence should be subject to a report by the food and drug directorate to the effect that the applicant had satisfied the directorate that he met the regulations under the Food and Drugs Act. However, the food and drug directorate will enforce the regulations relating to safety and quality irrespective of the grant of a licence. The question of safety is therefore more properly left to the food and drug directorate than to the patent commissioner. It is, however, important that the directorate should have early notice of any application for a licence. The commissioner will, therefore, be required to give notice of the application to the food and drug directorate in order that it may take any necessary action. Moreover, the commissioner of patents will be concerned as in the past to screen out fly by night operators and to deal only with responsible applicants.

The special committee also recommended that the rules under the Patent Act be amended to permit the commissioner to seek and receive outside independent expert advice on the matter of the public interest. However, authority to obtain expert evidence already exists under section 4 (2) of the Patent Act. Thus no new provision is required.

The special committee recommended that the importer of drugs under compulsory licence should pay the cost of the food and drug directorate's services outside of Canada made necessary by the proposed import. It is our feeling that this would be discriminatory in that such costs are not borne by the resident manufacturers or by other importers of drugs, whether patented or not. Moreover, it is questionable whether this would be consistent with the GATT and other international trade agreements. It is not, therefore, proposed in this legislation.

[Mr. Turner.]

• (4:20 p.m.)

The special committee pointed out that under present law the Canadian subsidiary of a foreign parent company can prevent the importation of drugs into Canada if these bear trade marks identical with those owned and used by it. This, of course, rules out imports of brand name drugs which may be selling at lower prices outside Canada and which, in fact, may in many instances be identical with those drugs manufactured by the subsidiary from bulk active ingredients imported from the parent corporation.

The special committee noted that prior to 1953 a trade mark could not be assigned or transferred to another corporation, even a subsidiary corporation, without at the same time transferring the good will of the business. Under the Trade Marks Act, 1953, this situation was reversed and subsidiaries or licensees became legally entitled to use the trade mark of their parent corporation under a "registered user" system. The subsidiary, for example, provided it operated strictly under a registered agreement with its parent corporation, obtained equal rights to the trade mark of the parent.

In representations made to the joint committee, the Patent and Trade Mark Institute of Canada expressed the opinion that if the Canadian company does not own a Canadian registration but merely uses the mark as a "registered user" thereof, the trade mark being actually owned by the foreign related company, sale of the trade marked wares imported from the foreign related company would not constitute an infringement of the registration. It appears, however, that a court decision of 1960, Remington Rand Limited *v.* Trans-World Metal Company Limited, clearly gives the owner of a Canadian trade mark the right to exclude trade marked goods manufactured by related companies outside Canada.

It is proposed, therefore, to amend the Trade Marks Act to provide that no infringement of a trade mark can be claimed where drugs, bearing the trade mark of and manufactured by a related company in a foreign country, are imported into Canada. This is a recommendation of the special committee of the House of Commons and of the Royal Commission on Health Services. The amendment will apply in the situation where a foreign parent and a Canadian subsidiary sell a particular drug product under the same trade mark both in Canada and in the foreign

country. The amendment will permit a third party to import the drug into Canada when it has been manufactured by the foreign parent. It will not allow the importer to abuse the trade mark or deceive customers. Such imports are likely to occur only when the price in Canada is substantially above the price in the foreign country.

At the present time patents may be invoked to prevent the import of patented drugs either in the form of the fine chemicals or in dosage forms. The proposed amendments to the Patent Act will facilitate the import of drugs in the form of fine chemicals. However, the sale of imported dosage forms could still be prevented under the provisions of the Trade Marks Act. In order to facilitate the import of dosage forms it is therefore necessary to adopt both the patent and trade mark proposals.

I want to talk now about the question of quality and safety. As I said earlier, this is of paramount importance to the Canadian public. Assurance of a high level of quality and safety of drugs is of prime importance to the public interest. A patent, however, has nothing whatever to do with quality. We should not confuse the purposes of the Patent Act with the purposes of the Food and Drugs Act. Some industry submissions would have us believe that only a patented or trade marked drug carries the assurance of high quality and safety. This is simply not the case. Assurance of quality depends, first, on the integrity of the particular manufacturer and, second, upon the controls exercised by the food and drug directorate. The patent itself confers no guarantee of quality, nor is it an essential condition of quality. There is no evidence whatever that drugs which have never been patented or on which patents have expired are any less safe than patented drugs.

Under the proposed amendment, where the preparation of the dosage form continues to be carried out in Canada, the situation presents no new elements and therefore no greater difficulties than exist at present. On the other hand, if the drug is imported in final dosage form as a pill, serum or in a tube, evidence must be available to indicate that all requirements of the Food and Drugs Act and regulations have been met. This may entail inspection of the foreign plants in which they are produced. In any instances where these requirements are not met, the product can of course be excluded from the Canadian market, regardless of whether a patent has been granted or license issued.

The food and drug directorate already has responsibility for all drugs on the Canadian market, including those imported from abroad. To the extent that the program increases the volume of imports, there will be an increase in the work load of the directorate. The problems will, however, differ only in degree, and the directorate believes that, with the additional resources that are being put into place, it can continue to discharge its responsibility in relation to quality and safety.

In its report the special committee said that unfortunately the large international drug manufacturers often give the impression that the products of small drug companies are not safe. This was challenged not only by the small drug manufacturers themselves but also by purchasing agents of some hospitals and government departments who have ordered and continue to order the products of the small companies.

[*Translation*]

It has to be recognized that no matter how much opportunity for price competition may be opened up, unless the physician has confidence in the manufacturer of the drug and in the measures taken to ensure the purity, safety and effectiveness of the product, he will not prescribe it for his patient. It is, therefore, important that full attention be given to the necessity of building up confidence on the part of physicians in the quality of available competing products. Lacking the time or resources to make a comparison between the properties and prices of competing products, the doctor prescribes those drugs he has heard of, has read of and has some knowledge of. Being a cautious man, he prescribes the drug manufactured by a company known to him. He may or may not know what the drug costs, and he may or may not realize that there are lower cost alternatives on the market.

It is, therefore, essential to the success of the whole program that the physician develop confidence in and prescribe lower-priced drugs when he is satisfied that they will adequately serve the needs of the patient. The special committee of the House of Commons accordingly recommended that the food and drug directorate should publish periodically an informative bulletin to the medical profession with detailed information on drug properties, action and prices. The directorate is making plans to carry out this recommendation.

[*English*]

Within the Canadian drug industry there exists a group of firms whose business consists chiefly of the manufacture of lower priced drugs. This sector comprises over 100 smaller manufacturers, mostly Canadian owned, which together account for only some 15 per cent by value of the market, about $30 million at factory prices.

The dissemination of information on comparative properties and prices, as I have just mentioned, is designed to stimulate the demand for lower priced drugs, including the products which the smaller firms manufacture or are capable of manufacturing. The changes in the anti-dumping regulations and in the Patent Act will also open up additional opportunities to them. However, before they can take full advantage of the new situation it will be necessary for some of them at least to regroup or reorganize into units of greater strength and capability if they are to compete effectively for a significant share of the retail market for their lower-priced drug products. Plans to strengthen the competitive position of this sector of the industry are now under consideration and will be announced in due course.

• (4:30 p.m.)

While attention in the various studies I have mentioned has been focused on the price of drugs at the manufacturing level, it is widely recognized that a further basic cause of the high price of drugs lies in the high cost of retail distribution. In the submission of the Canadian Pharmaceutical Association Incorporated to the special committee it was stated that in 1964 an average pharmacy dispensed some 30 prescriptions each day of the year, the sales from which represented only 27.4 per cent of the gross sales of the pharmacy. According to the special committee, these figures and others presented to it clearly indicated that the average pharmacist in an average community could not hope to survive unless he also operated his pharmacy as a small goods retail outlet. The special committee concluded there were indications that serious inefficiency existed as a result of too many drug stores serving too few people. It added that inefficiency leads to higher prices.

The special committee also noted that the provincial pharmaceutical associations appear to exercise great control over their pharmacist members through regulations and standards of ethics. In considering what might be accomplished in reducing prices at the drug store level the special committee had to keep in mind the division of powers between the federal and provincial governments. As I have previously told the house, I am planning early visits to the provincial capitals to examine jointly with provincial leaders the problems of the consumer and methods of solving them on a broad base. These visits will, I hope, lead up to and prepare the ground for a federal-provincial conference on consumer affairs. In these discussions the retail distribution of drugs will have a high priority. The federal program which I have been outlining is designed to tackle high drug prices at their origin, that is, at the manufacturers' level. But it is essential, and this is our intention, to initiate action at the level of distribution through discussions with the provinces.

I should like to analyse briefly our reasons for feeling this program will be effective. I believe there are a number of reasons which justify confidence that, taken as a whole, the program I have outlined will be successful in reducing the price of drugs. In the first place, there is overwhelming evidence that there is scope for substantial reductions. I have earlier referred to the fact that many of the international companies operating in Canada sell drugs abroad at much lower prices, and since this is a persistent phenomenon it cannot be argued that this is unprofitable for them. I have referred to the tremendous spread between the manufactured cost of some drug products and the manufacturers' selling price. I have referred to the fact that the selling costs of this industry are as great as its manufacturing costs, and I am not aware of any other important industry where selling costs represent such a high proportion of the final price. I shall refer in a moment to the evidence that profits in the Canadian drug industry have continued year after year at a level twice as high as manufacturing generally.

In the second place, in the one sector of the market where competitive forces are sometimes able to operate, namely, in sales to hospitals and other institutions, some drugs are sold at half the price or less than that charged to the retail trade. In the third place, we know that in other jurisdictions, such as Britain and the United States, when important patents have expired there has been a dramatic fall in prices. In the fourth place, even under the present provisions for compulsory licensing, in the limited number of

cases where new producers have been able to enter the market, price reductions have occurred. In the fifth place, while the existing provisions for compulsory licensing have been taken advantage of primarily by small Canadian companies who have selected certain products which it was practicable to manufacture completely in Canada, the possibility of importing the active ingredients under compulsory licence should encourage the small companies to expand their activities substantially. In turn this may induce the large international companies to broaden their lines through compulsory licensing in order to preserve their shares of the market. There are indications that some international drug companies are likely to seek compulsory licences to import if these amendments are passed by parliament.

Finally, members must certainly be aware that the industry itself anticipates that these measures will put a substantial downward pressure on prices. For example, in its presentation before the special committee of the House of Commons Hoffmann-La Roche commented: "The mischief for Roche lies not so much in what business would actually be lost to copiers but what happens to the price level as a result of their entry".

Although, as I have indicated, the most important effect of the patent proposals may be to permit importation of the basic chemicals, there will be some products the demand for which will be too small to justify the preparation of dosage forms in Canada. Provision for the importation of drugs in dosage forms is, therefore, important. It is in connection with the possibility of importation of dosage forms that the proposed change in the Trade Marks Act is necessary. Taken together, the patent and trade mark proposals should have the effect of ensuring that prices in Canada are brought more into line with world prices. Importations will occur, however, only to the extent that high prices in Canada make such importations economically feasible. Faced with the likelihood of import competition the established industry can be expected to reduce its prices to avert it.

I should like to consider briefly the impact of these proposals upon the drug industry as we see it. The latest census of manufacturers by the Dominion Bureau of Statistics taken in 1965 lists 162 manufacturers of pharmaceuticals and medicines employing 11,137 persons. Total manufacturing and related operations by themselves accounted for the employment of less than 4,400 persons. Administrative and office employees numbered slightly more than 3,800. There were over 2,800 persons engaged in sales and distribution. The submission by the Alberta government to the special committee pointed out that wages and salaries paid by drug firms represent only about 30 per cent of the value of output, while in most industries it is closer to 70 per cent.

Canadian drug manufacturers both manufacture and import. There is no substantial fine chemicals industry in Canada and the basic drugs are therefore mainly imported. I said the figure was roughly 85 per cent, that is, the percentage of the basic chemicals which is imported. In many cases final dosage forms are also imported by subsidiaries of the manufacturers. The manufacturing activity in Canada is largely a matter of converting bulk drugs into dosage forms and packaging and marketing them.

It is not possible to predict the magnitude of additional imports which may result from the extension of compulsory licensing to cover importation of drugs. Nor can reliable estimates be made of the proportions of these additional imports which will take the form of finished drugs on the one hand and of ingredients on the other.

There is no obvious reason why compulsory licensing of imports should significantly change the present relationship between imports of finished drugs and imports of ingredients. The same amount of manufacturing should continue to be done in Canada though it may be rearranged in terms of the competitive forces involved. At the present time it is more difficult for potential importers to obtain supplies of low-priced dosage forms than it is for them to obtain supplies of low-priced chemicals. The patent and trade mark proposals will not make the availability of low-priced dosage forms any easier. Where the potential importer has access to a supply of low-priced dosage forms, the patent and trade mark proposals will, of course, make it easier for him to sell them on the Canadian market. If importation takes the form of basic chemicals, this will have an effect on those few firms which manufacture such chemicals in Canada but this is a very small segment of the pharmaceutical industry. Such imports cannot substantially affect employment in the drug industry in Canada since at most they will simply result in other firms doing what is being done by the present patent holders. To the extent that this occurs, it will at most shift operations from one plant to another.

There is every reason to expect that Canadian branches or subsidiaries of large international firms will themselves seek compulsory lincences and begin producing dosage forms of drugs in Canada which they are now precluded from producing because of patent restrictions. This would mean an increase in competition among the large and well established firms. To the extent that some patent holders have in the past imported finished dosage forms rather than basic chemicals, the patent proposals may have a tendency to increase the amount of manufacture in Canada.

While the proposed steps are designed to inject real price competition into the drug field with the expectation that prices of drugs will fall, nevertheless the established firms in the Canadian drug industry will still be afforded substantial protection. This arises out of the 15 per cent m.f.n. tariff, the "new drug" regulations which I shall explain in a moment, the sales promotional activities of the established firms and the remaining patent and trade mark protection.

• (4:40 p.m.)

We are not abolishing the Trade Marks Act and we are not abolishing the Patent Act. Neither should it be forgotten that the average rate of return on investment over the past 12 years in the Canadian drug industry was 20 per cent for all drug manufacturers compared with about 10 per cent for all manufacturing. There is thus in our opinion a substantial cushion for the established drug firm in adjusting to the new conditions of the market. An appendix to the report of the special committee of the House of Commons points out that during this 12-year period the return on investment to the pharmaceutical industry tended to increase, while the return on investment for all manufacturing showed a substantial decline. Moreover, the committee concluded that contrary to what some have claimed, the financial experience of the Canadian pharmaceutical manufacturing industry does not indicate that business risks to it are greater than to manufacturing in general in this country. On the contrary, said the committee, the evidence indicates that it has been less risky.

I now wish to say a word about the significance of the new drug regulations under the Food and Drugs Act. Before the sale of a new drug is permitted the manufacturer must carry out extensive and very costly tests and submit the results to the food and drug directorate. If the directorate is satisfied as to the safety and efficacy of the drugs on the basis of the evidence submitted, it issues a notice of compliance on the basis of which the drug may be sold by the person or firm who submitted the evidence. The drug remains a new drug until it has been sold in Canada in sufficient quantity and for a sufficient time to ensure that any serious side effects will have shown up. As long as it remains a new drug no other person or firm may sell it unless he has submitted similar evidence to the directorate and received a notice of compliance. In general it is not economically feasible for a second person or firm to duplicate work of the first person or firm and this is not done in practice. A new drug—I emphasize this—usually remains classified as such for a minimum of five years. Hence, in practice the holder of a patent on a new drug enjoys absolute protection for five years. Only when the drug is removed from the new drug classification is the question of compulsory licensing likely to arise.

The special committee of the House of Commons expressed its opinion that the patentee has ample time to establish and consolidate his position in the market and thereby recoup his research costs by virtue of the fact that it takes some five years for the drug to lose its new drug status. It also concluded that it was most unlikely that a compulsory licence would be sought prior to the date that the drug lost its status as a new drug.

In summary, it is to be expected that the major effects of the proposed amendments will be to reduce the prices, selling outlays and profits of existing large drug firms, rather than to decrease greatly their share of the market. Output can be maintained to the extent that they are willing to cut prices to meet the challenge of imports, and this will maintain output and employment in existing plants.

There is one other important consideration relating to the impact on the industry of the proposed amendments to which I should like to devote some attention. In its report the special committee of the House of Commons noted that when the report of the royal commission on health services was written the 13 largest firms in the drug field in Canada, exclusive of Connaught Research Medical Laboratories in Toronto, were with one exception all branches or subsidiaries of foreign firms. Since then the Frosst company

has been taken over by a United States firm. Since the report was written the last large Canadian firm, in other words, was purchased by a United States corporation.

According to the submission of the Pharmaceutical Manufacturers Association of Canada to the special committee, 36 of its 57 members are based in the United States and many of the rest are based in Europe. As I have mentioned earlier, 95 per cent of all Canadian patents are owned by residents of foreign countries. If anything, the proportion of drug patents held abroad is probably higher than 95 per cent. Given the fact that most of the Canadian drug industry is foreign owned and the fact that most drug patents are foreign owned, the chance of any Canadian firm being able to break into the market on a substantial scale is very limited under present circumstances. The amendments to the Patent Act which have been proposed are likely to be of crucial importance in making entry easier for Canadian owned drug firms.

Spokesmen for the major drug firms often defend the height of their prices, or the gap between computed costs and market prices, by reference to the vast sum spent on research in the interest of advancing the cause of health and medical science. It is also asserted that in the absence of the patent incentive, research would disappear. I should like to say, Mr. Speaker, that I believe fundamentally in the importance of research in this country. I have said on many occasions that our research in Canada is less than 1 per cent of our gross national product, whereas in the United States it is 4 per cent or 5 per cent and in the United Kingdom 3 per cent or 4 per cent. But it applies to the international drug industry and the amount of research done in Canada, the statements I recited from the industry should be questioned.

In terms of the manufacturers' sales dollar, as reported by 41 members of the Canadian Pharmaceutical Manufacturers Association for the year 1964, only 7 per cent was spent for research and development of all kinds. This figure included sums charged to the Canadian companies by related companies outside of Canada. At the same time, sales promotion expenses accounted for 30 per cent of the manufacturers' sales dollar. Hence over four times as much was spent on sales promotion as on research. The proportions are not greatly different in the United States.

The 7 per cent research figure takes into account the fact that research spending by the drug companies has been increasing substantially in Canada in recent years. I should like to suggest to the house that this increase cannot, however, be attributed to the operations of the patent system. In its submission to the special committee the Pharmaceutical Manufacturers Association of Canada said that both in Canada and the United States the requirements of government for additional data before a new drug is allowed on the market have sharply increased companies' research and development expenditures. In support of this proposition the association quoted this statement about the United States drug industry:

> Industry research people estimate that the cost of developing a new chemical entity has increased somewhere between 20 and 50 per cent in the past few years, with most of the increase due to meeting the requirements of the food and drug administration.

Elsewhere in its brief the Pharmaceutical Manufacturers Association of Canada referred to the increase in research spending between 1959 and 1964 and acknowledged that this expansion was due in part to the research tax incentive offered by the federal government and to the fact that a few companies had been given direct grants for specific projects. The special committee of the House of Commons reached the conclusion that Canada was a late starter in drug research and because of this the international aspect of the drug industry should be studied before any hasty recommendations were made about the promotion of further research in the Canadian branch of the industry. The special committee suggested that any further tax concessions that might be conferred on the Canadian drug industry should be considered in the light of what benefits are likely to be attained from the total package of research and development undertaken. If this examination is not carried out, the special committee suggested, it is conceivable that the taxpayer will be asked to pay for clinical research and testing which are normal expenditures of any industry, and the manufacturers will reap the benefit at the expense of the taxpayers and, I might say, at the expense of the consumer.

It has to be borne in mind that it may well be cheaper for Canadian firms to continue to acquire the result of research by purchasing it abroad, particularly through their parent organizations. The reason why Canadian subsidiaries of international drug companies do not do more research in Canada was explained to the special committee by

Canadian Cyanamid. It said that Cyanamid's drug research is carried out largely by the thousand scientists and technicians in its New York laboratory. Economic considerations have dictated the concentration of the principal pharmaceutical research effort at a single location because of the heavy investment required in specialist facilities and personnel. The Cyanamid submission argued that it must be obvious that fragmenting such an operation was not feasible. In its report the special committee came to the conclusion that the drug industry in Canada would continue in the foreseeable future to remain largely within the international framework, that the larger Canadian companies would remain subsidiaries of foreign corporations, and that any further noticeable increase in research in Canada by these subsidiaries would in all likelihood not take place unless stimulated by government policy, that is to say, by government grants, tax incentives and the like.

• (4:50 p.m.)

It is perhaps worth recalling that the Canadian market is of relatively minor importance to anyone wishing to market a new drug discovery. Drug research is predicated on the idea of supplying a new discovery to the world. In logic, therefore, there is no reason the proposed patent amendments should change the locus of any research undertaken which is contemplated, if there are otherwise good economic reasons for locating it in Canada. Of all Canadian subsidiaries of international drug firms only three have done any appreciable research in Canada and this for historical reasons, prior to their purchase by international concerns. Most of the research has been produced on the international scene. I think one should pay tribute to Frosst and Ayerst, McKenna. I do not want in any way to downgrade what they have done for Canadian technology and research. As a matter of fact, the director of research for Ayerst is now rector of the University of Montreal. He is a very distinguished Canadian, indeed.

I have heard much about the argument in respect of exports. The proposed amendment can have no important effect on exports because exports from the Canadian drug industry are not substantial now. The Department of Industry estimates that exports amount to something over 5 per cent of Canadian production. Owing to the structure of the industry and the fact that all important companies are owned abroad, so that potential export markets are served by affiliates

located there or by the parent companies, the likelihood of a substantial export business being developed by the companies most affected by the proposal is remote. This appears to be accepted by the Pharmaceutical Manufacturers' Association of Canada, which said that pharmaceutical companies in Canada have developed primarily to serve the domestic market and few of them export. Conceivably some export business might be developed by truly independent Canadian companies.

The special committee of the House of Commons reached similar conclusions. The Harley committee said that in so far as the export market is concerned, unless the patent owner is Canadian the international patent system can prevent and it does discourage development of the drug industry in Canada. With most foreign owned patents, subsidiary companies of the parent patentee control the market within their own jurisdictions. Export activity must therefore be confined to those areas of the world where patents are not taken out, areas which are relatively and commercially insignificant. The special committee of the house reported that on a question addressed to one Canadian subsidiary of a United States parent corporation the answer was succinctly put, "We have so many plants all over the world I just do not know where we would export to."

I have taken a great deal of the time of the house, and I thank hon. members for their indulgence in hearing me out. I feel this is a complicated and important piece of legislation and that I owed it to members of this house to explain it as fully as I could. In all that I have said I have had in the forefront of my thoughts the essential and important part which drugs play in the health care of the Canadian people. I want to be as categorical about this as it is possible for me to be. There is no issue between myself and spokesmen for the drug industry about the very great benefits that drugs have conferred on Canadians and the very great benefits that the Canadian industry has conferred upon Canadians. Indeed, it is the very importance of drug products which makes the performance of the drug industry so critical. What we do not wish to see is the great benefits flowing from the availability of modern drugs being persistently overshadowed by their high cost to the consumer.

Finally, I wish to refer briefly to what I said during the debate when the consumer

affairs bill was before the house last November, and specifically about the importance of having a federal presence in the consumer field. The drug program which I have just outlined is an example of how it may be possible in the future to co-ordinate government policy in the interest of the consumer in a more effective way than has been done in the past. The fact that there is now a minister responsible for this function should make it possible to seek out other ways by which the federal government can assist in reducing prices or restraining price increases in areas of vital concern to consumers in spite of the fact that we have no direct constitutional authority to impose control over prices or wages.

I shall conclude my remarks by reminding the house that it is now over four years since the report of the first major inquiry into the drug industry was published—not since it was begun, but since it was published. It may have been worth waiting for the findings of the Royal Commission on Health Services and of the special committee of the house on drug costs and prices in order to ensure that the most careful consideration was given to the issues involved. These amendments are a direct result of the review by the special committee of this house under the chairmanship of the hon. member for Halton. I believe the time has come when the public is looking to parliament for effective action.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to congratulate the minister on his marathon speech and for recognizing that this is a complex piece of legislation, bad in respect of some points, which he did his best to dress up and gild. It has a great many loopholes and I intend to deal with some of them, particularly those in respect of patents and safety which he passed over so easily.

Bill C-190 is intended to increase price competition among pharmaceutical manufacturers in Canada by depriving them of the limited patent rights they own on certain processes for making drugs they have invented. Canadian patent rights on prescription drugs are already weak in comparison with those of other countries. Under existing Canadian legislation there is a legal procedure known as compulsory licensing. It works in this way. Company A, after long and expensive research, invents a drug and obtains a patent to process and manufacture it. Immediately it is granted a patent, Company B may apply for a compulsory licence enabling it to use the same process patented by company A. This licence forcibly deprives company A of the full benefits of its own invention. Such a licence is granted to company B almost as a matter of right for a royalty which the commissioner of patents himself has described as a mere pittance. Company B must make the drug in Canada.

The patent amendments now proposed will remove this requirement in respect of manufacture in Canada. They would extend the grounds for granting a compulsory licence so that prescription medicines produced outside the controls provided by the Canadian Food and Drugs Act could be imported into Canada. The changes proposed to the Trade Marks Act would permit the importation into Canada of drug products manufactured by a company abroad under the same trade mark used by the related Canadian company. This would permit the false assumption that drug products bearing the same trade mark would be identical in all countries.

This bill virtually abolishes patent protection for drugs and amounts to discriminatory confiscation of property without any compensation whatsoever and without any guarantee of the intended public benefit. The public did not need this bureaucratic bill from the mushrooming department of the new minister.

Bill C-190 deals with patent rights which are perhaps moral and economic issues. Fundamentally, putting the matter in its most simple form, a man or a woman spends days, months or years working hard and long to develop an idea into something tangible. It matters not whether the idea relates to a drug, a food or an implement. Surely that person should not be cheated of the rewards of his labour either in part or in whole. This is the moral issue involved in removing or restricting patent rights. It goes beyond cheating a person out of his ingenuity; it discourages incentive and invention. It discourages research and destroys industry. People struggle and work in their own laboratories or in company or university laboratories, unseen, largely unhonoured and unsung, many of them reaping little in the way of monetary return. Out of 3,000 experiments, approximately only one comes through and produces a useful drug. Therefore a man could work in research all his life and never come up with a worth-while finding.

• (5:00 p.m.)

I think back to the early 1920's when Banting and Best worked in a small laboratory in

Toronto—coming from that area and knowing both of them I am very cognizant of this —under the direction of Professor MacLeod, a Scotsman, head of the department of physiology of the University of Toronto. There was at that time no drug treatment for diabetes; it was a hopeless condition. Juveniles, young adolescents and middle-aged people died long before their time. Juvenile diabetics died within a few years. It was a pitiful thing. I remember one young person 18 years old dying in something like a period of two months. The economic loss was measured in millions and millions of dollars. This, then, was the situation when Banting and Best undertook their experiment which had been tried in 1896, about 27 years earlier—I think this illustrates the whole problem that the minister did not grasp—by Claude Bernard and was unsuccessful. Research is a long, continuing process.

Why did Banting and Best go into this endeavour? Banting was a medical doctor, raised in Alliston, Ontario, a short distance from where I practise. I knew him very well. During his high school years he was very distressed by a young girl whom he saw daily becoming thinner and thinner and wasting away until she died. This had a profound impression on this young high school student and was the main reason Banting went into medicine and research.

There was here the dedication and incentive to produce a material that would cure or arrest this disease. Banting and Best were able to produce insulin which controled diabetes. I had just graduated from medical school when that happened. In 1926 we were just starting to use the fruits of their labour. Insulin has been improved over the years and has rescued millions of people from an early death. In dollars and cents, Mr. Speaker, insulin has rewarded the world economically by billions of dollars to say nothing about preventing untold suffering. Brilliant scientists, with their diabetes under control, have carried on their life's work and added to the storehouse of knowledge of the world. I know two from the University of Toronto who have done so. People of all vocations suffering from diabetes were able, generally speaking, to live out their life span and work at their calling.

The world rejoiced when insulin was discovered at the University of Toronto. The minister talked about this young country not being able to keep up in respect of research. May I remind him of the fact that at that time there were only 10 million people in Canada. When the great discovery of insulin was made the world rejoiced. This demonstrates beyond peradventure the point that research can be carried out successfully in a small country.

The patent rights to insulin were turned over by Drs. Banting and Best to the governors of the University of Toronto. Over the years the returns from those patent rights, placed in a trust fund, have largely financed the Connaught Laboratories. Perhaps it would be in order to refer to Dr. J. K. W. Ferguson, one of the outstanding physiologists in the world today and director of Connaught Laboratories. Dr. Ferguson says on this subject:

> ...it has undoubtedly been drawn to the attention of the government that virtual abolition of patent protection for the drug industry in Canada would be disastrous for the prospects of developing a competent, research-oriented drug industry in Canada.

This information paper published by the University of Toronto goes on to state:

> What does not seem to have been pointed out yet is that other countries may be pressed to take retaliatory action against Canadian exports, if the Canadian subsidiaries of their companies have been subject to confiscation of an important commercial asset.
>
> The brief advances the opinion that all drugs in Canada are not overpriced and the number that are overpriced at the retail level may be very small. It proposes that, in the interest of obtaining well-informed and fair-minded opinions, data on retail drug prices be sent to the Canadian Medical Association with the request that they be studied by its committee on pharmacy and such other expert opinion as they consider desirable.

I noted that the minister referred to doctors being so busy that they did not know just what they were using in the way of drugs. I do not know whether that is what he meant but that is the impression he gave me. The minister can correct me if I am wrong. Doctors may write prescriptions for all the drugs used in Canada today, and I certainly hope they are not only conscious of the drug they are using and the job it will do but are also thinking of the patient and the price of the drug. I believe this is true of at least 90 per cent of the doctors in our hospitals. They certainly know the qualities of different drugs because they are using them by their generic names. Those drugs have been proven clinically, which is a different situation from the

one to which the minister was referring. I continue quoting from this paper:

Dr. Ferguson recalls that the Connaught Medical Research Laboratories were set up by the University of Toronto "for the purpose of research in hygiene and preventive medicine and the preparation of serum and vaccines or such other substances as may hereafter be found to be useful in the prevention of disease ..."

From the earliest days, the laboratories have been essentially self-supporting from the sale of products and earnings have been kept by the governors in a trust fund for the support of medical research and for the capital expansion of the laboratories from time to time. Over a period of 50 years, they have grown to the point—

This started with the humble beginnings of the discovery of insulin by Drs. Banting and Best in a very small and inadequate laboratory judged by today's standards.

—where they now employ 730 persons and total sales fluctuate between $6 million and $7.5 million per annum, of which between $1 million and $1.5 million have been in the export market. The laboratories spend $1.4 million to $1.7 million on research each year.

The minister knows as well as I do, and I am not going to embarrass him by saying it, how little money goes into medical research in this country. The minister knows this because he quoted the figures of one to five compared with the United States. The minister has the figures and knows this. I want to compliment him on dressing this bill up in the way he did, knowing the facts, the weak points and the holes in it.

Mr. Lambert: It is known as puffery.

Mr. Rynard: I continue quoting:

One of the financial mainstays of the laboratories in the past, according to the brief, has been the steady revenues from the sale of insulin—

Under patent rights. Now the minister proposes to cancel patent rights in five years, and I have even heard two years mentioned. What goes on in this country? Is that the way to build up a country? It is not. I suggest that the minister go to the University of Toronto, look over the complex there and see what has been done over the years.

• (5:10 p.m.)

"Without the steady revenues from the sale of insulin", states the brief, "it is hard to see how the laboratories could have attracted and maintained a staff of competent scientists who over the years have contributed not only important new forms of insulin but many new vaccines, antitoxins, hormones and other drugs."

Without the legal protection provided by the insulin patents, it continues, "there is no doubt that the whole Canadian market would have been taken over by foreign producers. The qualities and forms of the product would certainly have been chaotically confused and probably debased."

The Connaught Medical Research Laboratories have made many important contributions, in addition to the mass production of insulin. The first introduction of this continent of toxoid for protection against diptheria was achieved by the laboratories during the late 1920's and early 1930's. The introduction of combined immunizing agents against diptheria, tetanus and whooping cough followed during world war II. The first full-scale production of heparin, a widely used anti-clotting agent, was developed during the mid-1930's. About that time, the first large scale production of crystalline insulin was also accomplished. The formula for tissue culture medium 199, which made the development of Salk vaccine possible, was published by the laboratories in 1949 and methods for large scale production of polio virus were pioneered. It is likely, in fact, that this very important development innovation would have been an ignominious failure without C.M.R.L.'s contribution.

The contributions of the Connaught Medical Research Laboratories to preventive medicine are by no means at an end. Several expensive projects currently under development include a new and safer vaccine for the prevention of rabies, a vaccine to prevent german measles, and an enzyme to dissolve blood clots.

Anyone with friends or relatives who have had rabies vaccine administered to them knows that its effects are severe and that it is not without fatal dangers. At the present time the laboratory is working on a vaccine which may restore life to some Canadians.

The brief continues:

Each of these absorbs some hundreds of thousands of dollars over many years before it can earn any return, the brief points out. A long period of substantial profit is therefore essential if expenditures of this magnitude are to be amortized.

"It is a real question whether such profits could be achieved without patent protection in Canada", asserts the brief. "They certainly could not, without patent protection in other countries."

What I shall read now will demonstrate how far the minister has strayed from the Harley report. The brief continues:

Commenting on the possible effects of the 23 recommendations of the special committee on drug prices, the C.M.R.L. brief states that none of them would affect the financial interests of the laboratories to any significant extent. It goes on to say, however, that "in recent weeks, newspapers have quoted cabinet ministers as forecasting drastic action to reduce the duration of patents on drugs to two years. In addition, there have been less definite forecasts of changes in the law of trade marks as they apply to drugs.

This illustrates and demonstrates the necessity for patent rights if research is to be carried on and if the benefits of that research are to be passed on to mankind.

Mr. David Henry, Q.C., an honoured member of the civil service patent branch, has stated that the reasons for the high prices of drugs are not singular but multiple. I do not think the minister grasped the significance of that statement. They are multiple and they relate not just to the pharmaceutical manufacturing industry but to retail pharmacies as well and, indeed, to the taxation policies of the government, to the food and drug directorate through the regulations it imposes on industry, to the drug wholesaler, to the physician who prescribes the drugs, and to the consumer himself who demands the very best care for himself and his family. How many aspects of this matter were touched upon by the minister? Only one, perhaps.

Let us now consider the economics of the situation. If Mr. Henry is able to say that the bill before us could destroy the drug industry, and he indicated it might, is it not peculiar that the Department of Industry has not looked into or given any advice on this matter? Has the minister consulted the Department of Industry on it? Here we have an industry that, according to my figures which vary from those of the minister who said a lot without substance and said it well, employs 10,000 people in Canada, 2,500 of whom are highly trained individuals. The minister and I will have to get together and compare our sources of information. The associated drug services encompass another 25,000 people. This bill means that we would lose 2,500 scientists and then the others would follow them.

Pharmaceutical research costs approximately $12 million annually. The minister said we need more research in this field and he quoted figures to back his statement. I agree with him. The federal government has done nothing to increase this sum except to allocate certain amounts to medical research. I want to compliment the government for allocating some money for this purpose.

The policy of the government seems to offer no protection to an industry which could well become a major industry in this country and which started as did Banting and Best who began research on dogs in a little room and whose association developed into the large industry of which I spoke. The government has adopted the same policy with regard to the drug industry as it does with regard to other industry by allowing imports to come into Canada from countries where labour costs are half what they are in Canada or less and whose productivity is just about as good as ours. I might also mention the textile industry. No provision has been made to protect that industry when the Kennedy round tariffs come into effect on July 1. The United States textile industry could dump a sufficient amount of its products in Canada in one lot to ruin our small textile industries. I do not know whether the government has taken or contemplates any measures to protect this industry. If they have they should let us know because questions have been asked on this matter. The same situation exists with respect to the boot and shoe industry. I am referring to these industries because they are affected by economic factors and they are in the same situation as the drug industry.

• (5:20 p.m.)

What has the government done? Unemployment has risen sharply. The boot and shoe industry is the biggest labour employer in Canada; yet the government has done nothing to protect it from increasing foreign imports. All one has to do is take a good look at the record. I am disturbed about these conditions because I have a shoe industry in my riding as well as a textile industry. They are both seriously disturbed about the attitude of the government. Now the drug industry will be in the same position, but I hope we will be able to convince the government they are on the wrong course. The minister has hopes in so far as April is concerned. Perhaps he can be the young Lochinvar who can change this picture and start the government off on the right path.

The other day the Minister of Trade and Commerce (Mr. Winters) indicated he was not going to protect the fruit and vegetable growers of western Ontario. He said they would have to be competitive with producers who are paying less than one-third the wages our people are paying. What does he want to do to our standard of living? What does he want to do to the Canadian people? It is time we took a good look at some of the things this government is doing. There are 77,000 more unemployed, the government is hurting the footwear industry, the textile industry, the drug industry and the farmers. What will be next?

I have mentioned these points in relation to our economy because they are of concern to every man and woman across Canada. If we achieve cheaper drugs of poor quality we could destroy the industry in this country. I want the minister to pay attention to this. Bill No. C-190 fails to reflect the urgent safety

requirements recommended by the Harley committee. Safety must be paramount. A compulsory licence to import drugs must not be granted until the food and drug directorate has inspected the manufacturing facilities in the country of origin. How is the minister going to accomplish that, Mr. Speaker? These manufacturers should meet the same standards as are set for Canadian drug manufacturers. How are you going to get permission to do that? One could conclude from the minister's remarks that everything was all right if one did not know that is not the case. He put a very good face on it and said everything would be inspected. How much money has he provided for new inspectors or other officials who are going to be needed in the food and drug directorate? I should like the minister to tell me that. If money has been set aside, it must be hidden. Of course, this government has hidden many things, but so far as the house is aware not a solitary thing has been done about it.

The minister stood up and presented a bad case very well. He told us he was going to send inspectors all over the country. He had lots of them. The Canadian people could be sure of the safety and quality of the drugs used. I am hoping that after some consideration the minister will come back tomorrow and tell us he does not have these men and did not mean his remarks to be interpreted that way. After all, he is a nice fellow. The minister put on the record some of the things that have been accomplished in so far as cutting the cost of drugs is concerned. I believe he would like to give everybody credit for what is being done, so I am bringing this to the minister's attention. I do not want what he said here today to be the cause of any ill will by not recognizing what has been done.

The druggists across Canada have tackled this situation. In my own town druggists have started charging a prescription fee in order to reduce the price of drugs. Prices have been reduced to such an extent that the other day I calculated that a drug which would have cost $15 under the old system now costs $8. The druggists have helped to put their house in order. The pharmaceutical firms have been putting their house in order. They have been cutting down on their commission men and putting them on salary in order to cut costs. This is one good thing the Harley committee has accomplished. It has made people think about what we can do.

Above all, we must be Canadian. We must keep things Canadian. We must support research. We must do things that will develop Canadian industry and enable it to compete anywhere in the world. I could refer to Toronto University, Connaught laboratories, Best, Banting, and so on. I could put other names on the record. What has the government done? I do not want to embarrass the minister, but what has he done to provide these inspectors who are to do all this checking? Dr. Chapman gave evidence to the committee that the department was busy now and he did not think they could do more than they are doing. I am sure he is right. What has the government done? Industry has done something and the druggists have made a contribution.

The minister drew attention to the hospitals, and I am glad he did. Le me tell him something about hospitals. They do use these drugs, but they only use drugs that have been clinically tested and which they know are going to produce results. The hospitals have a pharmaceutical committee to protect them but there is no such protection for the public outside. The sad thing is that the hospitals under the jurisdiction of the Department of National Health and Welfare buy drugs and the people prescribing them do not even know where those drugs come from. Did the minister know that? If he checks the evidence he will find this is so. However, all the witnesses were asked if the drug were to be used on their wives or families which one would they prefer and they all answered, a brand name drug or a proven clinically tested drug. I am putting these facts on the record because the most important factor is quality.

There is one other thing I want to say to the minister because he is not in this business and probably does not know about drugs and how they act. The minister talked about the quality and safety of drugs or I would not have mentioned this. The minister referred to chloromycetin from which patent protection was removed and the price went down. Does the minister know that the United States has had to give Parke Davis exclusive patents rights again? If I remember correctly, a few weeks ago I was told in the United States that five drug firms had obtained the right to manufacture chloromycetin or chlormanphenical. This drug went into hospitals in the United States. Hospital after hospital reported they were not getting results with the chloromycetin made by the other five drug firms.

They discovered that the blood levels were down and that the drug was not having the desired therapeutic effect. It was not doing what the doctors expected it to do. So bad was the situation, Mr. Speaker, that the licences of the other five firms producing the drug were cancelled. So I draw to the attention of the minister that the situation is not quite as simple as he pretends it is.

• (5:30 p.m.)

If I may go back to the recommendations of the Harley committee, Mr. Speaker, they recommended as a statutory requirement that the granting of a forced licence be subject to a report by the food and drug directorate of the Department of National Health and Welfare to the effect that the applicant for the compulsory licence has satisfied the directorate that he has met the regulations under the Food and Drugs Act. I did not hear the minister state that even this nominal safety provision had been included. I should like him to tell the members of the house when he replies whether it has been included.

In similar circumstances, where the product in question is no longer a new drug the directorate has simply certified that the firm has adequate manufacturing facilities and controls and complies with section C.01.052 of the regulations. This relates only to the manufacturing facilities and has nothing to do with purity or equivalency of the product in question. Under present regulations there is no way that the safety recommendations of the Hilliard committee can be implemented with regard to drug licensing. As I understand it, Mr. Speaker, this point was paramount in the consideration of the commitee. Perhaps it is why the Minister of Consumer and Corporate Affairs does not want to interfere with the statutory prerogative of the patent commissioner. The special committee considered this matter as well but stated that the safety factor is of such importance that the food and drug directorate should participate in the disposition of applications relating to compulsory licences.

With regard to imports, the parliamentary committee felt that safety must be paramount. A compulsory licence to import must not be granted except where the food and drug directorate has inspected to its satisfaction the manufacturing facilities in the country of origin, and in accordance with the same regulations that pertain to Canadian drug manufacturers. None of this has been provided in the present legislation. The minister will undoubtedly state that safety provisions are not a proper requirement for the Patent Act. I should like the minister to give some explanation of this. Be that as it may, Bill C-190 clearly directs the commissioner as to when and under what circumstances he shall grant a licence, and it should, therefore, provide the commissioner with proper guidance in the determination of the drug safety provisions for such licensing.

Bill C-190 does not discriminate between the two types of compulsory licensing as clearly recommended by the parliamentary committee. In the case of compulsory licences to import the commissioner should only grant the licence if in his discretion it is in the public interest to do so. The public interest would be, the committee feels, the need to bring lower drug prices to the consumer weighed against the effect of such import licence on the Canadian producers of the drug in question. The differentiation between the two types of compulsory licensing should be carefully observed. It must be obvious that one of the effects that such importation would have on the Canadian producer would be to weaken his control of quality of the drug product in distribution—the minister spoke about this this afternoon—and economically limit the extent and type of medical and technical support services provided the medical profession.

Perhaps the more basic intent of the minister's department is illustrated best in the legislative interpretation of Harley committee recommendation No. 20, which is as follows:

> —if the granting of a compulsory licence takes longer than 12 months, the commissioner, if in his opinion the delay is unwarranted, may be empowered to issue the licence subject to revocation if any appeal against such a compulsory licence is upheld, providing however that such licensee provide sufficient evidence to satisfy standards of the food and drug directorate.

Bill C-190 essentially instructs the commissioner to issue interim licences only after six months and ignores reference to the food and drug directorate or any consideration of needless delay. Certainly that is my interpretation.

It should hardly need repeating that safety must be paramount. It is dangerous to implement only the licensing recommendations of the parliamentary committee without also enforcing the urgent safety and equivalency requirements of this same committee and those of the Hilliard and Boyd expert committees.

The second recommendation made by the special committee reads as follows:

That the personnel and facilities of the food and drug directorate be expanded to make possible the implementation of the recommendations of the Boyd committee, the Hilliard committee and this committee.

Needless to say, Mr. Speaker, we are fully sympathetic with the intent of the legislation but, as noted before, we cannot support a bill that does not provide the essential safety and equivalency requirements recommended by the special committee of the House of Commons on drug costs and prices.

If the question is one of quality drugs at a fair and reasonable price versus unknown or inadequate drug products at the cheapest possible price, then our answer must be "no" to Bill C-190. If the consensus is that quality drugs cost more than necessary, then we should be exploring means to negotiate an equitable price without destroying the technical-medical base of the Canadian drug industry.

A Canadian manufacturer cannot meet the prices of Italian or similar competition as long as he continues to conduct essential and expensive research in this country, as long as he manufactures to Canadian standards in Canadian factories, employing Canadian labour at Canadian wage rates, as long as substantial costs are required to service medically Canadian and export markets in a technically competitive industry, and as long as he is paying over 50 per cent of his profits to the government in the form of income taxes alone. Perhaps the minister has forgotten that.

It is in this spirit, Mr. Speaker, that we intend to move a number of amendments to the bill. This bill is both complex and complicated. The minister himself spoke for almost two hours and I have spoken for far too long. I was glad to listen to what the minister had to say and I think he did a terrific job on an impossible bill. He put many things on the record with which I did not agree and which when subjected to the cold glare of examination just do not stand up. Nevertheless this is an important bill, and I would suggest to the minister that it be sent to a committee so it can go over some of the points that are giving us trouble.

I should like to sum up, Mr. Speaker, by saying that quality and safety must be the overriding factors when considering price. Patent protection for inventors is a basic principle of justice that is recognized by civilized nations and is the most important incentive for industrial research today in this country. Compulsory licensing can only be based safely on yet to be established criteria for the therapeutic equivalency of generic counterparts. Forced licensing of imports without such safety and clinical assurances will dangerously debase the quality of presently available drugs, destroy drug research and manufacturing in Canada and undermine Canada's international reputation with respect to the recognition of scientific and industrial property rights. And I do not think the minister wants to do that.

• (5:40 p.m.)

The proposed Patent Act changes must be urgently reviewed with relation to the yet to be implemented safety and equivalency recommendations of the Hilliard and Boyd reports of 1955 and 1956. Also, the Economic Council of Canada's present over-all review of industrial patents must be considered. The minister did not even wait for that review. I do not know why because he has a high regard for the Economic Council of Canada.

I had hoped that this matter might be referred to a committee. I submit that drug prices can be equitably negotiated without destroying the technical and medical base of Canadian industry. Neither society's demand for new drugs nor Canada's need for an international competitive research capability will be satisfied by those who would inadequately copy the discoveries of others and market them solely on the basis of price under the protection of forced licences. I submit that ultimate economies and increased benefits to Canada's society will be obtained through the discovery of new and more effective drug products.

In conclusion, may I again urge the minister to send this matter to a committee so that we may consider it once more. This is a most important bill. If I have been critical it is only because I want to be helpful and to bring out all factors. I hope the bill will be referred to a committee so that essential points may be discussed in order that we may build a bigger and better Canada.

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I shall begin my remarks by reading a few words:

The manufacture and distribution of medicines, because of their intimate relation to the health

and welfare of a community or nation, partake of the nature of public utilities. In view of the shifting of control from professional to financial hands, manifested by recent developments in the drug industry, the public interest may require "regulation" of the industry, through the guarantee of a fair return to investors and the limitation of prices to be charged to consumers.

That was a quotation, Mr. Speaker, from a book entitled "The Costs of Medicines" by C. Rufus Rorem and R. P. Fischelis, written in 1932. It goes to show that in those days, 36 years ago, someone foresaw what would happen today. Now we have a monopoly. There is no price competition and there is a Pharmaceutical Manufacturers Association of Canada. Fifty-seven companies were members of it but the number has been reduced to 56. They manufacture 85 per cent of the drugs sold by prescription across Canada today. This bill makes an excellent start, may I say, in the direction of ridding the country of this monopoly. Drugs, to my way of thinking, are to make people well, not to make purses full.

I have in my hand a book written by Mr. Bill Stevenson. He discusses and exposes some of the unusual drug costs and prices in Canada today. He says that drug profits run as high as 26,000 to 28,000 per cent. Personally, in my investigations I have not come across drugs which carry such high profits, though I have come across drugs that have been marked up 9,700 per cent. I wish to indicate how this matter was referred to by Dr. William M. Wigle of Ottawa, President of the Pharmaceutical Manufacturers Association of Canada. Addressing a meeting he said:

I do not believe that the Canadian people are willing to jeopardize the future of the drug industry in Canada and that of its 10,000 employees for a will-o'-the-wisp profit which would put Canada at the mercy of foreign nations in the event of world-wide epidemics.

Is a 28,000 per cent profit a will-o'-the-wisp? I should hate to see a large profit in the drug industry.

The P.M.A.C. has been constantly present at committee meetings in one way or another since June, 1966. They appeared before the committee four times. They attended all committee meetings because they were afraid of what might be said. They fed questions to members of the committee and since then have been pressuring us with submissions and briefs, being afraid that some of their monstrous profits might be lost.

These members of the P.M.A.C. are the high profit boys. They are the monopolistic

[Mr. Howe (Hamilton South).]

members of, if you will forgive the expression, a smug minority which uses the word "freedom" in the sense that they are free to fleece the sick out of every last cent they can wring from them. The fact that a man is sick does not matter except that he is then a more vulnerable target for the industry's high pressure methods. To the members of the P.M.A.C., illness is their most valuable asset and they are capable, 85 per cent of the time, of conning the doctor to act as an agent to sell their products for them. So naturally they do not take kindly to a bill that is going to incapacitate this golden egg layer.

One brief that we received, Mr. Speaker, contained a comparison of generic and patent drugs. Ostensibly the brief did not come from the P.M.A.C., though you could smell where it came from as it came into the office. The independent survey we received claimed that basically there was no difference in cost between drugs prescribed under their generic names and those described by brand names. The people doing the survey selected their own group of drugs; there were 11 comparisons, I believe. Of those, two involved drugs that were brand name drugs which were cheaper than generic drugs. Actually, these so-called brand name drugs originally had been generic drugs but had been labelled with the manufacturer's label. The drugs that were selected for the comparison were, as I said, carefully selected. The intention was to show that certain generic drugs were more expensive than brand name drugs.

Those presenting the brief also misrepresented the situation by forgetting to refer to how drugs are sold. When a prescription is presented to a druggist, since he operates by charging a percentage profit, naturally the more expensive the original drug is the higher his profit will be. The way drugs are sold is interesting. The best prices at which drugs are obtained are when they are bought by stock lots which, for instance, may involve 100 bottles or 50 tablets and so on. If smaller amounts are bought, if 24, 20, or odd numbers of capsules or tablets are prescribed, the price charged is known as the breakdown price which may be higher than the stock lot price. The brief made unfair comparisons by attempting to compare stock lot prices with breakdown prices.

The suggestion was also made in the brief that the difference in cost between drugs prescribed under generic names compared with

brand names was of no important consequence. That is very interesting because I want to know to whom it is of no consequence. Did the brief mean it was of no consequence to the people of this country or to the P.M.A.C. boys?

I did some research into the cost of generic and brand name drugs in Ottawa. I investigated the drugs that had been mentioned and I found that in stock lots the generic drugs came to $52.30 and the brand name drugs came to $143.10. These prices were being charged for large quantities of drugs. Making inquiries about smaller quantities from the same druggist, I discovered that the generic drugs would have been sold at $28.50 and the brand names would have come to $51.15. Even allowing for any unfairness, if they say this is an inconsequential difference when in fact, according to their own selection of figures, it is almost double I maintain they were trying to misrepresent things when they brought this brief to the committee.

• (5:50 p.m.)

Possibly they were not satisfied with that brief as a demonstration of what they could do because they submitted a brief in their own name. This brief, like all the others, complained that they were even now being deprived of profits which they might have gained had they been given proper protection. The hon. member who spoke earlier quoted from the same paragraph as one I have marked here, containing a reference to companies A and B and to compulsory licensing. I was interested in the statement it contains to the effect that the royalty the commissioner of patents gives to company A which initiates an invention is only a pittance. The hon. member did not explain why it is a pittance. It is a pittance because the royalty paid is based upon the cost of the manufacture of drugs, and the cost of manufacture bears no relation whatsoever to the selling price. This is why companies do not want compulsory licensing. Most companies, having made a fabulous profit on these drugs, then concede a voluntary licence after which they receive a royalty which they themselves designate. The company which receives it sells the product at a slightly lower cost. It does not have the advantage of the original patent name, but it pays a royalty to the mother company, the discovering company.

These are the people who are twisting these figures and making themselves appear as though they were the friends of the sick and the elderly. Sometimes their protestations would bring tears to our eyes if we did not trouble to look at the facts of the situation. They complain about the importation of drugs under compulsory licence. Yet they themselves do this all the time in the case of patent drugs manufactured by United States parent companies. Most of the patent drugs manufactured in Canada are in actual fact manufactured by parent companies in the United States and shipped to Canada in dosage form. Here in Canada the subsidiaries bottle and label them and then have the dignity of being called drug manufacturers. So this patent arrangement amounts to another magic formula in favour of those who are capitalizing on illness and establishing a market for themselves by convincing others that not only do they need drugs but they need drugs with brand names only. They set out to brainwash doctors not only into prescribing their patented drugs but into prescribing drugs which in many cases patients do not really need—and drugs of a brand in whose selection doctors have no choice.

This establishes a pretty good market. Who has built up this market and built up these excess profits if it is not the P.M.A.C. itself? Even the Canadian Medical Association has been partly convinced, though I think this has been done with a certain amount of reticence. I believe the manufacturers have brought enough pressure to bear on the C.M.A. to convince many of its members that the present system is the only way in which drugs can be prescribed.

One of the well established habits of the P.M.A.C. is to disparage generic drugs both in the press and in doctors' offices, hoping to influence not only the doctors but the patients receiving care. In the brief to which I have just referred they speak of reputation as though it were holy ground and as though they have an exclusive claim on it. But there are many reputable firms which manufacture drugs under generic names.

The sales tax was recently removed and this should, of course, have caused the price of drugs to fall. This actually happened temporarily, at least, as the minister said. However, I am reliably informed that Parke, Davis are raising their prices and I am afraid this will undo all the good that the removal of the sales tax achieved.

I should like now to read into the record part of a column by Mr. D. H. Fullerton which appeared in the Calgary *Albertan*. This

article brings to light some of the lobbying and the pressures to which we have all been subject. The writer says:

> In a society where the high cost of drugs is borne by those least able to afford it—the old, the sick and the poor—one may be pardoned for asking why action on drugs has not had a higher priority. One answer is being observed in Ottawa today where the well-heeled, monopolistic, and internally powerful drug industry has been recently mounting the most intensive lobby ever seen in the capital.
>
> The effectiveness of the drug lobby was plainly demonstrated at hearings of the commons committee on drug costs and prices. One M.P. was openly fed information and questions by representatives of the companies and of their organization, the P.M.A.C., in order that he could better interrogate witnesses hostile to the drug manufacturers!

Later the article states:

> Yet the shocking fact that even these mild measures to introduce some competition into the industry are assailed by the manufacturers suggests there is not much point in trying to apply a cosmetic approach to an industry with so little awareness of its public responsibility.

As to pressure, one might say that never has so much been applied by so few to so many.

At six o'clock the house took recess.

AFTER RECESS

The house met at 8 p.m.

Mr. Deputy Speaker: Order. The hon. member for Hamilton South.

Mr. Howe (Hamilton South): Mr. Speaker, I should like to continue what I was saying before the supper break. Last November I had the privilege of visiting Washington, where I sat in on the hearings of the subcommittee on drug prices, chaired by Senator Gaylord Nelson. In the United States they have the same problem we have here. Appearing before them was a doctor who I believe was a past president of the American Medical Association and president of the P.M.A. in the United States, which corresponds to our P.M.A.C. During this time they were discussing the basis of prednisone, which is one of the steroids or cortisone derivatives.

The Parke, Davis Company in the United States sold its product to the druggists for $17.88. I believe that price must be per hundred. The prices of other brands range from 44 cents to $2.09. It is interesting to note that it is Parke, Davis in Canada which is raising its prices.

It is also interesting to note that in the United States the Parke, Davis Company sells the same product that they sold to the druggists for $17.88 to a United States government agency for $1.36. I presume that this is sold at a profit to the company. I do not know of any private industry which sells at a loss and is still in business. It is interesting to note again that here in Ottawa the Frosst Company sells a generic brand of prednisone for $3.85 while a brand name product called meticorton sells for $20.50 per 100. I do not believe there is any difference in these two products. The P.M.A.C. use the words "clinical equivalency".

During the discussions before the committee Dr. R. A. Chapman, director general of the Food and Drug Directorate appeared as a witness. He said to the special committee on drug costs and prices that the generic drugs were at least as good as the brand name drugs. So, I ask, how long must we protect this profiteering monopoly with which we have to deal here in Canada? I have in front of me a rather interesting submission from the P.M.A.C. I presume this bulletin was sent to all the members of that organization. At the top of the form it says "Bulletin No. 199/67 Top Man Only", and is dated December 7, 1967. It is so interesting that I think I should read it into the record:

> The Board of Directors of P.M.A.C. feel that an effort should be made to alert major industries in Canada to the dangers presented by the Registrar General's avowed intention to abolish, for all practical purposes, patent protection on drugs in Canada.
>
> To this effect, we have compiled a list of the hundred largest Canadian companies and we have assigned some of them to each official P.M.A.C. delegate. On the attached sheet are the companies assigned to you together with the name and curriculum vitae of their chief executive officers.
>
> We suggest that you make every effort to contact these gentlemen at the earliest opportunity and explain to them that the implementation of Harley recommendations 18 and 21 would mean that the Canadian government has decided to unilaterally abolish protection of industrial property rights owned by foreign companies in Canada. It is conceivable that these countries will reciprocate by refusing to recognize Canadian patents abroad.
>
> You should urge these executives to write to Mr. John N. Turner, Registrar General; Mr. C. M. Drury, Minister of Industry; Mr. Robert H. Winters, Minister of Trade & Commerce, with copies to the Prime Minister, expressing their opposition to any legislation which would endanger or weaken patents or trade marks in Canada for any segment of industry. They may also wish to approach their local MP's.
>
> You may want to stress the present discriminatory nature of section 41-3 of the Patent Act concerning food and drugs.

Additional arguments and information sheets are enclosed. You may want to leave copies of these on the occasion of your visits.

Please keep us informed of your progress on the attached forms.

This is signed by Mr. G. Beauchemin, executive vice president.

• (8:10 p.m.)

I have become acquainted with another document which I received in the mail toward the end of last week, and which is entitled "The Ethical Drug Industry, 1967". It is a document put out by Hayden, Stone, investment research department. This document tells how drug companies make a good investment because their profits are so high. Let me define the title first which refers to "The Ethical Drug Industry." An ethical drug company is defined by the profession as a company which advertises only to the medical profession. Such a company does not sell its articles across the counter to laymen who come in and want these drugs. It advertises strictly to the medical profession. These are actually brand name companies that sell at higher prices and they do not wish to sell across the counter because they would not derive as much profit. They escape by making these drugs available under different names through subsidiary companies. One example is Smith, Kline and French which put out ornade, which is the name used in a doctors' prescription. The company puts out Contac—C which is advertised to a great extent on television. This can be bought across the counter. Although it is not identical it is so very close there is no doubt that it is the same drug.

Mead Johnson has a subsidiary company under which it puts out a drug product known as metrecal. This document to which I have referred speaks for itself, but I should like to refer to some excerpts which will indicate the type of thing which is going on in the drug industry today, particularly having regard to the protection we have with patents. This indicates what we should not be doing as a result of this protection. One paragraph on page 1 of this publication states:

In analysing 1966, the 467 million new prescriptions filled in 1966 made it the best year in the history of the pharmaceutical industry. The number of new prescriptions increased 10.6 per cent from 1965.

We then have another paragraph which I think merits reading. It appears at page 10 of this publication under the heading "tranquilizers", and reads:

No single term has been more misused in recent times than "tranquilizer" unless it be "addiction". A true tranquilizer is a drug which induces peace of mind by calming or quieting without also depressing the sensory or motor functions of the patient. Fears and anxieties are diminished but certainly not completely depressed. By means of overwhelming promotional techniques the public has been made to believe that drugs such as sedatives, narcotics, antipyretics, skeletal muscle relaxants, anti-spasmodics, etc. possess unique "tranquilizing activities. These drugs do indeed possess unique pharmacologic activities but tranquilization is not one such activity.

Tranquilizers are most frequently classed according to their therapeutic applications and subclassed by chemical structure.

This shows the type of disposition going on by the industry. The previous speaker spoke of the research being done by the drug industry today and suggested that this represented an important part of the prescription dollar. The Pharmaceutical Manufacturers Association of Canada indicated to the committee that it received 37½ cents of the prescription dollar, of which 2½ cents was devoted to research. It was stated earlier, and is suggested in this publication that:

Ethical drug manufacturers allocated about 16 per cent of their research and development funds to basic research in 1966.

If we take 16 per cent of 2½ cents we end up with roughly .4 cents spent on basic research, with the other 84 per cent being spent on compounding, making different dosages, molecular manipulation and various other things.

The previous speaker spoke of the discovery and development of insulin in Canada. Apparently he is hopeful that we will discover something else in Canada within the next 40 years, as a result of this amount being spent on research and development. We are spending the people's money on the basis of the discoveries which have been made, but we must always remember this money is coming out of the public sector and is not being paid by the private industry.

I should like now to refer to another portion of this publication. In passing let me remind hon. members that the small percentage drug companies spend on research here in Canada can be compared to the fact that in the United States 77 companies spent $365 million on research, out of the 2½ cents. This will give you a rough idea of the gross profit made by these companies. The amount of $365 million is roughly 2½ cents of the 37½ cents. Surely that proves a point.

Exports in the United States have been dealt with in this publication, and I should like to read this paragraph:

As previously stated, interest in foreign expansion has been encouraged by the disruptive government investigations and subsequent legislation here at home. Obviously, mergers or agreements with foreign countries possessing ethical drug-making facilities offered a two-way benefit to the U.S. manufacturer. First, the values and the sales potential of these new products could be evaluated in an atmosphere relatively free of what were harsh regulatory restraints. Second, these foreign manufacturing facilities could be used as a base for exports to other countries.

At this point it seems clear that continued government pressure against the drug industry will increase the role of foreign operations.

We now come to medicare which has a definite relationship to the tax sector of our economy. In the United States, as you well know, they have a medicare plan which begins at age 65. I should like to quote from this same publication which states:

It is to be noted that in every country which has adopted some form of "medicare", a sharp increase in the use of drugs has followed almost immediately.

My question is, at whose price? Are we going to allow these increases at the prices of the drug industry or are we going to put this into the private area so the tax sector of our economy will not have to pay for the great use of drugs at an unreasonable rate?

Let me quote another statement from this same publication:

The government is now price conscious and this could lead to more generic selling, especially at the hospital level.

It is suggested that we may expect a continued increase in volume and a reduction at the hospital level in antibiotic, tranquilizer and oral antidiabetic prices. This publication then states:

Although the monopoly sub-committee of the Senate small business committee will carry the ball, three other committees are very much interested—Senate finance committee, house ways and means committee, a senate group studying consumer problems of the elderly.

One can see from this that they are dealing with approximately the same problem here, only on a larger scale. This certainly does not relate to a larger profit mark-up because experience has shown that our drug prices are higher than those in the United States, although possibly the minister will disagree.

There is another paragraph in this publication at page 70 under the heading "Generic

[Mr. Howe (Hamilton South).]

V. Brand-name Prescribing" I should like to read and which states:

Probably, the pharmaceutical industry's less than unanimously enthusiastic outlook on medicare stems from the fear that generic prescribing, which has become an important factor in several therapeutic categories since the Kefauver hearings will become even more of an issue under the new federal legislation. Perhaps, even more important to pharmaceutical companies will be further pressures for lower drug prices.

It then states:

While Part A (hospital insurance) benefits of medicare provided for drugs administered in hospitals and nursing homes, purchasing agents for these institutions—already supported by "formulary" systems—will force further competitive bidding on a price basis.

I should like to read one more paragraph from this publication, as I find this very revealing regarding various situations. This paragraph appears at page 75 and states:

In New York, assemblyman Steingut introduced A.B. 2745 which would require the commission of public health to maintain an official list of drugs generically equivalent to trade name drugs where he believes a substantial disparity exists between the sale price of the trade name drug and the generically equivalent drug.

• (8:20 p.m.)

The bill would further compel pharmacists to dispense the lowest priced generic drug on the list regardless of what the prescribing physician indicates in his prescription. This bill was killed, but not without a great deal of effort.

I was in Washington at the time *Reader's Digest* published a magazine containing an eight-page insert that was misrepresented as not being advertising. This insert was put out through P.M.A. in the United States. I shall read part of the statement of Senator Nelson of the United States select committee inquiring into this matter, because it deals with the subject better than I can explain it. This statement reads in part as follows:

An advertisement by the Pharmaceutical Manufacturers' Association in the form of an eight-page pull-out pamphlet has appeared in the November, 1967, issue of the *Reader's Digest*. The format of the section is designed to look like part of the ordinary editorial content of the magazine. The only indication that this section is paid advertising is the words "Special Advertising Section" which appear in small print on only the first page of the eight-page section.

On the next page, the first of four articles which comprise the section begin without any further indication that these articles are, in fact, the advertising matter to which reference has been made. To further confuse the reader, ads clearly identifiable as product advertisements have been interspersed among regular *Reader's Digest* articles which immediately follow the P.M.A. section. Thus, the reader may be led to believe that it is these latter ads which actually make up the "Special Advertising Section".

At the same time that this ad is being run in the *Reader's Digest*, reprints of this pamphlet are being circulated to offices of practising physicians for their waiting rooms and to various government agencies. These reprints, however, differ from the section which appears in the *Reader's Digest* in one very important respect: the P.M.A. has deleted the words "Special Advertising Section." The result, of course, is that there is absolutely no indication that this pamphlet is an advertisement. Neither the doctor nor the patient who reads this ad while waiting to see his doctor has any way of knowing that he is reading an ad copy which glorifies the members of the very group who paid to have this material written.

Further, a note appears opposite the first page of the section which tells the reader that he may order a reprint by writing to "Health," P. O. Box 28111, Washington, D.C., 20005. The designation "Health," rather than the actual name of the organization involved, seems to me to give the impression that a non-industry philanthropic group is sponsoring the reading matter which follows—not a trade association representing drug manufacturers.

Farther on in this statement Senator Nelson says:

There is no question that the entire ad is designed to avoid disclosing that it is, in fact, advertisement paid for by the drug industry. This calculated deception even goes so far as to include a solicitation to the reader to write to an organization called "Health" for reprints of the section.

Even on the last page, the words, "Published as a Public Service by the Pharmaceutical Manufacturers Association," are misleading since advertising is not generally considered to be a public service.

Clearly, an attempt has been made here to use the wide circulation of the *Reader's Digest* to convince a large segment of the public that an advertisement written on behalf of the drug industry and paid for by its trade organization is an ordinary unbiased magazine article. The implication, of course, is that the P.M.A. is supporting an objective discussion of health problems as a matter of public service, rather than an advertisement calculated to serve the interests of its member firms.

This is going on in the United States. The same thing is going on here in Canada. There is no difference. I am using the illustration of the United States because they have done the work on this subject. We have done some tremendous work in this country through the committee of the House of Commons; but in spite of the work we have done, these profits continue to be made and drug prices continue to increase. I have here an article written about the situation in New York wherein drug firms were found guilty of conspiracy. This article appeared in the Regina *Leader-Post* of January 2 this year:

Three drug companies were found guilty Friday of conspiring to control the production and distribution of $1,700,000,000 worth of antibiotics. A federal court jury returned the guilty verdict against American Cyanimid, Bristol Myers and Charles Pfizer and Co.

The U.S. government has accused the three firms of agreeing in the mid-1950's to produce and distribute broad spectrum antibiotics. They were found guilty of restraint of trade, conspiracy to monopolize and actual monopoly.

The three companies were accused of violating the U.S. anti-trust law from 1953 to 1961. During the trial, the government prosecutor said Pfizer and Cyanimid realized "enormous" profits of an antibiotic called tetracycline.

He said the cost of manufacturing 100 capsules of the drug ranged from $1.59 to $3.87 for the two companies, but that each sold to druggists for $30.60 and that the cost to consumers was $51.

Two other companies, Olin Mathieson Chemical Corp. and the Upjohn Co. were named co-conspirators, but not defendants.

The prosecutor said agreements reached limited manufacture of the tetracyline products to the three defendants.

I think that entirely aside from this guilt, the guilt lies also with the P.M.A. in that these companies are still members in good standing of the P.M.A. although they have been found guilty of a conspiracy such as this. Does it not make the P.M.A. guilty of the same conspiracy when their members conspire to gyp the public out of almost $2 billion?

There is one last thing I would like to point out, Mr. Speaker. In the United States there is a man by the name of George S. Squibb, former vice president and consultant to E. R. Squibb and Sons, which was founded by his great grandfather. If I am not mistaken, this is the largest drug manufacturing company in the United States. George S. Squibb wrote a private paper which I have here in full. It is called "Drug Prices—The Achilles Heel of the Pharmaceutical Industry", which he circulated among friends and associates. Recently a member of the United States senate subcommittee released part of the text without Mr. Squibb's permission, and over his mild objections subsequently.

After writing and making a few phone calls there came into my hand the entire article that Mr. Squibb wrote. I should like to quote just two small paragraphs from this article. This is not taken out of context intentionally, because it would take perhaps half an hour to read it all and I am not going to do so. However, the two paragraphs which I shall read are as follows:

Getting at "high" drug prices for products covered by patents or licenses by exposure to public view

of the internal procedures of pharmaceutical firms in a variety of ways is perhaps the most significant approach to the situation at present.

This method probably results in more damage to the public image of the pharmaceutical industry than any other, although to date it seems to have had little effect on the actual operations of individual companies.

I should like to bear that out, in conclusion, by saying that it does not seem to matter what we say in the House of Commons, what we do and what work we carry out in our committee; it does not seem to matter how many drug companies we meet up with and how many truths we find out which illustrate that people who are ill are perfect targets for the monopoly that has existed for years. It is only by means of this bill that we will put the foot in the door and possibly reduce some of the excessive profit that the drug companies are deriving from the high prices people are paying, and are seemingly willing to pay, because they are ill.

• (8:30 p.m.)

The drug companies are in a different position than possibly any other advertising source. This is because they send advertisements to doctors who prescribe the drugs for patients, who are the consumers. The consumers do not receive the benefit of the advertising of the drug companies, if it is a benefit, as is evidenced by the letter sent out by the Frank W. Horner Company Limited to a drug company in New Brunswick, a letter which I received in the mail today, and which reads as follows:

Dear Sir,

Here is your automatic shipment of two tranquilizers Horner launches this week at 25 per cent less. And you're going to gain substantially with this launch. I'll explain in a moment.

But first—let me introduce these two top-rated tranquilizers. They are among the most widely-prescribed in Canada, made available under licence—

Mr. Deputy Speaker: Order, please. I regret to inform the hon. member that the time allotted to him has expired.

Some hon. Members: Carry on.

Mr. Howe (Hamilton South): I will try not to make this too tranquil, Mr. Speaker, and I thank the house for its indulgence.

Mr. Deputy Speaker: Order, please. Does the hon. member wish me to ask for the unanimous consent of the house for him to continue? Does the house give unanimous consent?

Some hon. Members: Agreed.

[Mr. Howe (Hamilton South).]

Mr. Howe (Hamilton South): Thank you, Mr. Speaker. I will continue reading this letter, which goes on as follows:

—and the originators receive a royalty. They are:
Solium 2—Horner's brand of chlordiazepoxide
Solazine 3—Horner's brand of trifluoperazine.

I think part of the problem consists of the fact that there are not many doctors who know these words, who can spell them or who know how to pronounce them. I think the drug companies capitalize on this.

Chlordiazepoxide is more commonly known as librium, which is certainly easier to remember and identify than the high cost, high profit product. Trifluoperazine is known as stelazine, and this is the one I referred to earlier which had the high profit mark-up of 9700 per cent. The letter continues to read:

Solium and Solazine will be available to your customers at 25 per cent less than the current net prices for competitive chlordiazepoxide and trifluoperazine. At the same time we have reduced our suggested list prices on miltown 4 and solacen 4 by 25 per cent. You may wish to dispense your current shelf stock at current prices and institute these lower prices with future shipments.

Now—what's in this for you!

We will not sample solium, solazine, miltown, and solacen to the Canadian physician! You will participate in the promotion of all four of these tranquilizers. Our entire field force will be leaving courtesy prescriptions with a vast number of Canadian doctors for trial quantities of these four tranquilizers. Not only will you not lose business because of sampling but when these courtesy prescriptions are filled you will make more than your full profit.

When you see a courtesy script (which will be easily identified) for 50 solium, solazine, solacen or miltown, please fill it and charge half the regular price. Initial and remove the tab from the script and save it for your Horner representative. He will not only reimburse you for the 25 tablets or capsules but will give you an additional 25 free!

You gain two ways—by reimbursement of double the quantity of our tranquilizers you provide free to patients, and by participating directly in our courtesy prescription program.

You then become a pusher, I suppose.

A complete description of solium and solazine, a revised price list, and a medical journal advertising reprint is enclosed. This advertisement explains further our position.

The success of this program depends on your co-operation. Your support will show that top quality drugs can be made available at reasonable prices.

Signed, Howden Horner,

President.

With this letter I received a note from Pepper's Drug Store Limited in Bathurst, New Brunswick which reads as follows:

> The enclosed letter was received with an "automatic shipment" of drugs today.
>
> The letter speaks for itself.
>
> 1) Drug prices are too high.
>
> 2) Contrary to the cost plus pricing concept adopted by most retail pharmacies.
>
> 3) Forcing the retail pharmacist to be part of the distribution set up.
>
> We returned the shipment!
>
> Yours truly,
>
> Signed, K. J. Mann.

Mr. Speaker, I think that all that I have read speaks for itself. It is very easy to see what is going on in Canada today. I think there should be no hesitancy about the bill before us. I know that the P.M.A.C. have been lobbying to get it back to the committee, as the hon. member for Simcoe East (Mr. Rynard) has requested. I am sure he repeated some things they told him to say.

I say that if this bill goes back to committee, it will be at the wish of the P.M.A.C., and an attempt will be made to kill the bill in committee. It has been to the committee before it came here. It does not need further examination by the committee. All it needs is to be passed in the house.

Mr. H. C. Harley (Halton): Mr. Speaker, it is my honour to participate in the debate. Tonight I wish to do so as the ex-chairman of the special committee on drug costs and prices, to which reference has been made during this debate. I would like to put on the record the terms of reference of the committee, which were as follows:

> That the committee be empowered to consider and recommend, as it may deem expedient, respecting a comprehensive and effective program to reduce the price of drugs.

As the house is aware, the committee reported on April 3, 1967 after over one year of intensive and detailed study. I think the basic feeling of the majority of the committee was that if we were to make recommendations which were to be taken seriously by the government, these recommendations had to be based on fact, and I believe we accomplished that. While many people have disagreed with our conclusions and recommendations, to my knowledge no one has challenged the material in the report on which these conclusions were based. I should like to remind the house that this was the unanimous report of a committee of the House of Commons composed of members from every political party in the house.

I would remind the house that there was no mention in the terms of reference to the matter of safety or quality of drugs. I am sure hon. members are aware that two years previous to that time a committee of the house had dealt in considerable detail with drug safety. The present committee realized that the question of costs could not be completely separated from that of safety. The actual cost of safety or quality control cannot be segregated from ordinary manufacturing costs, as they are often an integral part of the manufacturing process in any industry, whether it be a pharmaceutical or any other product. In any event, the committee found the actual cost of safety or quality control to be small but very essential. I would emphasize to the house that no recommendations of this committee would reduce the money spent on safety. As a matter of fact, the matter of safety must come before that of cost. After all, life is more important than money, and no recommendation of our committee should be carried out unless safety can be assured as much as possible.

We all know that the complete safety of any drug cannot be guaranteed, no matter how minor the drug or how major the government's caution and concern. As a matter of fact, if I were to summarize the report of the committee, I would say that the majority of the recommendations, by actual count 20 out of 23, fell into two major categories: first, those that were intended to make lower cost drugs available in Canada and, second, those that would ensure as much as practicable that these lower cost drugs would be safe for the use of the consumer.

• (8:40 p.m.)

I should like to review a few of the conclusions of the report and make a few comments on them. The first one I should like to comment upon is that no significant change has taken place in the drug cost structure since the recommendations of the Hall commission, which were primarily based upon the recommendations of the Restrictive Trade Practices Commission. So far as the committee could see, the drug industry had made no attempt to reduce drug costs, despite those reports which were very critical of the drug industry. The drug industry had not taken the report seriously and apparently had never expected the government to take any further action on that report, or on our report.

As has been mentioned before, there exists no single method or simple approach which

can be taken to reduce the price of drugs to the consumer. It was therefore necessary to present a series of recommendations to effect this purpose. As hon. members are aware, and as the minister said, the federal sales tax has been removed and some changes have been made in tariffs. This bill No. C-190 deals with another series of recommendations our committee made.

The medical profession, of course, is responsible for prescribing most drugs. If these committee recommendations are to be fully effective, the medical profession must be completely assured by the food and drug directorate of the safety of all drugs. If the medical practitioners in Canada cannot be assured that drugs in Canada are as safe, and I mean "safe" in a reasonable manner as human effort can reasonably make them, and are, therefore, prepared to use the lower priced drugs, then the report we submitted and the minister's proposed legislation is not worth the paper it is printed on. This legislation will be of no benefit to anyone unless the medical practitioners in Canada can be assured that the drugs that would be available under the minister's legislation would be safe for them to use.

The next conclusion concerns the implementation of the recommendation in connection with marketing and promotional expenses, and the reduction of excessive profits. As an example, the committee was greatly concerned with the average expenditure of 30 per cent of the manufacturer's dollar on promotion and marketing as opposed to 7 per cent being spent on research. In other words, more than four times as much money was being spent on marketing and advertising a drug as was being spent on research into medicinal products. As the hon. member for Hamilton South (Mr. Howe) said, it is important to know also that a good deal of the 7 per cent spent on research was spent on applied research, applying the benefits of other forms of research. Only a very small proportion of that was spent on basic medical research. The committee realized that the implementation of our recommendations could alter, in some respects, the form of the drug industry as it exists in Canada today, removing inefficiency and increasing competition. What the committee felt must be done is to introduce competition into the drug industry, not product competition such as duplication of another successful product which increases cost, but competition on prices, which is the kind that is needed in the drug industry.

[Mr. Harley.]

I should like to say in passing that many countries, including the United States and the United Kingdom, are having a series of studies made of this problem. It is interesting to note in passing that the Sainsbury report in the United Kingdom recently recommended abolishing trade names and using only generic names for drugs.

I should like to talk for a few minutes about one of the major recommendations of the committee, namely that the food and drug directorate publish not less than once a month an informative bulletin to the medical profession giving complete details on drugs and their actions, and reviewing major drug usage in Canada. This would of course go not only to the medical profession but also to the related professions including pharmacy. The committee realizes that to ask a doctor to change his prescribing habits is a very serious responsibility. It should be done only if the doctor can be assured that the drugs he has the option of prescribing are as safe as possible. To do this the doctor should, and indeed must, have free access to a non-biased current report on drugs which would include certain data—and I should like to emphasize the words "non-biased". In other words, the bulletin would not be put out by a drug company and would be available free to the medical profession. The committee felt the following should be included in that bulletin:

1. The generic name of the drug.

2. Names of all manufacturers of the drug, and brand names of the drug.

3. Comparative costs and clinical effectiveness of the drug.

4. How the drug works; side effects, contra-indications and toxicity.

5. The last assay for each company's product, of content and availability of active ingredient, solubility and disintegration.

6. Any problems with any company's product such as toxicity, impurity, seizures, court actions failure to meet food and drug directorate standards.

The committee feels that the food and drug directorate has been keeping some of its activities from the medical profession. The findings on drugs should be openly reported to the medical profession in public documents. If there are poor quality drugs on the market, then the medical and pharmaceutical professions should be told. The medical and related professions have to be convinced that

the food and drug directorate has full and accurate knowledge of the drug industry. To do this, they have to report fully and I believe, in a public bulletin. If the medical profession cannot be assured by giving them freely full and unbiased evidence of all the factors concerning drugs, then it is obvious we cannot expect the medical profession to change their prescribing habits in favour of the lower cost drugs.

I have been asked in what way this might tend to lower the price of drugs. Certainly, the staff that would be required by the food and drug directorate to publish such a bulletin would be expensive and would probably take up to two years to set into motion. I believe, however, that the savings that could be made if the medical profession used this bulletin to their own advantage, and more particularly to their patients' advantage, would be very substantial. The consumer would benefit greatly from this saving, enough to more than justify the expense.

Many hon. members here are aware of the large savings that can be made, many of which have been referred to today, when drugs are purchased under a tendering system. Most of these drugs do come from generic manufacturing houses. Many generic drugs are used by the staffs of various hospitals. These same staff doctors may not use generic drugs outside their hospital practice, but many are often doing so inside the hospital without being fully aware of the source of the medication they are prescribing.

I am convinced more doctors would prescribe the lower cost drugs of generic manufacturers if they were convinced that they were safe to use and equally effective. I hope therefore that the government will see fit, in the very near future, following these recommendations, to introduce the type of bulletin to which the committee made reference. Obviously the federal government has no power to implement some of the recommendations of our committee. Some of the recommendations come under the jurisdiction of provincial governments and some come under the heads of pharmaceutical bodies and other public bodies. I hope all those interested bodies will see to it that the recommendations are given serious consideration. Obviously the government cannot implement in a field in which it has no jurisdiction; we can only bring in recommendations. For instance, we have no control over the field of retail pharmacy, and therefore the government can make no recommendations in that area.

• (8:50 p.m.)

The unanimous conclusion—I emphasize the word "unanimous"—not only of the special committee on drug costs and prices but of the various other inquiries in Canada is that drug prices are higher than they need be and certainly higher than the public is prepared to pay without question. One of the major causes of drug costs has been attributed to the degree of protection accorded to the drug manufacturing industry by such laws as the Patent Act and the Trade Marks Act. This has resulted in a lack of competition. What the committee hopes the recommendation will accomplish is the injection of a greater degree of competition in the pharmaceutical industry at all levels. Despite the many studies that have taken place over the past ten years the industry has not, as far as I am aware, made any attempt to produce solutions to the problems. As I have said, Mr. Speaker, the government has removed the federal sales tax and has made changes in some of the various laws. Today's move is to bring in recommendations that change the patent and trade marks laws in such a way as to provide Canadians with less expensive but equally safe drugs.

There has been a great deal of discussion about patents and patent protection. I should like to point out to the house that patent protection at the present time in Canada is for 17 years and that the present legislation will not change it. The system of compulsory licensing that we are talking about has actually been in effect since 1923. The principle that food and drugs are different from other inventions was actually established in 1923, and is not being established now.

As far as compulsory licences are concerned, Mr. Speaker, I should like to quote the report of the special committee of the House of Commons on drug costs and prices. At page 38 appears this paragraph:

> The committee found that up to 1949 no applications for compulsory licences had been made in Canada.

As I have said, Mr. Speaker, this was included in the legislation in 1923.

> —Since 1949 the commissioner of patents has had to deal with thirty-four applications for licences upon medicinal products. Fourteen were granted, thirteen were abandoned or withdrawn, one was refused and six are pending.

Those figures were as of September, 1966. The system of compulsory licensing has been

in existence in Canada since 1923, and up to the present time has not been put to any great use.

As the minister mentioned previously, patents in Canada—at least those relating to drugs—are now over 95 per cent foreign owned. Patent rights, despite this legislation, will be retained; and I do not believe that there will be any international implications of the kind several hon. members of the house alluded to during the debate.

As I have said, compulsory licensing has been the practice in Canada since 1923. It is also a system that is used in the United Kingdom under very similar legislation. To my knowledge, no one in the United Kingdom or in Canada has ever complained on an international level that the compulsory licensing system interfered with their patent rights, to their great detriment.

Some reference has been made to some literature that all of us have received during the last few days, particularly to a letter and a brief forwarded to various members of the house by P.M.A.C., the Pharmaceutical Manufacturers Association of Canada. The second paragraph of the letter reads:

> Bill C-190 essentially would abolish normal patent and some trade mark rights as they relate to prescription medicines made in Canada.

Then it goes on:

> We believe it might set an unfortunate precedent.

I have just pointed out to the house, Mr. Speaker, that this is not so. First of all, it would not abolish normal patent protection; nor would it set a precedent. The precedent was actually set in 1923.

In the third paragraph of their letter the association say that they had hoped there might be consultation on this legislation prior to its introduction. This legislation was introduced almost a year after the recommendations of our committee. The Pharmaceutical Manufacturers Association of Canada had the advantage of making many representations to the committee. Since that time the minister's office has been open to them for representations, and the minister has seen representatives of the association as a body on at least two occasions. He has also seen representatives of any drug company that wished to see him regarding the legislation, and has seen them, as far as I am aware, to the fullest of their wishes. Certainly it is my understanding that no one has been denied an interview with the minister or the department on this matter.

While I am talking about the Pharmaceutical Manufacturers Association of Canada, Mr. Speaker, I should also like to disagree with a statement that was made in Florida by the president of the association. He stated that the Canadian parliamentary committee was willing to put Canada at the mercy of foreign nations in the event of world wide epidemics. I am not sure how I should qualify this statement. Whether the changes in the legislation with regard to compulsory licensing go through or not, this statement could perhaps be said basically to be true. As was pointed out this afternoon, Canada does not have a significant, basic fine chemical industry. I might point out that the basic chemicals used by the drug industry in Canada today do not originate in Canada, but come mainly from the United States. Therefore, Mr. Speaker, if the statement to which I have referred is true after the legislation passes, then it is equally true before the legislation passes.

I also think the house should understand that under the laws and regulations of the food and drug directorate at least a five-year monopoly is given to any company that introduces a new drug into Canada under the principle of patent protection. This is because a drug that comes into Canada under a patent protection is classified as a new drug until it satisfies the directorate that the company has met their requirements concerning research on the particular drug in question.

The minimum period of time that elapses before a drug loses its new drug status is five years, and usually is a great deal longer than that. In other words, the company that produces the drug does indeed have a five-year monopoly, during which time it may regain its research costs and can actually go out and try to corner the market for that particular product. The company has five years' access to a completely monopolized market; and as I have said, Mr. Speaker, usually the period is more than five years.

No company, Mr. Speaker, has asked or is likely to ask for a compulsory licence before new drug status is lost. If it does this, it means that it has to reduplicate all the investigational work on the particular drug. No compulsory licence has ever been applied for by a company while that stipulation was there. It is a very expensive procedure to introduce a new drug. Therefore I think it very unlikely that a compulsory licence would be asked for during that time. So there is no question, Mr. Speaker, that the major

patent rights are retained, and certainly a complete monopoly without any risk of compulsory licence is available to the company for at least five, and perhaps many more years.

There is no question that patents do influence the price of drugs. I think reference was made to the fact that the United States, does not have a compulsory licensing system, as we have in Canada. Chloromycetin was much cheaper in Canada under our compulsory licensing system than it was in the United States. Recently the patent in the United States ran out, and practically overnight the price of chloromycetin in the United States fell almost 50 per cent. So indeed, Mr. Speaker, patent protection does influence greatly the price of drugs.

The hon. member for Simcoe East (Mr. Rynard) made reference this afternoon to Appendix A of the brief submitted by the Pharmaceutical Manufacturers Association of Canada. This appendix refers to nine drug companies which were told to stop marketing chloramphenicol. It is my understanding the chloramphenicol has been rechecked by the food and drug directorate and is now free to come on the market.

• (9:00 p.m.)

I point out to the house that if drugs are imported into Canada in final dosage forms under compulsory licences, which is what the legislation recommends, those drugs must pass the food and drug regulations as they concern quality and safety, in the same way as the drugs of Canadian manufacturers must pass those regulations. Those drugs will not be exempt from any tests that are applied to other drugs.

Mention has been made of inspection services. How are we to maintain inspection services, particularly in foreign countries, some hon. members have asked. So far as food and drug inspectors are concerned I point out that inspectors at present work in foreign countries, and particularly in European countries. These inspectors are Canadian members of the food and drug staff who act as inspectors in connection with the purchase of drugs. Certain classes of drugs, namely biological products, require inspection at source before they are allowed into Canada. As I say, at present we have inspectors in Europe.

Sending inspectors of the food and drug directorate to other countries, including European countries, cannot be considered a precedent. They inspect manufacturing facilities and make sure that proper quality control and safety standards are being met, and in this regard their service is an extension of the service that is presently performed in Canada.

Another point I wish to mention is that if drugs are brought in under compulsory licence, the originating company will receive royalties which are based on the cost of production and not on the selling price of the product. Because, as has been mentioned and admitted in evidence before the committee, the selling price of a product bears no relation to the cost of producing that product.

This afternoon the hon. member for Simcoe East (Mr. Rynard) quite justifiably mentioned that great Canadian discovery, insulin, and he paid compliments to the Canadian discoverers, Drs. Banting and Best. He knows that insulin was discovered, not in the laboratory of any drug company, but at the University of Toronto. He mentioned that the University of Toronto now spends a great deal of money on medical research because Drs. Banting and Best turned over the royalties to the university in order that the royalties might be used in medical research. Exactly the same situation might prevail if a compulsory licence were granted. Royalties are still paid and there is no reason for the type of activity I have just mentioned not to continue under the proposed legislation.

The committee was greatly concerned with the fact that the manufacturing companies spend 30 per cent of their dollar on promotion and marketing and only 7 per cent of their dollar on research. The committee believed that the 30 per cent that was spent on promotion and marketing was unnecessary. Almost every doctor in Canada will tell you that most of the material that crosses his desk is never read but thrown into the waste-paper basket, at great expense to the drug companies.

We believe that if drug companies in Canada are forced to cut back, because of drugs at more competitive prices being brought into the country, they can do so by cutting down on some of the frills, particularly the 30 per cent they spend for promotion and marketing. They can still make a profit within the Canadian economy. As everyone knows, the drug companies must make some profit in order that investors may invest their money in such companies.

I point out that though generic drug companies sell their drugs at prices that are different from the prices charged for brand name drugs, the companies still make a profit. No one suggests that they are doing this at a lower profit than is available to companies selling brand name drugs.

As I have already mentioned, the committee heard a great deal of evidence about the safety aspect of drugs. We have been very fortunate in Canada because we have had few problems with drugs that have been manufactured in Canada. Few serious problems have arisen in connection with trade mark or generic brands, yet the question of safety has been talked about and worried about in Canada and in the United States, much more than the evidence of unsafe drugs would warrant.

I expect that members of the house are aware that the government of Canada purchases great quantities of drugs to be used in the Department of National Health and Welfare and the Department of Veterans Affairs, as well as in the Canadian Armed Forces. The committee called members of the government purchasing service before it, as shown in volume 2, page 1509 of the testimony before the special committee on drug costs and prices, 1966-67. The questioning was about the safety aspect of drugs and on that page Mr. Ellis, a witness before the committee, says this:

> Mr. Chairman, as far as the Department of National Health and Welfare is concerned, we depend on our two suppliers, as I pointed out in my statement. We get all our drugs from either Department of Veterans Affairs or through the surgeon general's branch of the Department of National Defence. We depend on the testing procedures of those two departments.
>
> I can make an unequivocal statement, though, that we have had not a single complaint of lack of efficacy in our drugs. This was borne out this past week by phone calls to four senior pharmacists across the country.

I expect members of the house know that the government buys under a tendering system and most drug supplies are bought from companies that are classified as manufacturers of generic drugs.

I believe that the questions of safety and quality are not debatable. They are factual. For the reasons I have already given, the first consideration with respect to drugs must be safety and quality. Two things must be done if safe drugs at lower costs are to be made available to all Canadians. As the committee recommended, the first of these would be to grant compulsory licences for the importation of dosage forms of drugs of all types. At present you can import drugs into Canada in their chemical form. The changes in the act would allow the importation of drugs in all forms. The second matter, the doctors' bulletin, I have already referred to.

I wish to refer briefly to one statement that the hon. member for Simcoe East made. Toward the end of his remarks he asked for this matter to be sent to committee for further study. Originally, the special committee on drug costs and prices was set up in 1963 as a result of the thalidomide tragedy, and originally it was to consider only the safety aspect of drugs in Canada. The question of costs was added about one year later, in the new terms of reference which were established by the minister of national health and welfare of that day. As I said, the committee which brought in its report on April 3, 1967, sat extensively. It lasted for well over one year. The entire idea behind the setting up of the committee is several years old. Anyone reading the evidence will find that of the 2,700 pages of evidence which are concerned with the cost of drugs and the price of drugs, at least half have to do with the aspect of safety.

• (9:10 p.m.)

I believe it would be nothing but repetition to send a matter like this back to a committee of this House of Commons. I believe nothing is to be gained by it. The legislation which the minister has introduced is the product of the recommendations of a committee of this house, and to send the same legislation back for further committee study would be repetitious, ridiculous and a great waste of time of the house. I hope the house will see fit to pass this legislation quickly because I believe the need in Canada is to provide safe and effective drugs at reasonable and competitive prices.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, we listened at great length this afternoon to the minister, and this evening to the chairman of the special committee on drug costs in Canada, and other related matters. It has been enlightening and informative I am sure to those members of the house who were not on the committee, but I must say frankly that sitting here this afternoon I was not at all sure I was a member of that committee.

My remarks will centre largely on what I consider to be a serious misreading of the intentions of the bulk of the recommendations of the special committee. The purpose of the

study and, I suppose, the intent of the bill—the two may be compatible at this early point—was to allow compulsory licences for the importation of prescription drugs in finished dosage form. The spin-off was intended to encourage competition at the manufacturers level, and thereby reduce the cost of drugs. As a proposition, this seems valid on the surface, but it must be considered in the light of an imporan word which has been loosely used by some hon. members in this debate so far. That word is "safety". We on this side agree with the intent of any measure which will lower the prices of prescription drugs to consumers. This is a philosophy to which I think everyone in this house adheres. In saying this we do not mean to imply either directly or otherwise that the cost of drugs in Canada is necessarily too high. Indeed I directed questions to a large number of witnesses who appeared before the committee on that specific point—as to whether in their opinion the cost of drugs in Canada was too high. The generality of opinion was that they might be high, but that they were not necessarily too high.

We started this inquiry on February 15, 1966 when a special committee was set up. It is not necessary to review the terms of reference in detail, but I will emphasize one point because it is an essential part of the background to the remarks I intend to make. We were not asked to say whether prices were too low or too high. Rather we were directed to find a comprehensive and effective program to reduce the price of drugs in Canada, the inference being that the price of drugs was, in fact, too high. As the chairman of the special committee has correctly pointed out, we were not necessarily to concern ourselves about safety. To tackle these terms of reference realistically we had to make some basic decisions at the outset. Most of these are clearly set out, and they are to be found at page 6 of the committee's final report to the house. They are, in essence, that the committee's conclusions should be such that any of its recommendations, if adopted, should continue to maintain a proper balance between industry and consumer, and take into consideration the importance of continued and increased scientific research in Canada.

This was the fundamental premise from which we started. No recommendation could be considered which, although designed to lower drug prices in Canada, might produce drugs of questionable safety or have a detrimental effect on other aspects of the Canadian economy. We were given our terms of reference and we set our guide lines. The committee met some 63 times. We heard evidence from firms, associations, private individuals, government agencies and governments. In addition we had before us the research studies which have been mentioned —the findings of three previous Canadian commissions, those of the royal commission on health services, the patents, copyright and industrial designs commission, which was the Ilsley commission of 1960, and the Restrictive Trade Practices Commission. We also had access to many other reports and texts in this field such as the Kefauver report, which has been mentioned today, the Hinchcliffe report from the United Kingdom, published in 1959, and the reports of several Canadian provinces—Manitoba, British Columbia and Ontario. Not least, I suggest, we had before us the reports of the Boyd and Hilliard committees, both appointed under the aegis of the present government. These I suggest are the ones most pertinent to what we are about to do here some time during the next day or so.

I mention this background to illustrate the concern which has existed for some time not only in Canada but in other countries in connection with the drug industry, and to show that the Harley committee approached the task assigned to it with a full awareness of its responsibility to fellow members in the house and to all Canadians.

We on this side believe that the report generally represented an adequate and proper discharge of that responsibility. Before we look closely at the bill before us I believe we should refresh our collective memories as to the recommendations of the special committee on drug prices and costs and the implications of the implementation of those recommendations. I should like to read at least three of the committee's conclusions, because I think they are germane to the conclusions at which we on this side believe the house should arrive. The first is:

> That the food and drug directorate publish not less than once a month an informative bulletin to the medical profession giving complete details on drugs and their actions and reviewing major drug uses in Canada.

Notwithstanding the comments of the previous speaker, I would ask the minister whether this has been done. Has it been done

yet? Has any action been taken to lead to the implementation of this particular recommendation? The minister admitted earlier today that it had not.

The fourth recommendation of the committee was:

> That present ministerial authority as provided in Section 38 of the Customs Act be amended in so far as the importation of drugs into Canada is concerned, and that future value for duty be set in all cases at the cost of production of the imported drug plus an allowance for gross profit (i.e. an allowance to cover the actual manufacturer's administrative overhead, selling costs and net profit, etc.)

• (9:20 p.m.)

Here again I should like to ask the minister what has been done about this. It has been indicated that there has been a narrowing of the area in respect of the fifth conclusion, which states that the Customs Act should be amended to make clear that dumping duties with respect to drugs be limited only to affect those drugs of a kind made in Canada. I should like to ask the minister to tell us what the narrowing has been, or where the protection is. So far as I have been able to determine, this information is not available to us in print. I do not particularly wish to discuss all the recommendations, but I mention these three because they are indicative of the situation.

Some considerable time has elapsed since the publication of this report. The government has acted on one or two of the ideas set out here and has embodied them in at least one clause of the bill. However, the lack of action on the part of the government is indicative of the fact that there has been a rejection by government officials of the report of the special committee. Indeed, most of the provisos attached to the recommendations of the special committee have been dropped. Of the seven recommendations of the committee which are pertinent to Bill No. C-190—recommendations 2, 11, 17, 18, 19, 20 and 21—we find that only one, recommendation 21, was actually implemented, and that only two additional ideas were picked up and used in another form. This is the situation, in our opinion and I believe in the opinion of most members who were members of the special committee—in spite of the fact that the recommendations in the report are spelled out clearly, and in spite of the fact that drug prices in Canada are indeed higher than they need be.

[Mr. Forrestall.]

According to Mr. David Henry, the reasons for these prices are not single but are multiple and relate not only to the pharmaceutical manufacturing companies but also to the retail pharmacies and indeed, as we all know, the taxation policies of the government. They are due, as well, to the food and drug directorate, because of the regulations it imposes on the industry, the drug wholesalers, the physician who prescribes the drug and indeed the person who must have recourse to the drug and demands the very best. If I were a doctor I suppose it would be simple for me to say, "How often do we in this discipline hear workers say that they cannot afford to stay off work, and ask whether there is some pill or shot that will fix them up so that they may be able to stay on the job."

The recommendations of the committee also pointed out very clearly the importance that should attach to the matter of safety and the vital role of the food and drug directorate in this regard. They also point out the need for more research in Canada, both in the pharmaceutical and medical fields. As a member of the committee I am very gratified at the manner in which the pharmaceutical manufacturing industry and the retail pharmacists have responded to and have implemented certain committee recommendations. We see that the pharmaceutical associations across Canada are considering, and I think perhaps one province, if not more, has already instituted, recommendation No. 15 of the committee which deals with the ethics of the profession or the discipline of pharmacy. This has to do with the method of determining drug prices to the consumer.

The method of pricing drugs and some of the other recommendations have at least been given active consideration by the retail pharmacists and pharmaceutical associations. Members on this side of the house find encouraging the co-operation which has already begun to evolve between the manufacturers and the wholesalers in respect of the abolition of the recommended price lists. I believe stringent steps have been taken to revise their promotional practices. This was another of our recommendations.

This afternoon and evening we have had discussions about this being the reason for one of the highest costs in the manufacturing dollar. Something must be done in this regard. It is not a matter of a recommendation having been made, and ignored by the industry.

● (9:30 p.m.)

I should like to ask again what the government has done in this regard. Let us take a look at what has been done. The government has removed the inequitable sales tax on drugs. Indeed I wonder why it ever should have been increased to the level of 12 per cent. The grants to the Medical Research Council have been increased. This was mentioned earlier, and I believe everyone is gratified that this has been done. But what about the food and drug directorate itself? There was a good deal of evidence which pointed out the need for increased staff and the inability of the food and drug directorate to actively meet its commitments with its present staff. I suppose I should ask whether the personnel and facilities have been expanded, or indeed whether the recommendations of the Hilliard committee have been implemented.

The report of the Hilliard committee and the report of the Boyd committee were considered to be very important reports. They deal with the matter of the safety of drugs. I suggest that the government in this regard has procrastinated and delayed, and I believe this has been done deliberately. I ask again whether the Tariff Board has reviewed the drug tariff structure pursuant to recommendation No. 6 in the committee report. This is the recommendation which asks that the federal government instruct the Tariff Board to review the drug tariff structure. Has this been done and, if not, why not? Has the Customs Act been amended in line with recommendation No. 5 which I read into the record a while ago? Again we have the vague assurance that there has been a narrowing in this particular regard. We have had nothing specific. I suggest that the answer by the government in respect of these questions is Bill No. C-190, despite the warnings and recommendations contained in the committee report and despite conclusion No. 3, which deals with the matter of the issuance of a bulletin by the government.

The government has wilfully ignored the recommendations of the special committee. The result is that we have Bill C-190. We know it proposes simply to grant the commissioner of patents the full power to grant licences under patents relating to medicines, and to grant licences for the importation of medicines in any form. No reference to safety is made in the bill. There is absolutely nothing in respect of guarantees. Apparently the minister and his government are so intent on reducing the prices of drugs they do not care what kind of drugs are imported, so long as they are cheaper. It is not good enough for us on this side of the house or for the Canadian people to save a few pennies, without measuring value and the safety of the users of the drug. Surely that is poor business sense.

Hon. members of this house should be aware of the incalculable harm and danger we would do if we did not bring to the attention of all members and the Canadian people the dangers implicit in this bill. We would be abdicating our responsibility to all Canadians if we did not object to it as vigourously as possible. We would be failing in our duty if we accepted any bill that puts price ahead of the well-being of the people of the country, and we know instinctively that this is a bad bill.

This whole question of safety was raised and dealt with repeatedly throughout the hearings of the committee.

Mr. Orlikow: Would the hon. member permit a question?

Mr. Forrestall: A very short one.

Mr. Orlikow: I should like to ask the hon. member if it is not true that the director of the food and drug administration gave evidence to the committee that there were really no differences in quality and safety factors between generic and brand name drugs used for prescriptions in this country.

Mr. Forrestall: He may very well have said that, but he said a lot of things that were contradictory. I do not recall that specific reference.

I should like to read one or two things that members of that august body had to say on this point, having to do with safety. Let me quote what Mr. David Henry had to say as recorded in the proceedings of the special committee on drug costs and prices at page 2182 of that evidence on Tuesday, February 7, 1967. He was talking here about safety of drugs, and this is what he said:

> I am also making another assumption, and that is, that I regard as completely paramount the necessity of making sure that Canadians receive drugs of high quality, drugs which are safe, and drugs which are effective. Anything I say has borne that in mind, and as I say, to me that is paramount; it is not even an issue in this debate; I do not think anybody would quarrel with this point.

Mr. Henry is an acknowledged expert. Indeed I understand he at least had something

to do with drafting this bill; but I see nothing in the bill dealing with the safety of drugs that we are going to allow into the country.

Again, at page 2188 Mr. Henry had this to say:

> It should also be recognized that any proposal to inject price competition calls for action at three major levels—the manufacturer's level, the retail level, and the patient's level (which effectively means the level of the physician). I mention the physician merely so that it will be borne in mind that no matter how much opportunity for price competition may be made available, unless a physician has confidence in the source of the drug and in the measures taken to ensure the purity, safety and effectiveness of the product he would not prescribe it for his patient. It is therefore important that along with any package of measures adopted, full attention be given to the necessity of building up confidence on the part of the physician in competing products available so far as safety, quality and effectiveness are concerned. In the absence of such confidence, a downward pressure on drug prices cannot, in my view, be achieved.

We heard evidence before the committee as well on the question of drugs coming into the country, and we heard evidence of the inability of the food and drug directorate to check effectively on the various factors involved in ensuring absolute safety of drugs. Indeed, if my general understanding is accurate, the concern of the food and drug directorate is that a particular drug should measure up to what it is represented to be. We have all read very recently about the sale of water to Viet Nam under the guise of its being a drug. If it can happen in one country it can happen in another. I suppose as long as it was listed as water the food and drug directorate would not object.

Let me again quote from page 2167 of this evidence taken before the committee. Perhaps I should not quote this, as it is quite lengthy, but it has reference to what Dr. Hilliard had to say.

In spite of all these facts the minister continues to ignore the advice of a series of dedicated Canadians, both from the public service and the industrial level. I wonder sometimes whether the minister's common sense has been affected by more heady prospects which might lie ahead. I am wondering if he is not more concerned about his stance before the conference to be held in this city in a few weeks. He has continued to ignore these remarks and recommendations, contained not only in the conclusions of the special committee but in other evidence available to us and available to the government.

[Mr. Forrestall.]

• (9:40 p.m.)

Tied in with recommendations 16 and 17 is recommendation number 2. We dealt with it briefly, but perhaps I should repeat it because it leads to something else. This recommendation has regard to personnel and facilities of the food and drug directorate, and what we consider on this side of the house to be an imperative need for expansion to allow the full implementation of the Boyd and Hilliard reports. I would remind the minister that this recommendation was also one of those made in the fifth report of the special committee on food and drugs, back in the 26th parliament. That recommendation has been ignored. How many committees must we have and how many witnesses must we hear in the future before this government realizes that you cannot, under any circumstances, separate quality from price when you are dealing with patent medicines and drugs?

The hon. member for Halton (Mr. Harley), who spoke very informatively a little earlier, said as reported at page 1531 of the committee proceedings:

> You are talking about safety, and our terms of reference are actually cost, but there is no question that the two are related.

Then the hon. member for Verdun (Mr. Mackasey) said:

> I think we all agree, Mr. Chairman, that if safety was not a factor you could buy drugs even cheaper.

What was the committee talking about? It was talking about government policy of buying drugs on price consideration alone, and the great concern of members of the Department of Defence Production and all the departments concerned in the quality of drugs tendered and bought by the government. There was a very revealing meeting that particular day. It was one that certainly gave the hon. member for Saskatoon (Mr. Brand) a considerable insight into the practices of the government with regard to the purchase of drugs. I think that meeting left many of us with the impression that at least members of veterans hospitals, the armed forces and others in the general area of government paternalism are receiving drugs the origins of which are not always known, even to the purchasing agents responsible for their ordering.

Mr. Speaker, I do not think there is any need to read the evidence into the record. It is there to be seen in Dr. Chapman's remarks at pages 1994 and 1995 of the proceedings of

the committee, in the remarks of Mr. Allmark, deputy director of the food and drug directorate, at pages 1530 and 1531, and in the remarks of Mr. Showalter at page 1539.

This is a very serious matter. The government suggests that there is adequate protection in respect of drugs coming into the country. Here is an example of where the purchasing agent did not even know the origins of the drugs he was ordering. They could indeed have come from the same source which supplied the salt water to Viet Nam. I suggest that the issue is quite apparent. It does not seem to us that the government is at all concerned with safety.

I do not know whether deliberately or due to a lack of knowledge they have left this matter out of Bill C-190 entirely. There has been ample persuasion to suggest to the minister and his departmental officials that indeed you cannot separate them. As I say, Mr. Speaker, I am not sure what has been the motivation of the government.

Many areas should have been touched on and I hope will be touched on arising out of the effects of the implementation of the plan as outlined by the minister before the committee. For example, we had a great deal of evidence which indicated that the importation of drugs in the manner suggested would lead to the destruction of the pharmaceutical industry in Canada. That was not simply the pleading of a special interest.

We heard earlier in the day that there was nothing that would encourage expansion by the small manufacturer. I fail to see anything so far in what the minister or anybody else has said that would justify the industry remaining in this country at all. Why should it stay here and operate at the high cost levels of the economic structures in Canada today, when there are many areas where the economic structures are much more compatible with this type of industry? This is the type of industry where transportation is not a major factor.

In this connection, Mr. Speaker, Mr. Henry stated in the committee that there were grave doubts held by his department whether it is a good idea to have a pharmaceutical industry in Canada at all. I think he perhaps phrased it in a way to suggest that, as far as the industry is concerned, we must look at the situation very carefully to see whether it would be advisable to continue the industry in this country. I cannot in any way see anything to reject that statement as a premise. In saying that, Mr. Speaker, I again suggest to you that this philosophy and principle is rather apparent in the bill that is before us.

Mr. Turner: Mr. Speaker, may I rise on a point of order? I think the statement, if read carefully, by the Director of Research was to the effect that the industry might not exist in its present form, not that it would not exist at all. I think if the hon. member reads the statement carefully he will come to that conclusion.

Mr. Forrestall: I am sorry, Mr. Speaker, but that is not the conclusion that I came to at all. I came to another conclusion. If this situation were to come about because of this bill passing, in spite of the very valid objections that we have made in regard to the very obvious absence of anything in it to adequately protect Canadian consumers—and we have suggested what those protections should be—I do not think we could in good conscience do anything but oppose the bill.

I conclude by asking the minister again to reconsider, if for no other reason than to satisfy the Canadian people on the question of safety, the reference of the bill back to a standing committee. I suggest that this need not necessarily be the standing committee which dealt with it at the outset; but because of the implications to the industry, because of the very obvious conflicts that will arise, perhaps the bill could be referred to the finance and industry committee, where it could be dealt with not only in the light of the safety factor involved but in the light of its consequences upon some rather basic industrial philosophies that some have in this country.

The impact of the loss of 2,500 trained university men has been pointed out. If there were not a complete loss, the serious impairment caused by the loss of these trained people would be enough in itself to warrant this one further step on the part of the government. We wonder at times whether we can be a viable nation if we are not producing, and this measure would seem to me to be one step toward the curtailment of a viable and lively industry, one that is developing and growing, one that indeed is not nearly as guilty of most of the sins that have been ascribed to it, as has been pointed out so forcibly by the minister and other speakers today.

We have had a great deal of misrepresentation placed upon certain facts, or at least conclusions drawn and inferences left that are not correct. The question of royalties has been raised, that is, the difference in royalties

paid in this country and in the United Kingdom. Entirely different methods are used. It is a small point but it is symptomatic of what we are dealing with. You cannot relate one system to another and come up with an entirely different system: It just does not work.

• (9:50 p.m.)

I hope again that the minister will reconsider this bill, if on no other grounds, then on the grounds of satisfying the users of drugs in Canada that the drugs which come into this country under such a broadened and widened form of legislation would indeed be safe drugs.

Mr. Richard Cashin (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, I listened with interest to the remarks of the previous speaker, and in the time at my disposal I would like to deal with some of the objections to the bill that have been raised by the vested interests and by hon. gentleman opposite, which seemed to have some similarities.

It would seem that the main thesis propounded by the hon. member for Halifax (Mr. Forrestall) in opposition to this bill was not based on the fact that he feels the cost of drugs is unreasonable. I think he raised two points in objection to the bill. It would appear that in his mind the objections were so great as to permit what is an intolerable situation to exist for some time. Therefore if we are to decide on the merits of the hon. member's speech, we must reflect on the objections he has raised. His major objection had to do with safety. The drug industry itself has made reference to safety and quality control, and there is no question that this is a matter which can arouse a considerable amount of emotional support. It is entirely consistent in the art of politics, when advocating a course of action which in all other respects may be undesirable and unpopular, to try to find one aspect of your case which arouses public sympathy, and by doing that perhaps to obscure the major merits of your opponent's argument, thus helping to win the day on fallacious grounds. I believe that if the arguments of the hon. member opposite and the drug industry were to carry the day, the Canadian people would be done a considerable disservice.

I do not want to spend a great deal of time on the matter of the safety of drugs, because it has already been dealt with eloquently by previous speakers and by the interjection of

[Mr. Forrestall.]

the hon. member for Winnipeg North (Mr. Orlikow). The hon. member for Halifax said he saw no mention of this in the bill. May I refer him to subclause 13 which requires that notice be given to the Department of National Health and Welfare; and it is surely the function of the food and drug directorate to determine the safety and quality of drugs. There is nothing in the training of a patent officer and nothing to qualify that branch of government permitting it to set the criteria for safety.

The suggestion has been made by the drug industry and by the hon. member for Halifax that there is a relationship between patents and safety, and patents and quality control, and that any change in the patent law goes to the root of the problem of safety and quality control, when in fact the large body of evidence collected by the Hall commission and by the committee of the house shows the contrary. Notwithstanding that evidence and the provisions in this legislation, both the drug industry and the hon. member for Halifax have placed emphasis on the safety issue. Were I one who wanted to oppose the bill, were I not greatly concerned about the cost of drugs, and were I looking for arguments which might have some popular appeal for the general public which might not have the opportunity to examine the matter closely, quite obviously the issue to choose would be safety and quality control. It is an excellent technique which is as old as the art of politics itself.

In this case, however, the arguments of the hon. member opposite have little or no resemblance to the facts, which is what this chamber is concerned about. Naturally we are all concerned about the matter of safety and quality control. I think it would be ridiculous to assume that the royal commission on health services, the standing committee of the house, and the two doctors, members of the house, who spoke in this debate could, on the one hand be concerned about the price of drugs and on the other not be concerned about safety and quality control. Quite obviously they are concerned about both. I think that if you can get away with it, it is a quite admirable technique to try to confuse the issue. I hope that all hon. members have seen through this technique of the drug industry and of the hon. member for Halifax, who would appear to have presented the same arguments to the house that many of us have heard from the drug industry.

I do not fault the drug industry for raising objections to this bill. After all, I do not think any industry is altruistic. I recognize our system is based on the profit motive, and surely various industries are bound to be concerned about a change from a known to an unknown procedure. It could have some unsettling effects on the balance sheet. This is a natural and understandable preoccupation of drug companies, so I understand their use of the argument of safety. However, I cannot understand the reasons why the hon. member for Halifax has rested so much of his long effort on that particular point. I hope that all hon. members who have had an opportunity to study this matter will see—

May I call it ten o'clock, Mr. Speaker.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

27053—420

HOUSE OF COMMONS

Tuesday, February 13, 1968

The house met at 2.30 p.m.

IMMIGRATION

CONCURRENCE IN FIRST REPORT OF SPECIAL JOINT COMMITTEE

Mr. M. L. Klein (Cartier) presented the first report of the special joint committee on immigration, and moved that the report be concurred in.

Motion agreed to.

[*Editor's note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*Translation*]

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

AMENDMENT RESPECTING QUALIFICATIONS OF BOARD MEMBERS

Mr. Réal Caouette (Villeneuve) asked for leave to introduce Bill No. C-200 entitled "An act to amend the Central Mortgage and Housing Corporation Act."

Some hon. Members: Explain.

Mr. Caouette: Mr. Speaker, the present act stipulates that, in order to be appointed a director of the Central Mortgage and Housing Corporation, one must be a British subject. The object of this bill is to provide that, in order to be appointed a director of the Central Mortgage and Housing Corporation, one must be a Canadian citizen.

Motion agreed to and bill read the first time.

GOVERNMENT PUBLICATIONS

LEGISLATION RESPECTING USE OF WORD "CANADA"

Mr. Réal Caouette (Villeneuve) asked leave to introduce Bill No. C-201 entitled "An act respecting the use of the word "Canada".

Some hon. Members: Explain.

Mr. Caouette: At the present time, Mr. Speaker, the expressions "Dominion" and "Puissance du Canada" are used in the documents published by the Canadian federal authorities. This bill suggests that the word "Canada" should be used instead.

Motion agreed to and bill read the first time.

[*English*]

VOCATIONAL TRAINING

FINANCIAL ARRANGEMENTS WITH PROVINCES —MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. A. D. Hales (Wellington South): Mr. Speaker, I rise at this time to ask Your Honour's leave to move the adjournment of the house under standing order No. 26 in order to discuss a matter of very urgent national importance, namely the right of this government, through the Minister of Manpower and Immigration, to say in writing to the provinces of Canada that the government will not be able to honour a cost sharing agreement for the building of vocational training schools throughout Canada which it made with the provinces last August. I realize, Mr. Speaker—

Mr. Speaker: Order, please. Would the hon. member address the Chair on the question of urgency of debate. I take the liberty to remind him that what is under consideration at this point is the matter of urgency of debate only. The hon. member should refrain from discussing the substance of his motion and confine his remarks to the question of urgency.

• (2:40 p.m.)

Mr. Hales: Thank you, Mr. Speaker. I realize it is my task to convince you that it is urgent that we postpone the business of the house to debate this matter; that is, it must be of national importance and must be urgent.

First of all I should like to point out how important it is from a national point of view. Every province in Canada is affected; every person of school age is affected. This concerns the financial structure not only of every province in Canada but also of this government. I do not think there is any doubt concerning the national scope of this subject; therefore I shall leave that matter at this point.

With regard to the matter of urgency I should like to draw to Your Honour's attention the fact that nothing can be more urgent than a question concerning Canada's credit rating. Second, what could be more urgent than a discussion of a matter which concerns the integrity of an individual or a nation

when that integrity is brought into question because of the very fact that the government has told these provinces it cannot fulfil its commitments and cannot honour the agreements. Third, no indication has been given to this house as to when we might have an opportunity to debate this very point. I realize that the estimates were tabled yesterday, but we have not been told when we might expect to have a debate on those estimates or when a supply motion will be called. Therefore we have not been given assurance that this will be done immediately. This very serious problem should be discussed now.

Another reason for the urgency relates particularly to the province of Ontario. The Ontario legislature opens tomorrow. The provincial government must be prepared to budget its expenditures for the year.

That province was promised some $71 million and now is told it will have to find $34 million, which means that this province will have to make some very fast decisions in order to raise this money. Therefore the matter is very urgent. Indeed it is urgent in respect of all provinces and not just Ontario.

This problem is doubly urgent because it affects all provinces. I realize, as I am sure most members of this house realize, the great domino effect this action will have on all provinces across Canada. Therefore it is most urgent that this action be stopped immediately and that we have an opportunity to debate this financial question which has appeared on the horizon.

The sixth reason I believe it is urgent is that we as members of this house have a right to know now just how serious this whole matter is. We have a right to know whether we are just seeing the top of the iceberg. I believe we are entitled to have a full fledged debate on this matter now.

My final point in stressing that it is urgent is that the unemployment situation in Canada is such that every step must be taken to provide training for the unemployed by means of the vocational training schools. Therefore it is most important that this matter be settled speedily so the Minister of Manpower and Immigration will have an opportunity to reconsider the letter he sent to the provinces stating his inability to pay the amounts agreed upon.

With these remarks I hope I have proven to you, Mr. Speaker, that this is a matter of national importance and one of urgency. If you should grant the motion so there would be a postponement of the business for today I and many other members of this house would welcome the opportunity to speak on this very serious matter.

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like on behalf of the members of this party, Mr. Speaker, to support the motion and urge Your Honour to allow it on the grounds of urgent public importance. In the first place the provinces, who are now in the process of preparing their estimates and their budgets, ought to know exactly what the position is and why this government finds it necessary to curtail the financial commitments it made to the provinces of this country. At the present time in most of the communities I have visited there is a long list of students waiting to get into vocational training schools. The provinces are anxious to meet this problem. They cannot meet it unless they know what the situation is with regard to the financial commitments the federal government is going to keep.

I want to point out also that the matter is important because in this technological age vocational training is becoming increasingly important. If we are to avoid inflation it can only be done by increased productivity, and productivity depends upon training technical staff and workers so they can perform technical functions in industry. This is a matter of great importance all across the country.

I submit to Your Honour that there will be no other opportunity in the immediate future, within the next day or two, to discuss this matter. If we leave it for several days that will be too late. I think the house and the country, particularly the provincial governments, are entitled to a full statement from the government. They are entitled to have that statement made today. We are entitled to know why the government, under the guise of controlling inflation, is seeking to do the very thing that will make inflation worse than it is now. We therefore support this motion.

Hon. George Hees (Northumberland): Mr. Speaker, I rise also to speak to the question of urgency of debate. At this moment, sir, you may be considering that this subject could be discussed under the supplementary estimates which were tabled yesterday. However, on examining these estimates I think you will agree there is no item which would provide the latitude of debate necessary to cover the vitally important subjects which have been mentioned by the hon. member for Wellington South and the hon. member for Burnaby-Coquitlam.

Since this is a vitally important matter and must be debated immediately, and since there is no item which the government has indicated under which the debate may be conducted nor has the government given any indication when such an item might be called, I consider the subject must be debated today.

Mr. Speaker: After having heard the submissions by the hon. member for Wellington South, supported by the hon. member for Burnaby-Coquitlam and the hon. member for Northumberland, I suggest to the house that I am in a position to express an opinion. The hon. member has satisfied me that this is a matter of national importance, a matter of extreme urgency and a matter which is national in scope. However, I must tell him I am not satisfied he has convinced me that there is urgency of debate this afternoon, and that the ordinary business of the house should be set aside for the purpose of discussing the problem raised by the hon. member.

He knows that according to citation 100 paragraph 3 of Beauchesne's fourth edition, urgency means urgency of debate, when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough. In spite of the suggestion by the hon. member for Northumberland I believe, particularly in view of the fact that the subject is closely linked with the general financial situation in the country, that it could easily be brought within the scope of the financial debate which has been announced for later this week by the Prime Minister. An indication was given by the Prime Minister in the house yesterday that there will be a financial debate when the supplementary estimates are brought down. If it should appear later this week that this is not the program of the government and the supplementary estimates are not brought down, the matter can be reconsidered then.

• (2:50 p.m.)

In view of the statement made yesterday I suggest to hon. members that it is not possible for me to accept the motion today.

FINANCE

INCREASE IN 1968 ESTIMATES OVER 1967

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the minister in charge of Treasury Board but perhaps I can direct it to the Minister of Finance. I now see the minister in charge of Treasury Board in his seat, so I would ask him to explain to the house why he claims that the estimated expenditures for the next fiscal year are up less than 4 per cent when in fact the estimated expenditures, as I read them, are about 8 per cent higher than the estimates tabled one year ago for the current fiscal year.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I would simply say that our objective was to contain expenditure within the 10.3 billion level for the entire year. We have included in the estimates tabled this year, because of better forecasting, items that were included in supplementary estimates last year. So my hon. friend is comparing "mains" with "mains", and the two things are not comparable.

Mr. Stanfield: Would the minister say I was incorrect in believing that the estimates tabled yesterday are 8 per cent higher than the estimates tabled a year ago for the current year?

Mr. Speaker: Order, please. I suggest that when the Leader of the Opposition asks the minister a question in this form, it is debate.

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In view of his answer, would he guarantee to the house that no supplementary estimates will be submitted to parliament next year?

Mr. Benson: Mr. Speaker, I should like to guarantee to the house that after the supplementary estimates are introduced during the year and the year has ended, with the normal lapses that always occur, we will hit our $10.3 billion ceiling and will balance the budget this year.

Mr. Ricard: You are whistling in the dark.

Mr. Monteith: Then is the minister now admitting that he has superfluous figures in the present estimates?

Mr. Benson: No, Mr. Speaker.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

SUGGESTED WITHDRAWAL OF AMENDING LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the

very strong representations made to the government this morning by the Canadian Labour Congress regarding Bill No. C-186, and in view of the undoubted dissension this legislation will cause, would the Prime Minister give consideration to withdrawing that legislation at this time?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. It is before a parliamentary committee, and it will be considered there.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the fact, as I recall it, that the Prime Minister did not include this legislation in the list of priorities he gave the house the other day, has the government changed its order of priorities and is Bill No. C-186 now a priority item for this session?

Mr. Pearson: Mr. Speaker, there has been no change, but we are very anxious that this bill be given exhaustive and comprehensive consideration before the committee.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a supplementary question for the Prime Minister. May I ask the right hon. gentleman whether the presence of the minister of manpower at last night's meeting of the parliamentary committee studying Bill No. C-186 indicates a lack of confidence in the new Minister without Portfolio, who was also present?

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton North and Victoria): On a point of order, Mr. Speaker, may I put the question in another form?

Mr. Speaker: Order, please. The difference in form will have to be substantial to make the question acceptable.

Mr. Muir (Cape Breton North and Victoria): I can assure you that the difference will be substantial. May I ask the right hon. gentleman if the Minister of Manpower and Immigration was there on behalf of the C.N.T.U.?

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

Does the right hon. Prime Minister intend to see to it that Bill No. C-186 shall be considered and passed by the house before the adjournment of the present session?

[*English*]

Mr. Pearson: Mr. Speaker, that will depend on the progress made in the committee, of course.

[*Translation*]

OLD AGE SECURITY

REPORTED DELAY IN RECEIPT OF SUPPLEMENTAL PAYMENTS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, on February 6 last, I put a question to the parliamentary secretary to the Minister of National Health and Welfare with regard to numerous complaints from older citizens who did not receive in January the supplement to the old age security pension to which they are entitled.

Could the parliamentary secretary tell me whether action has been taken to pay that guaranteed income supplement as soon as possible? Could she answer this question today?

[*English*]

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the minister will be in the house later this week, and I know he will be glad to answer this question.

CONSUMER AFFAIRS

MANDARIN ORANGES—POSSIBLE APPEAL OF JUDGMENT IN PROSECUTION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs; he took it as notice some time ago. Has his department yet decided whether to appeal the fines that were recently levied against certain fruit importing companies which are engaged in the mandarin orange trade in British Columbia?

Mr. Speaker: Order. I am not sure whether the question was accepted when it was first asked. If the matter is urgent perhaps the question might be answered, but it does not seem urgent to me.

Mr. Johnston: It was accepted, Mr. Speaker, when it was first asked and the answer is basic to the entire approach of the new department to consumer protection.

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have asked for and received advice from counsel. Since this involves an appeal before the courts we have asked for counsel's opinion and are considering it.

HEALTH AND WELFARE

MEDICARE—MAINTENANCE OF PORTABILITY PRINCIPLE

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): My question is for the Prime Minister, Mr. Speaker. Since two provinces have now accepted the national medicare plan does this mean the Prime Minister has now abandoned the principle of portability?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Hon. E. D. Fulton (Kamloops): I have a question for the Prime Minister, supplementary to the one that was asked by the hon. member for Simcoe East. Is the right hon. gentleman satisfied that a trip confined to a movement from Saskatchewan to one other province and possibly a return comes within the definition of portability in a national context?

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): I wish to direct a question to the Minister of Industry. In view of the severe drop in manufacturing production, from a 20-year average annual increase of 5 per cent to 1.1 per cent last year, will the minister take the first opportunity on motions to outline to the house the steps the government intends to take in the near future to stimulate industry and therefore stop the vast growth of unemployment in the country?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am sure the hon. member for Northumberland will be as glad as I was to note that the index of industrial production has turned upward. This undoubtedly is a direct consequence of efforts made in this regard.

Mr. Hees: A supplementary question, Mr. Speaker. Since the figures I quoted were exact figures taken from the Dominion Bureau of Statistics, I ask the minister to answer my question.

Mr. Drury: Yes, Mr. Speaker. The figures quoted were exact, but I suggest that the hon. gentleman is clearly drawing the wrong conclusions from them.

MANPOWER

REPORTED RESIGNATION OF SENIOR DEPARTMENTAL OFFICERS

On the orders of the day:

Mr. David Lewis (York South): I have a question for the Minister of Manpower and Immigration. Can the minister inform the house whether a senior officer in his department, Mr. Duclos, and other senior officers have resigned their posts? If so, did they resign because of some differences of opinion as to policies being pursued by the department?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I have not received the resignation of any of the senior officials referred to by my hon. friend for York South.

[*English*]

INDUSTRY

NEWFOUNDLAND—CLOSING OF FISH PROCESSING PLANT

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of Fisheries. The $6½ million fish plant of Ross Steers Limited of St. John's, Newfoundland has laid off 125 plant workers and tied up five of its deep sea trawlers. Having regard to the assistance provided to this company by the government, would the hon. gentleman investigate and report on the reason for this shutdown, in the hope that steps may be taken to prevent any further curtailment of fishing operations in the Atlantic provinces?

Hon. H.-J. Robichaud (Minister of Fisheries): I believe the hon. member is referring to an article which appeared in the *Globe and Mail* this morning, in which reference is made to a temporary closing of a fish processing plant in Newfoundland. This closing takes place at a time of year when fishing operations are becoming more difficult on account of climatic conditions.

The closing of this plant could have been caused by many factors, such as the operation of a number of outmoded and uneconomic trawlers, which makes such fishing activities at this time of the year unprofitable. It could also have been caused by the over-fishing of certain species such as ocean perch and flounders, causing an over-production which

has affected the marketing of this particular commodity.

Mr. Crouse: I thank the minister for his answer. Would he inform the house whether an assessment of the trawlers would indicate that they were not properly designed and are unsafe for further service at the present time?

Mr. Speaker: Order. I doubt whether the supplementary question is acceptable. It does not appear to be urgent.

Hon. George Hees (Northumberland): In view of the fact that one of the reasons given by the company for the cessation of its operations is its inability to sell fish in the United States market, would the hon. gentleman ask his colleague the Minister of Trade and Commerce to try a little harder in this connection?

Mr. H. Russell MacEwan (Pictou): Since it has been suggested that the trawlers are antiquated, would the minister give consideration, together with his colleague the President of the Treasury Board, to recommending a return to the former system of subsidies in respect of fishing trawlers?

Mr. Robichaud: There is no indication in the article I have mentioned to the effect that an application by this company for subsidy on the construction of new trawlers has been turned down.

DRUGS

REQUEST FOR PROTECTION AGAINST INFERIOR GENERIC IMITATIONS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I had intended to address a question to the Minister of National Health and Welfare, but in his absence I will address it to the Minister of Consumer and Corporate Affairs. In view of the serious situation resulting from the use of chloramphenicol which fails to produce therapeutic blood levels, endangering the lives of those taking it, and the fact that the food and drug administration of the United States has banned all but chloromycetin by Parke, Davis and Company, would the minister tell the house what steps have been taken to protect the Canadian public?

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): I shall look into this matter immediately and talk with my good friend the parliamentary secretary to the minister.

[Mr. Robichaud.]

[*Later:*]

Mrs. Rideout: Mr. Speaker, earlier to-day the hon. member for Simcoe East (Mr. Rynard) directed a question to the Minister of Consumer and Corporate Affairs and I would like to answer that question now if I may. The food and drug directorate has been kept fully informed of investigations carried out in the United States showing differences in blood levels of chloramphenicol in patients receiving various brands of this drug, as well as the *in vitro* dissolution rates of these products. Samples of all brands of this drug on the Canadian market are currently being examined in the laboratories of the directorate. When the studies are complete action will be taken if evidence is obtained that any products fail to meet appropriate standards.

Mr. Rynard: Mr. Speaker, I wish to direct a supplementary question. The food and drug directorate of the United States has banned this drug for some time, and it has been proven very definitely that the blood levels have not been adequate with some of the brands that have been used. I would like to know when something will be done about this, and what action is contemplated.

FINANCE

EFFECT ON CANADIAN SUBSIDIARIES OF U.S. CURTAILMENT OF CAPITAL EXPORTS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): May I ask whether the Minister of Finance has received notice that the Amax Petroleum Corporation and the Southwest Potash Corporation of Canada, subsidiaries of American Metal Climax Incorporated of New York, and both active in western mining and petroleum production, have decided to close their operations following the reallocation of funds in consequence of measures taken by the United States government to curb business spending abroad? If so, has the hon. gentleman received notice that other companies may have the same intention?

Hon. Mitchell Sharp (Minister of Finance): I read about this particular case in the newspapers this morning; I have not received any other direct information. I do know there is some concern with regard to the action of the United States government in curtailing the export of capital from the United States. This is, of course, a matter of concern to the Canadian government because we have said to industry and to the public generally that

we shall bring cases of this kind to the attention of the United States government if they threaten to have serious effects upon Canada.

Mr. Lambert: In that case will the minister consult with his colleague the Minister of Manpower and Immigration and ask him whether he now agrees there should not be government direction of foreign investment?

Mr. E. Nasserden (Rosthern): I have a supplementary question for the Minister of Finance. Has he received any representations from the province of Saskatchewan in connection with the slowdown of potash development in that province?

Mr. Sharp: Yes, I have discussed this matter with the premier and with other ministers of the Saskatchewan government.

Hon. Alvin Hamilton (Qu'Appelle): My supplementary question has to do with the question raised by my hon. friend from Rosthern. Is the minister aware of a statement by an official of the United States treasury department last week that if any United States subsidiary were to trade with a country such as China, its management would be liable to severe fines or prison sentences for breaking the trading with the enemy act?

Mr. Sharp: I am not aware of that particular statement, but of course I am aware of United States policy in this respect.

Hon. George Hees (Northumberland): Has the Minister of Finance pointed out to the United States secretary of the treasury that this country has a trade deficit of more than a billion dollars with the United States every year, so we are assisting them—

Mr. Speaker: Order, please.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, further to the question asked by the hon. member for Qu'Appelle may I ask the Minister of Finance, in view of the statement made by a United States official regarding potash companies in this country and whether or not they can sell potash to certain countries to which its sale is prohibited in the United States, has the minister or any other department of the government made it clear to Canadian subsidiaries of United States corporations, including potash companies, that their responsibility is to the laws of Canada and not to the laws of the United States?

Mr. Sharp: Yes, Mr. Speaker. This position has been made very clear both by the Minister of Trade and Commerce and by myself; and if there are any cases of this kind where Canadian companies are not observing Canadian law I hope my hon. friend will bring them to my attention and I will have them investigated immediately.

Mr. Douglas: As a supplementary question, will the minister make it clear to these companies that the trading with the enemy act which applies in the United States does not apply to Canadian subsidiaries of United States corporations operating in Canada?

Mr. Sharp: Mr. Speaker, the hon. gentleman knows that United States laws do not apply to any Canadian companies.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO EXTENSION OF FRENCH NETWORK

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Secretary of State.

In view of the fact that subsection (e) of section 2 of the Broadcasting Act stipulates that all Canadians are entitled to broadcasting services in French and English, will the increase in the budget of the C.B.C. for 1968-69 be used to finance the extension of the French network of the C.B.C.?

[*English*]

Hon. Judy V. LaMarsh (Secretary of State): As hon. members will see, a considerable amount is provided in next year's C.B.C. budget for the extension of services in both languages to places not already served, in accordance with requests we receive from every corner of the house almost daily.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to ask the Minister of Finance a supplementary question about the estimates.

Could he tell us if the increase of $130 million a year in the interest on the national debt is due to an increase in the national debt or in the interest rate paid by the government?

Mr. Speaker: I do not think that question is in order.

[*English*]

BUSINESS OF THE HOUSE

OPPORTUNITY FOR DEBATE ON ECONOMIC SITUATION

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to ask the Prime Minister a question based on his statement of intention that an opportunity shall be afforded to parliament to debate the general economic situation in Canada. Is the Prime Minister prepared to say emphatically that this opportunity will be provided in connection with the present supplementary estimates, and that no restrictions will be imposed which would prevent such a debate from taking place?

Right Hon. L. B. Pearson (Prime Minister): The only restrictions would, naturally, be those imposed by Mr. Speaker on hon. members who violate the rules of debate. Apart from this, the supplementary estimates provide an opportunity for a debate on this subject to take place, and if this is not sufficient for the hon. member the interim supply resolution certainly affords that opportunity.

Hon. George Hees (Northumberland): Will the Prime Minister designate the item on which a full and unrestricted economic debate may take place? Will he do so before the end of the day?

Mr. Pearson: I will leave that to the hon. gentleman's ingenuity.

Mr. Hees: I have great ingenuity but I cannot figure out the Prime Minister's mind. Will he make a statement tomorrow?

AGRICULTURE

GRANTS OR LOANS FOR FAIRS AND EXHIBITIONS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I wish to ask the Minister of Agriculture a question which is of an urgent nature for local fairs and exhibitions preparing for this year's attractions. Are grants or loans available or will they be available shortly for fairs and exhibitions wishing to improve their facilities this year?

Mr. Speaker: Order. I suggest this question should be put on the order paper. If the hon. member disputes my ruling and wishes to have an opportunity to discuss the matter later today I will see that he is given that chance tonight.

[Mr. Speaker.]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is it his intention to present a budget to this house before this session adjourns for an event in April in which he is greatly interested?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have no such intention.

HIGHWAY SAFETY

INQUIRY AS TO CONSIDERATION OF COMMITTEE RECOMMENDATIONS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Transport. When will the minister be announcing government intentions relating to recommendations of the legal and justice committee, made over a year ago, in the field of automobile deaths and injuries?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, my officials who have been given this responsibility are trying to work out a plan for me which is practical and which will involve full participation not only of the federal government but also of the provincial governments which, as you know, have much of the constitutional responsibility in the area. As soon as we have heard from some of the provinces and I have had a chance to review the policy I will try to make a statement to the house at the appropriate time.

NATIONAL DEFENCE

PROPOSED NEW SYSTEM OF CONTINENTAL AIR DEFENCE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question I intended to put to the Minister of National Defence, but I think it is of sufficient importance to put it to the right hon. Prime Minister. The United States secretary of defence in a recent report to the United States senate armed services committee stated that the Canadian government has already indicated that it intends to continue its co-operation in the air defence of the continent. This statement was made in the light of a $13 billion new air defence system—

Mr. Speaker: Order, please. Would the hon. member ask his question?

Mr. Brewin: Yes; I am just coming to the question, Mr. Speaker. I would like to ask the Prime Minister whether the government has in fact indicated the intention stated by Mr. McNamara.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. It has already been announced in the house, I believe, that we intend to continue our co-operation with the United States in the field of continental air defence, but that has nothing to do necessarily with the program referred to by my hon. friend.

NATIONAL PARKS

BANFF—FEDERAL REPRESENTATION AT CITIZENS' MEETING

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Was the minister or any of his departmental officials invited to the meeting held at Banff last night, sponsored by the citizens' committee under the chairmanship of hon. Senator Donald Cameron, protesting national parks policies as they apply to Banff? If so, was the department represented at that meeting?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think we had observers there.

Mr. Dinsdale: As a supplementary question, will representatives of the citizens' committee be invited to appear before the northern affairs committee when it reconvenes shortly, so they might be heard?

Mr. Laing: Mr. Speaker, the committee is in charge of its own affairs, and I am not going to interfere or indicate which groups it should call.

EXTERNAL AFFAIRS

INQUIRY AS TO ADVICE OFFERED TO VARIOUS COUNTRIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is the government giving counsel and advice to the governments of North Korea and North Viet Nam, and the Smith government in Rhodesia; and if so what is the nature of this counsel and advice? I ask this question in view of a statement by the Secretary of State for External Affairs on February 8 to a large meeting in Toronto, where he stated that our position as friend and adviser to both sides—

Mr. Speaker: Order, please. The question is in order, but I think the hon. member will agree that it would not be in order to read the statement to which he is referring.

Some hon. Members: Answer.

FINANCE

POSSIBLE REIMPOSITION OF CEILING ON BANK INTEREST RATES

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Finance. It is based on a statement made recently to a public meeting by the Minister of Agriculture, when he said that the ceiling on interest rates of chartered banks should be imposed again. Is it the intention of the government to bring in an amendment based on the policy set out by the Minister of Agriculture?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have no intention of bringing forward any legislation dealing with the Bank Act, but I always listen very carefully to my colleague the Minister of Agriculture.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Prime Minister. How soon can we expect an announcement of government policy, as a result of the study indicated by the Prime Minister a few days ago, in regard to the rising and exorbitant interest rates that have become effective since the government eliminated the ceiling on bank interest rates?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not quite sure to which study my hon. friend is referring, and I will have to examine his question very carefully.

Mr. Nasserden: A few days ago I asked the Prime Minister if this matter was under consideration and he said the cabinet was studying it. I wonder when we can hope to have an answer saying what the government is going to do.

Inquiries of the Ministry

CRIMINAL CODE

SUGGESTED AMENDMENT RESPECTING REPRESENTATION BY COUNSEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of the lack of agreement by the provinces at the federal-provincial conference to enactment of the Canadian charter of human rights, which would have guaranteed the right of Canadian citizens to be represented by counsel in courts, is the minister giving consideration to adding a clause to his omnibus bill amending the Criminal Code, which would give such a right to counsel?

Hon. P.-E. Trudeau (Minister of Justice): No, Mr. Speaker. This question of the right to counsel will be dealt with more properly in a charter of human rights and not in a Criminal Code bill, because this right applies to many aspects of the law, not only the criminal law.

HOUSING

REPORTED STATEMENT BY EXTERNAL AFFAIRS MINISTER

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the minister responsible for housing. In view of the recent public statement by the Secretary of State for External Affairs that housing is in an awful mess in Canada, has the minister conferred with the Secretary of State for External Affairs to ask whether he has any suggestions as to the type of amendments that should be brought forward to rectify the situation?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Kootenay West.

EXTERNAL AFFAIRS

REPORTED STATEMENT RESPECTING U.S. PLANES IN SOUTH KOREA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Thank you for recognizing me, Mr. Speaker. I know the Secretary of State has to leave in a few minutes and has been sitting on the edge for nearly half an hour—

Mr. Starr: On the edge of what?

Mr. Herridge: In view of the fact that the senate foreign relations committee has been informed that one reason United States forces did not go to the assistance of the intelligence ship when she was seized by North Korea is that all United States planes in South Korea were equipped only with atomic weapons, has the Secretary of State any comment to make about this unusual admission?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, if the hon. gentleman is asking the question of me let me say I have not been sitting on the edge of my chair, and I hope he will be careful to indicate whether he is dealing with domestic or external affairs.

Mr. Herridge: I was asking the question of the Secretary of State for External Affairs.

CANADIAN CONSTITUTION

PUBLICATION OF WORKING PAPERS OF RECENT CONFERENCE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. In view of the ensuing public interest in last week's constitutional conference, is it the government's intention to gather together the main working papers in some form so they may be printed and made available to the public?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I answered a similar question several days ago. At that time I believe I said this was something which should be done, and we are taking steps to see that it is done.

TRADE

SALT—EFFECT OF TARIFF CHANGES ON CANADIAN INDUSTRY

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Finance. In view of the adverse effect the Kennedy round tariff changes will have on the Canadian salt industry, will the minister consider having the special circumstances clause invoked and applied in order to renegotiate this commitment?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, it has been brought to my attention in a brief submitted by the Canadian salt producers that the changes being made will have an adverse effect on their operations. I should point out that the reductions in question are to be staged in five annual steps ending January 1, 1972. So far as I know

there is no suggestion that injury will result from the initial reductions which come into provisional effect on January 1 of this year. I will be glad to keep the situation under review, and if in light of experience it should become apparent that serious injury to the Canadian industry is arising from the reduction, consideration will be given to renegotiating the commitment in question.

Mr. McKinley: Thank you very much.

[*Translation*]

UNITED NATIONS

CANADIAN POSITION RESPECTING RECOGNITION OF TWO CHINAS

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs, but due to his absence, I will direct it to the Prime Minister.

Recently, the parliamentary secretary to the Secretary of State for External Affairs seemed to question the government policy concerning its formula on the admission of two Chinas in the United Nations. Is that statement of the parliamentary secretary to the Secretary of State for External Affairs an indication that the Canadian government wishes to alter its position on the matter?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. Our policy in this regard is quite clear, and I am sure my colleague the Secretary of State for External Affairs would confirm that if he were not out on the telephone.

GRAIN

REPORTED STATEMENT BY AGRICULTURE MINISTER RESPECTING WHEAT BOARD

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I should like to ask the Minister of Agriculture whether he was making a declaration of government policy or merely speculating when he stated publicly a few days ago that the cost of operation of the Canadian Wheat Board should be paid out of public funds.

Mr. Speaker: Order, please. The hon. member knows he cannot ask a minister about a statement made outside the house.

Mr. Schreyer: Mr. Speaker, may I redirect my question to the right hon. Prime Minister. Last week the Prime Minister undertook to consult with the Minister of Agriculture and inform the house whether that minister was relating government policy when he stated it was the hope that the cost of the operation of the wheat board would be paid entirely out of public funds.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I rise on a question of privilege. I suggest that the hon. member read my speeches more carefully before asking questions about them. That is not what I said.

AIR CANADA

INQUIRY AS TO POSSIBLE CURTAILMENT OF OPERATIONS

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I should like to ask the Minister of Transport whether the reduction scheduled for 1968-69 in the spending estimates of the Department of Transport will be reflected in the curtailment of any of Air Canada's operations or services?

Hon. Paul Hellyer (Minister of Transport): No, Mr. Speaker.

Mr. Speaker: Order, please. I suggest to the hon. member that his question is not in order.

INDUSTRY

SYDNEY, N.S.—ADDITIONAL FEDERAL ASSISTANCE RESPECTING STEEL PLANT

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Prime Minister. Does the inclusion of $2 million in the supplementary estimates in respect of Sydney steel close the door to further negotiations between the provincial and federal governments?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. At the moment we are in the process of drafting a reply to the most recent communication from the premier of Nova Scotia.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REPORTED LAY-OFFS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, on Thursday and Friday of last week I brought to the attention of the Prime Minister the lay-offs that have taken place in the last

week or so by the Northumberland consultants, to the extent of about 50 per cent. I asked whether this would have some further delaying effect on the construction of the Northumberland causeway. The right hon. gentleman indicated that he would find out whether such was the case, and I am wondering whether he now has that information.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, perhaps I could give the information. The staff of the consultants working on the Northumberland causeway has increased since last August from 88 to 94. What apparently is causing concern to my hon. friend is a reduction in the number of supervisory staff working on the three contracts which are now going ahead in Prince Edward Island, and on which work has been shut down for the winter because of weather conditions. That is the only reduction there has been. There has not been a reduction but rather an increase in the total staff working on this project.

Mr. MacDonald (Prince): Mr. Speaker, some months ago the minister was good enough to assure the members of the committee on public works that we would have an opportunity to discuss further developments in respect of the causeway when a report was submitted by the special advisor to the minister. How soon may we look forward to such a committee hearing?

Mr. McIlraith: When the report is received.

Mr. MacDonald (Prince): When will that be?

Mr. McIlraith: I cannot tell.

FINANCE

POSSIBLE INTEREST INCREASE ON FARM IMPROVEMENT LOANS

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I should like to ask the Minister of Finance whether it is the government's intention to revise present legislation in order that banks will be allowed to charge more than the present rate of interest for farm improvement loans?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have answered similar questions in the past. I think it will be desirable to give some flexibility in respect of interest rates in order that the sort of thing that has arisen recently will not occur again.

[Mr. MacDonald (Prince).]

Mr. Watson (Assiniboia): Mr. Speaker, if there is to be a flexible arrangement are the interest rates likely to go down as well as up?

Mr. Sharp: Yes, Mr. Speaker.

AGRICULTURE

POTATOES—IMPORTS FROM U.S. INTO WESTERN CANADA

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, I should like to ask the Minister of Agriculture whether he has received information from representatives of potato producers in western Canada outlining a further deterioration in the situation since last week; and is the government now prepared to consider the application of value for duty?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I received a telegram alleging a further deterioration of price. This matter is being investigated and a review is being made as to whether the Canadian Horticultural Council, which formerly did not support the application of value for duty, has now had a change of mind. To date and to the best of my knowledge this council does not support the application of the Alberta potato growers.

• (3:30 p.m.)

PATENT ACT—TRADE MARKS ACT

AMENDMENTS RESPECTING IMPORTATION OF PRESCRIPTION DRUGS

The house resumed, from Monday, February 12, consideration of the motion of Mr. Turner for the second reading of Bill No. C-190, to amend the Patent Act and the Trade Marks Act.

Mr. Richard Cashin (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, in my view the House of Commons was treated last evening to a most unusual and remarkable performance by the junior member for Halifax (Mr. Forrestall). Indeed, after close examination of the text of his speech I have come to the conclusion that he was either poorly informed on the matter before the house or undertook a course of action which in my view can only be called courageous. He advocated a course of action for parliament and the government that flies in the face of 100 years of traditional sentiment and agitation from the area he represents. Surely it takes a courageous man to dissociate himself publicly from the viewpoints and philosophy

of government that have been deeply embedded in the region he represents. The matter before the house, the changing of the Patent Act and the Trade Marks Act, represents in a sense an expression of a particular philosophy of government.

It may be said that the situation in the drug industry is such that the framework of the industry needs to be altered. One of the major changes under this measure would lead to freer trade. The hon. member for Halifax, contrary to what may be the understandable wishes of his constituents, has attacked this legislation. He has used arguments which have been primarily used by the drug industry located in central Canada. Thus for the first time we have seen—and I think this is a good balance—a member from the Atlantic region defending the interests of another region at the expense of his own. The approach of the hon. member for Halifax was also in direct contradiction to the stands taken in this house by the hon. member for Cape Breton North and Victoria (Mr. Muir) and the hon. member for Cape Breton South (Mr. MacInnis) who have attempted to model themselves as particular spokesmen for the interests of their region.

Mr. McCleave: Why don't you crawl out from under that rug and stand up?

Mr. Cashin: I hear the senior hon. member for Halifax (Mr. McCleave) making one of his usual contributions from his seat. Of course, they are most effective then because they are not heard by everybody. If I were the senior member for Halifax I would be very concerned about carrying my running mate with me the next time.

Let me point out what the running mate of the senior member for Halifax has done. He has expressed concern about 2,500 jobs which he claims will be lost in central Canada. The source of his information is the drug industry. Yet an examination of the facts and the evidence presented before a series of inquiries suggests to the contrary. The hon. member has allied himself with the drug industry against the body of evidence. I say that his stand is courageous because if the drug industry is not right, and the evidence suggests it is not, I for one could not tell my constituents in St. John's West, Newfoundland, that they must pay the considerable extra cost to support the protectionist, high-Tory viewpoint enunciated by the junior member for Halifax. If we take the evidence of the industry itself, a conservative estimate of what the present situation costs the people of Canada is $2 a head. For the constituency of Halifax this represents about $500,000 a year, and that is a very conservative estimate. So in effect the junior member for Halifax is asking his constituents to go along with him, to uphold the status quo, not to undertake any changes, and the people of Halifax together with those of the rest of Canada must pay for what I think is this unfortunate and deplorable situation.

Mr. Dinsdale: You sound like a pocket "Pick".

Mr. Cashin: I doubt very much that the hon. member for Brandon-Souris (Mr. Dinsdale) would endorse the viewpoint of the junior member for Halifax. If he did he would almost be following the dictum of Burke, that constituents may advise, that they may have their particular interests, but in the final analysis the great principles of traditional Toryism are such that they must be defended at all costs, even at the cost of the sick and the infirm in our respective constituencies.

Mr. Dinsdale: The voice of Jack Pickersgill.

Mr. Cashin: I am not faulting the individuals in the drug industry by suggesting that they are sinister in their intentions. I do suggest that the fault lies in the framework of the system and the ground rules have to be changed to lead to a lowering of prices in the drug industry. This is my concern. At the present time the effect of the patent laws is really a form of protectionism for certain vested interests in this country which are foreign owned. This is what the hon. member for Halifax, traditionally a free trade area, is defending. It would seem from the comments of the hon. member for Brandon-Souris that he also is defending it.

It is evident that there have been great changes in the Tory party under the new leadership. They are reverting to the traditional Tory position. It is interesting to note that their leader, notwithstanding the fact that he too comes from a region that would benefit from this freer trade, appears to be of the school of thought of the junior member for Halifax in that he also is terribly concerned about the traditional principles of high-Toryism, protectionism and opposition to changes in the status quo. Indeed, his recent statements on medicare would seem to put him more in line with the junior member for Halifax than with the hon. member for Cape Breton South, who appears to represent the other school of thought in the divided Nova Scotia branch of the Conservative party.

The hon. member for Halifax was concerned about the potential loss of jobs to 2,500 people working in central Canada. I am sure that the members of parliament who represent these people will be well able to fight for their interests, bearing in mind that if what the drug companies say is true the amount of subsidy the rest of us pay in the present situation is indeed high. Perhaps the junior member for Halifax is giving a new look to Atlantic provinces politics. For a long time the Atlantic provinces have sort of had their own axe to grind. They have come here and presented their particular interests. But now at long last the Atlantic provinces have produced a spokesman who is able to turn his back on the traditional approaches of those provinces. He may be the first Atlantic provinces' member who is in fact endorsing the principle that it is time the Atlantic provinces paid back the money they have received. I do not know any other member from the Atlantic provinces who could take such a position and hope for re-election. I presume that when he took this position the hon. member had the whole of his political future in mind.

An hon. Member: Perhaps he is looking for a seat in Ontario.

Mr. Cashin: Yes, perhaps he is looking for a seat in Ontario. Indeed, after his performance yesterday he may have not only jeopardized his own position but that of his esteemed senior colleague from Halifax. The drug industry—

Mr. McCleave: The only thing that has happened is that you have made me ill.

Mr. Cashin: The senior member for Halifax has just left the chamber. It is unfortunate that neither member for Halifax is here at the present time. If I were either of those hon. members I would want to spend a great deal of time in the chamber because I would not be in the house very much longer. But it is refreshing to know that principles still play a major part in politics, and if a man honestly disagrees with the interests of his constituents I think it is courageous of him to say so in the House of Commons. I think it is a noble quality.

As I said, Mr. Speaker, the junior member for Halifax has adopted almost completely the position of the drug industry in this regard. Let us, therefore, examine some of the arguments which have been brought forth. First of all, the hon. member places great reliance upon the safety issue. Of course, safety is like motherhood. As I said last evening, it is good debating technique, if you are on otherwise weak ground, to attempt to find an emotional argument that will obscure and cloud the facts. This is an understandable tactic which from time to time a great many people in all walks of life find it necessary to adopt. But in actual fact the overwhelming body of evidence in a series of inquiries suggests the quite obvious fact that in patent legislation safety and quality are two different things. Patent legislation in effect gives a monopoly. It is a sort of economic device which gives a monopoly that has had an inflating effect on the cost of drugs. Safety and quality are covered by the Food and Drugs Act.

• (3:40 p.m.)

It seems to me that if there are problems with regard to safety, quality and control they must relate to the food and drug directorate. In fact, one of the ingredients of the package proposed by the government is an increase in the facilities of the food and drug directorate so that it will be able to deal with the present and future situation. So the hon. member for Halifax, together with the drug industry, has brought the red herring of safety into this debate.

The second argument used by the industry, and again used by the hon. member for Halifax in his defence of the industry, is that research and development naturally lead to higher costs and therefore since it is necessary to conduct research in a research oriented industry this in the end affects the price to the consumer, and in effect the steps the government is proposing to take through this legislation would wipe out research in Canada. It is further argued that it is socially desirable that Canada encourage research. I think everybody agrees with that. It is like motherhood, and we all agree with that. It is said further that the lack of patent protection will lead to secrecy and less courageous investment. These are allegations made by the drug industry and by the junior member for Halifax.

It is understandable that the drug industry would perhaps balk at any changes in the present framework. Under the present system their average profit in the last 12 years has been approximately double that of other manufacturing industries. In taking his courageous stand the hon. member for Halifax has asked his constituents in Halifax to live with this situation. It is understandable that the drug industry would not welcome changes

that would affect the balance. This is understandable from their point of view. But it seems to me it is the responsibility of parliament and the government in this matter to lay the framework and ground rules to make this industry more productive.

In their reports the Hall commission and other commissions have pointed out that in fact very little research is actually carried on in Canada. In the evidence before the standing committee which studied this matter and in the evidence given before other bodies it was pointed out that there are other factors which determine the location where research is carried on. The drug industry is a world wide industry. The drug manufacturers are not interested particularly in the markets of one or another country; they are world wide. Therefore there are other economic factors which dictate the location of their major research facilities. In fact, the evidence given before the committee quite clearly pointed out that it is a fallacious argument to link the patent laws with research. This is the second red herring introduced quite understandably by the drug industry but not quite so understandably by the junior member for Halifax who seems to be so afraid of any change that he will support any existing system on the basis that the devil you know is better than the devil you don't know, while in the meantime his constituents in Nova Scotia and all our constituents must pay among the highest prices in the world for drugs.

The evidence which has been collected by means of the various studies shows that approximately 7 per cent of the manufacturers' dollar is spent on research. This is not a very high figure, particularly when one relates it to the fact that they spend 30 per cent of that dollar on selling. When one looks at the ratio of detail men to doctors—I heard it was ten to one and later that it is eight to one—it is quite clear that it is a higher ratio than in any other industry in Canada. This suggests that there are a great many ways in which to lay a framework or ground rules so that we will have a more competitive industry and one which will lead to lower costs. Therefore I do not believe that the argument concerning research is one that carries any weight when we consider the facts. The drug industry and one of its principal spokesmen in the House of Commons, the junior member for Halifax, have used this red herring.

The evidence presented before the special committee on drug costs and prices is to the contrary. It indicates that it is measures such as the government's fiscal policy, the policy of the Department of Industry and the clinical testing required by the regulations of the food and drug directorate which have encouraged the little research we have had in Canada. Therefore the argument does not hold water. I should also like to point out that Canadian patents are overwhelmingly owned by foreigners who in the past have found it more efficient to concentrate their research activities elsewhere. The modest increase in research in Canada has been due to government policy and the clinical testing required by the food and drug directorate. This is the reason, and it should not be confused with the existing patent laws.

It has been mentioned also that research is socially desirable. I believe we all agree with that, but if we bear in mind the evidence given by the industry before the royal commission and before the special committee of the House of Commons we find there are other ways in which to encourage research. Surely in this country we are not to be placed in the position of encouraging a minimum amount of research on the backs of the wage earners. That is not the situation. I disagree that that is the choice. I do not accept the premise that it boils down to the choice of the small amount of research we have justifying the high cost of drugs. I believe that the changes proposed by this legislation and the other steps which the government is taking and will take can lay the ground rules and framework for this industry to achieve the laudable goal of lower prices without affecting the small amount of research which is now carried on. However, if there should be any merit in the argument that the small amount of research we have is dependent upon patents, then I seriously question, certainly in the Atlantic provinces, how one could defend the high cost of drugs that the average wage earner pays to support this small, albeit sophisticated, industry. That is not the dilemma.

The junior member for Halifax had an opportunity to have his cake and eat it but he did not seize it because he is too hidebound, I presume, in the traditional trading concept of opposing change inasmuch as any change at all may be unsettling and therefore undesirable. Ninety five per cent of the Canadian patents are foreign owned. There is no reason to believe that the patent system will result in the disclosure to Canadians of any drug discoveries that would not otherwise occur.

It is also said by the industry and by the man who has championed their cause here in the House of Commons that if this bill passes there would be no reason for a manufacturer to maintain production facilities in Canada and that all they would need would be distribution houses in large Canadian centres from which to market their drug products manufactured in low wage areas. On the basis of the studies which have been undertaken I do not think this is a weighty argument. Especially in view of the high margin which exists, I believe it is reasonable to assume that it would still be profitable for them to continue manufacturing in this country. This is quite obvious particularly in relation to some of the smaller independent producers who would find it easier to import the basic fine chemicals than to import drugs in dosage form. The changes, therefore, which are permitted may lead to more of this rather than less. There are very few true production facilities existing now and at the moment importation takes the form of basic chemicals so the changes ought not to affect this procedure substantially.

• (3:50 p.m.)

It is suggested also that if this situation is brought about the people of Canada will be dependent on foreign countries for their sources of drugs. This is said with a certain amount of conviction and force on the part of the opponents of this bill. Immediately there is an emotional appeal and people say, we are going to be dependent upon foreign sources for our drugs; this is terrible. People use the word "foreigner" to suggest that something is wrong. In actual fact this situation exists today. I feel, therefore, there is no merit in this argument. Today we do import basic prime chemicals, so this argument would again seem to be one of the smokescreens employed by the industry and by the junior member for Halifax.

It is suggested also there are many life-saving products that enjoy a limited market which a company makes fully available only because they are part of a total operation. I am referring now to special and rare drugs. It is alleged that without reasonable patent protection a company may well decide it could not afford this kind of treatment of their important drugs and would not introduce new products, especially if they were used only for rare diseases. There is a suggestion here that drugs will be deliberately withheld from the Canadian market if these patent amendments are put into effect. I feel this suggestion goes against the nature of business. I believe increased competition can only result in companies demonstrating a willingness to maintain such services in order to capture their share of the market. This argument also suggests a high degree of petulance because companies would be saying in effect: If we cannot continue with the present system of making a high rate of profit we will not go into business with the new ground rules which reduce profits more in line with those in other industries; we will do something else. I am quite sure the private enterprise motive still exists and that there are many people who will want to survive in the drug industry and make money. Therefore, if it is good business practice to perform these services they will be performed.

I do not believe we should expect our private enterprisers to undertake a service for completely altruistic reasons. If they do these things they are obviously attempting to get good will for their companies, to show that they are community-minded. They will, of course, reap benefits from such action.

Mr. Rock: May I ask the hon. member a question? He has stated that 95 per cent of the ownership of the pharmaceutical industry in Canada is in foreign hands. Of course, these companies are established in Canada. Will this legislation give them the right to import from their home plants rather than service the industry from Canadian plants?

Mr. Cashin: I thank the hon. member for the question. This situation could exist under the present law. A company with a patent can import from its parent company. The only difference will be that instead of one company, the one with a patent, having that option, perhaps two companies will have that option. This suggests to me more competition. I suggest it is a comparison of oranges and apples that the hon. member is making.

Mr. Rock: I have another question if the hon. member will permit. Does he not feel that this privilege should be given to companies which are actually Canadian owned, that is, give them more patent rights rather than give foreign companies the right to import, which might cause unemployment within the drug industry?

Mr. Cashin: The intent of the legislation, as I understand it, is that this will be done,

particularly for independent Canadian producers. They will be given an opportunity under the compulsory licence procedure to manufacture some drugs they would not otherwise be able to manufacture. It is certainly arguable, and with a much stronger weight of evidence, that this will happen.

I can well understand the dilemma that some members face in connection with this matter. There are members who understand that a patent creates a monopoly and gives a kind of protection. There are certain individuals, obviously, who support this viewpoint and who think this is a laudable course of action. I do not argue that there are not instances where we should adopt such an approach for the common good. However, I do not believe the drug industry represents one of them. The very strongest the opposition can say about the changes is that they provide equal chances.

If under the present system a company can have a choice of importing or manufacturing, then under the compulsory licence system there will be more than one company involved in the same choice. In these circumstances, one may manufacture in the country and one may import. I do not see, on balance, that this is a strong argument. If it is a strong argument, and I do not concede that it is, I find it unusual that the hon. member for Halifax should support it and ask his constituents to pay such a high cost for these drugs.

Mr. Forrestall: Why don't you read the evidence presented to the committee?

Mr. Cashin: It is nice to know that in the Atlantic provinces we have people who do not need to worry about these high prices. I find the hon. member for Halifax a refreshing change from the hon. member for Cape Breton South (Mr. MacInnis).

Mr. MacLean (Queens): I hesitate to interrupt the hon. member, but I suggest that from time to time he has wandered from the subject matter of the bill. He seems overly concerned about the capability of the hon. member for Halifax to represent his own constituents. I am confident the member for Halifax can adequately represent his constituents, as he has done, and the hon. member who has the floor should now get back to the bill.

Mr. Cashin: I am most sorry if I gave that impression to the hon. member for Queens. On the contrary, I have been absolutely amazed that the hon. member could take what I believe to be a position which flies in the face of the traditional position of his region. I do not fault him for that; I congratulate him for it.

Mr. Speaker: Order, please. Since the point of order has been made and since the hon. member has replied, we might return to a consideration of the bill before us.

Mr. Cashin: During my discussion of the patent I mentioned the fact it is regarded as some kind of economic tool, a form of protectionism, and as long as that is so it is quite legitimate for hon. members to engage in the argument of protection versus free trade. I am sorry the hon. member for Queens (Mr. MacLean) has been so sensitive in regard to his colleague from Halifax that he is afraid to have these ideas exposed to debate in this house. I understood that was what parliament was all about.

Mr. Speaker: Order, please. I invited the hon. member to return to a consideration of the bill itself.

Mr. Cashin: Thank you, Mr. Speaker. I shall attempt to limit my remarks to a discussion of the ideas that have been brought forward on this matter. One of the matters overlooked in the remarks of members of the opposition is that if the ground rules under which the industry operates are to be changed no one single measure will of itself be a panacea. In fact, there are a number of steps which must be taken to achieve the goal of lower drug prices in Canada.

• (4:00 p.m.)

This bill, Mr. Speaker, is one of these steps. The first step was taken last fall with the removal of the sales tax, the alterations to the dumping laws and the reduction in import duties from 20 per cent to 15 per cent. These steps should have some effect on reducing prices at the manufacturing level.

The second part of this program or package is the proposed amendments now before the house to the Patent and Trade Marks Acts. These are important steps in the removal of some of the barriers that now exist and which create an artificial situation. For example, it has been clearly demonstrated that when patents have expired the cost of drugs has been greatly reduced.

Mr. Speaker: Order. I have to interrupt the hon. member to tell him that his time has expired.

Some hon. Members: Continue.

Mr. Speaker: The hon. member may continue only with the unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Cashin: I thank hon. members, Mr. Speaker, and will conclude my remarks very shortly. I have already said that when patents have been removed we have seen instances of lower drug prices.

The third part of the program is the provision to doctors, through the information services of the Department of National Health and Welfare, of objective material on various competing drugs that are on the market. Understandably, I think, doctors are very cautious in prescribing new drugs. Under the present system it is the drug industry, through its detail men, that does the selling. I believe that the dissemination of this type of information by an impartial agency will be very helpful and will give more leeway to doctors inasmuch as they will have more information on which to act. I think that in part at least this should deal with the very difficult problem of the 30 per cent of the cost of manufacturing drugs that is taken up with sales and marketing. I believe this figure is far too high and is a result of inefficiency. Quite clearly there is a responsibility on parliament to adopt measures to remedy the situation. I feel that the proposal regarding the information services branch of the department is a step in the right direction.

The minister also made reference to a fourth measure, the provision of certain assistance to some of the smaller Canadian manufacturers. The fifth matter was distribution, and the minister has indicated that he will be discussing this question with the provinces.

As I say, I do not think we can look to any one single measure to be entirely effective in solving the problems. However, I urge hon. members to support the legislation before the house. I suggest very strongly that the picture has become confused in the minds of some because research has been related to patents. When the evidence is examined this contention just does not stand up.

The second area of confusion has arisen because patents have been related to safety. The hon. member for Winnipeg North (Mr. Orlikow) asked a question of the hon. member for Halifax (Mr. Forrestall) last night which I thought was very pertinent. According to the evidence that he had found and which I also found—I do not have it with me right now but I will send it to the hon. member for Halifax—there is strong support for the argument that we should not confuse patents and safety.

In conclusion, Mr. Speaker, may I say that it seems that the opponents of this bill have no argument on which to base their case. They seem to be fearful of the effect on research, but I think the body of the evidence is against this. As an alternative it is a very costly price to pay. It seems to me there are other measures that stimulate research. The other argument the opposition has raised about safety has been dealt with by the minister and it will undoubtedly be dealt with by others.

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, it has been interesting to listen to the amazing speech of the hon. member for St. John's West (Mr. Cashin). He accused us of using emotional arguments to call attention to some of the deficiencies in this bill. He seemed to think that the question of safety was not important enough to underline the fact that we feel some provisions have been left out of the legislation. The hon. member spoke about red herrings. This government is very good at drawing red herrings across the path. It is said that this legislation will reduce the cost of drugs, Mr. Speaker. But how much more welcome would be measures that would reduce the cost of living right across the board, or measures that would remove the 11 per cent sales tax on building materials.

Last year quite an issue was made of the fact that the sales tax on drugs was removed. However, on January 1 of this year a 5 per cent surcharge on income tax was imposed. And so on it goes, Mr. Speaker. Talk about red herrings. Sometimes I wonder whether this bill is not a red herring that has been brought in by the minister as a sort of sermon on the mount designed to move him ahead in the leadership campaign that is given such prominent publicity in the country today. I expect that the parliamentary secretary who has just spoken hopes to step into the minister's shoes some day and it could be that these speeches were prepared in anticipation of that event.

The effect of this bill as I see it is to allow the commissioner of patents to grant licences permitting the importation of prescription drugs on a more flexible basis than applies at

present. Where there is a delay in the granting by the commissioner of the required licence for a period beyond six months, provision is made for the granting of an interim licence under a patent relating to medicine.

On December 15 last, as reported at page 5467 of *Hansard,* the minister indicated that the objective of this bill was to allow compulsory licences to import prescription drugs, which would have the effect of injecting more competition at the manufacturers' level in the drug industry and would beneficially affect the prices of drugs. In this connection it is rather interesting to look at the evidence given before the committee. On Tuesday, February 7, 1967, the committee received evidence from Mr. Henry, the director of investigation and research of the combines investigation branch. In connection with the competition that the minister feels is going to be injected into the industry as a result of this legislation the director of the combines investigation branch had this to say, as reported on page 2185 of the minutes of proceedings and evidence:

> Price competition during the life of the patent is found only in limited circumstances, notably in sales to institutions and governments. Instead, competition takes the form of product differentiation which requires inordinately large sums to be spent on promotion of a particular firm's product, usually by its brand name, primarily to the physicians who make the selection at the time of prescribing for the patient. Competition is therefore cost increasing rather than price reducing. The more intense the competition, the higher costs are driven. There being no downward pressure on price there is no downward pressure on cost with the result that pressures within the firm for more detail men, more advertising, etc., tend to be inflationary, and resulting high costs are used to justify high prices.

• (4:10 p.m.)

We were pleased to note the aims that the minister has in connection with this legislation. They were stated in his speech yesterday and were: lower prices for drugs, safe drugs for the Canadian people and a viable Canadian drug industry. From evidence taken before the committee we know that increased competition does not always have the effect of reducing the price of a particular article that is being sold. Nevertheless, anything that can be done to bring about a reduction in the price of prescription drugs will win the wholehearted approval of members of the house and the public at large.

As a result of this legislation we are likely to witness the importation into Canada, under interim licences in many instances, of a whole range of pharmaceutical products bearing brand names that are identical or similar to those of Canadian products which have undergone testing and inspection at the government level. This problem arises. What assurance will Canadians have that these products bearing identification similar to that of Canadian products have passed the same tests as products made in this country? This bill, so far as I can see, provides only that the food and drug directorate shall be notified of any application to bring into Canada a pharmaceutical product from another country. Does the minister feel that mere notification from one department to another is sufficient? Surely drugs imported from other countries and purporting to possess the same qualities as drugs manufactured in Canada should be subjected to exactly the same testing conditions and requirements as drugs which are manufactured in Canada.

The question of safety in the use of drugs is not merely academic. There have been numerous instances in the past few years which have indicated that, despite all possible precautions, horrible consequences can arise unless drugs meet the most rigorous conditions as to manufacturing standards. The other day some children in Ottawa ate some candy which it was thought was injurious. After careful study it was found that the candy was not the cause of the trouble. But how certain are we that the sort of thing exemplified by this candy incident could not arise with regard to drugs? If we are now to open the door to an influx of drugs over whose manufacture Canadian authorities have no control, then surely we must take steps at this end to see to it that reasonable testing procedures are followed.

No doubt the minister will recall the recommendations of the House of Commons special committee on drug costs and prices in this regard. I now wish to refer to two recommendations made by that committee which have not, I am sorry to say, been incorporated into the legislation. Recommendation No. 17 reads as follows:

> That subsection 3 of section 41 of the Patent Act be amended to indicate clearly that the granting of a licence by the commissioner of patents is subject to a report by the food and drug directorate of the Department of National Health and Welfare, to the effect that the applicant for the compulsory licence has satisfied the directorate that he has met the regulations under the Food and Drugs Act;

Recommendation No. 18 reads as follows:

That subsection 3 of section 41 of the Patent Act be amended to include applications for compulsory licences to import drug products in all forms, subject to inspection of manufacturing facilities by the food and drug directorate and provided such importation is in the public interest as may be determined by the commissioner; and to this end, your committee recommends that the rules under the Patent Act be amended to permit the commissioner to seek and receive outside independent expert advice in the determination of this question;

As I said, these two important recommendations by the committee do not seem to have been incorporated into this legislation. At least, there is nothing in the bill to show that these recommendations have been followed. Surely there is a responsibility on the government and on parliament to see to it that Canadians are granted an adequate level of protection. Drugs are not in the same category as other important materials. In a wide range of cases the assurance of effectiveness can mean that a person will live instead of dying, that a person will recover instead of suffering permanent and irretrievable damage. To put it succinctly, this is not an area to fool around in.

It is interesting to find that in the past there has been evidence of a little fooling around with regard to the question of safety of drugs and importation of drugs from foreign countries. This is substantiated by the evidence which was submitted before the special committee on drug costs and prices. Mr. Chapman, a witness before the committee, was questioned by the hon. member for Verdun (Mr. Mackasey) about a report which appeared in *Maclean's* review of January 1, 1966. The hon. member for Verdun read a portion of that report to the witness, as found on page 2233 of the committee evidence:

The raw material from abroad is often processed and packaged by Canadian distributers lacking adequate knowhow on quality control.

A little farther on the hon. member for Verdun continued reading from the report as follows:

One example: An F.D.D. inspector found a kitchen table manufacturer putting out a drug which lost its potency within two days compared with the six-month's shelf life of the same drug producted by a reputable company. He just did not know how to stabilize it, the inspector explained. All too often these small operators simply don't know what they are doing.

As I said, the hon. member for Verdun was reading from an article in *Maclean's* review of January. Farther along in the evidence, replying to the hon. member for Verdun Mr. Chapman said:

Well, I might say sir, with regard to the first paragraph at the top of the third column, where it states:—

Then Mr. Chapman reads a few words from the report:

"Italy and Poland were recently removed from the U.K.'s list of suppliers in antibiotics."

Mr. Chapman then continued his own evidence by saying:

We still import pharmaceutical material from both countries. In Italy the laws call for manufacturers to assay their own products, but F.D.D. inspectors often find the test equipment dust-covered and obviously unused.

As I said, Mr. Speaker, safety in drug imports is not an area that should be fooled around in. I ask the minister whether he will entertain an amendment to the bill to ensure that not only will the commissioner of patents forward a copy of any notice of application to the food and drug directorate but that a full clinical and chemical description of the product, along with a sample for testing, will be forwarded at the same time. Needless to say, since I am not a medical man I am subject to correction on this point, but we should not ignore what the hon. member for Simcoe East (Mr. Rynard) said yesterday in this regard. One would certainly like to hear the views of qualified medical men on the importation into Canada of drugs bearing brand names similar to those of Canadian products manufactured under the most rigid controls, since the imported varieties are manufactured under conditions which in some cases are known only to those who produce the drugs.

Most members of the committee—I know I did—received letters and information from people who are, of course, interested in the drug business. One important matter mentioned in that material was drug safety. Canadian drug manufacturers have operated with an enviable record of efficiency, safety and reliability for many years. The Department of National Health and Welfare, through the food and drug directorate, is in close and constant touch with those who manufacture drugs in this country. But what guarantee is there in the case of imported material originating we know not where? Another important point is that the country from which the material is imported may not be the country of origin.

• (4:20 p.m.)

What is to stop the entry into the pharmaceutical stream of dangerous or even toxic products when there is an almost complete absence of controls? This is not to say there will be no controls, but there will be no assurance that the controls are present in every case or even as to the nature or extent of such controls as may exist. I ask the minister to give serious thought to this matter in order to avoid the horrible tragedies to which Canadians and many thousands who live in other countries have been subjected in the past. With new drugs coming on the market every day and with each new discovery bringing a rush of imitators, it is difficult to control the situation in Canada. Once you open the door to unrestricted and unregulated importation, in many cases from unknown sources, there will not be enough civil servants on the government payroll to undertake an inventory of pharmaceutical imports.

I call attention to the evidence given before the committee to the effect that applications submitted to the commissioner had to wait many months before they could be processed. One of the recommendations made by the committee, to which in my view considerable importance attaches, reads as follows:

> That the personnel and facilities of the food and drug directorate be expanded to make possible the implementation of the recommendations of the Boyd committee, the Hilliard committee and this committee.

I maintain there is a need to incorporate into this legislation provisions dealing specifically with safety measures. Canadians are entitled to protection and surely the minimum protection to which they are entitled from this or any government is to know that when they buy drugs in Canada some attempt has been made to ensure that in seeking a cure or remedy they will not be doing themselves serious harm or injury. My own feeling is that if a system for testing and inspecting imported products cannot be worked out, then they should not be allowed into Canada. I ask the minister: Would he himself be prepared to take or allow his family to take such a harmless drug as aspirin if brought in from outside Canada and manufactured under conditions of which we knew nothing? I am sure he would have serious reservations. What then of drugs whose effects are more serious and potentially more harmful? Are Canadians not to have the assurance of government protection when it comes to the reliability of such preparations?

This is why I ask the minister to see that a provision is included in the measure before us requiring that with each import application a complete description and a sample for testing must be forwarded to Ottawa, and that no licence be granted until a clean bill of health in the form of a certificate is secured from the Department of National Health and Welfare. I do not think we can be too careful in dealing with considerations of human health. Human beings are not guinea pigs, though I believe the Minister of National Health and Welfare did refer to the people of Canada on one occasion as acting as guinea pigs over a period of time until there had been an opportunity to examine particular products.

I do not know whether the Minister of Consumer and Corporate Affairs (Mr. Turner) has consulted the Minister of National Health and Welfare (Mr. MacEachen) on this point. If he has not, perhaps he will do so. I hope and trust that he has consulted the officials of the Department of National Health and Welfare, particularly those in the food and drug directorate, for the benefit and protection of Canadians. I am sure that if he has obtained the view of his officials the Minister of National Health and Welfare must look askance at a procedure which has the effect of breaking down safeguards laboriously erected over the years for the protection of our people. I appeal to the Minister of Consumer and Corporate Affairs to look into the possibility of incorporating into this legislation measures which will ensure to all Canadians the best and the safest drugs possible.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the problem we are tackling today has concerned the people of Canada for at least ten years. It is almost ten years since the Restrictive Trade Practices Commission was asked to look into the field of prescription drugs and the possibility of monopoly control existing in Canada in this important industry.

The commission reported that the price of drugs was too high. One of the examples given in its report tabled in 1961 was chlorpromazine, perhaps the most commonly used tranquilizer. It had been researched and developed in France and it was selling in Paris in that year for 77 cents while it was being retailed in Toronto for $6.25 for the same amount and the same strength.

We have had a report from the Restrictive Trade Practices Commission. We have had a

report from the royal commission on health services under Mr. Justice Hall, appointed by the former Conservative government, and we have in our hands a report from a parliamentary committee which has held innumerable meetings on this subject.

I have been amazed at the contributions made by the three speakers so far for the official opposition, the hon. member for Simcoe East (Mr. Rynard), the hon. member for Halifax (Mr. Forrestall), and the hon. member for Wellington-Huron (Mr. Howe). If there is one thing which is obvious it is that they have ignored completely the advice given to the government and the committee by the head of the anti-combines branch, Mr. Henry. They have ignored completely the advice given by the head of the food and drug administration, Dr. Chapman. They have ignored completely the advice given by doctors who direct the operations of the largest hospitals in Canada. They have ignored completely the recommendations and the advice of the auditors appointed by the committee who found that the prices charged by Canadian drug manufacturers are too high. What they have told us could have been—I am not saying it was—written by the paid representatives of the Pharmaceutical Manufacturers Association of Canada. Every word of it.

Mr. Rynard: Pretty low.

Mr. Orlikow: The hon. member for Simcoe East (Mr. Rynard) indicates that is not so and I take his word for it. I did not say they were; I said they could have been written. The hon. member for Simcoe East says it is "pretty low" to suggest this. I want to deal with some of the things which have been said by spokemen for the official opposition. Here is what the junior member for Halifax said yesterday, and hon. members can find it reported on page 6655 of *Hansard*. I shall quote just a line or two.

> It is not good enough for us on this side of the house or for the Canadian people to save a few pennies, without measuring value and the safety of the users of the drug. Surely, that is poor business sense.

It is not a matter of pennies, Mr. Speaker. Take the example I just gave of chlorpromazine. It is costing Canadian consumers tens of millions of dollars.

What about safety? We have heard what Mr. Chapman is alleged to have said and what Mr. Henry is alleged to have said. Let me quote precisely what Dr. Chapman, the chief executive officer in the federal drug administration, the man responsible for the safety of drugs, had to say in this connection. What members of the official opposition are saying is that if we pass the legislation before us it will result in a flood of imported drugs which will be sold under generic names, and that drugs sold under generic names are not as safe as those sold under the brand names of the large drug manufacturing companies. In a moment I will deal with the question of how safe the drug companies are. Here is what Dr. Chapman said, and I quote only briefly from his testimony:

• (4:30 p.m.)

> There does not appear to be any significant difference between drugs sold under a generic name and those sold under a brand name. Similarly, imported drugs appeared to be of the same general quality as domestic production.

That is what Dr. Chapman said, but the junior member for Halifax and the hon. member for Wellington-Huron do not want to pay any attention to him. They would rather listen to Dr. Wigle and the other representatives of the Pharmaceutical Manufacturers Association of Canada. I believe in the people who work for the government of Canada, who have no special interest, who are not going to make money out of their activities, and who gave the parliamentary committee their honest opinions based on the facts.

I want to deal with another point, generic drugs. From what has been said one would think there would be great danger if the people of Canada were permitted to purchase prescription drugs under their generic names. I am not a doctor, like the hon. member for Simcoe East, but the facts are very plain. We heard the evidence again and again before the committee. I am sure the hon. member for Simcoe East cannot and would not dispute what I am going to say.

There is not a hospital in Canada, whether it be the Royal Victoria in Montreal, the Winnipeg General or the Toronto Sick Children's, which, when it fills prescriptions for people who are really sick—I think it is fair to assume that people in hospital are sicker than people who visit doctors in their offices and take prescriptions to their local druggists —uses brand name drugs. There is not a doubt that the vast bulk of prescriptions filled in Canadian hospitals are filled under the supervision and direction of the best doctors in Canada. So far as I know it is the doctors on the teaching staffs of medical schools who usually staff the big teaching hospitals. They

use generic name drugs, some of which are manufactured and some of which are imported into Canada.

I do not think the hon. member for Simcoe East would want this house and the people of Canada to believe for one moment that the doctors directing Canadian hospitals would order prescription drugs under generic names if they were not certain those drugs were adequate, up to a high standard and safe to use. When people talk about the use of generic drugs and warn the public that they are dangerous, I say they are creating a red herring. Consciously or unconsciously they are trying to protect the profit position of the large drug companies in this country.

This bill, when passed, will give legislative effect to some of the large number of recommendations made by the special committee of the House of Commons which dealt with drug costs and prices. It is true that not all its recommendations are being implemented. All during the committee hearings I for one agreed that the food and drug directorate must be given sufficient manpower and money so that every drug which is sold in Canada can be certified safe by the government. I do not care whether a drug is cheap or expensive. If it is not safe it ought not to be used in Canada, it ought not to be prescribed in Canada, it ought not to be sold in Canada. I do not think the government is doing enough in this respect and when we reach the departmental estimates I certainly intend to urge that the drug inspection service be expanded. But that has nothing to do with the bill which we are discussing today. This bill has nothing to do with generic drugs.

The most important change that the bill will make, if passed, is covered in that part of it which deals with trade marks. The bill will permit the importation of brand name drugs, trade mark drugs, if this is thought worth while from a price point of view. What would this mean? I suggest to the hon. member for Simcoe East that he look at the committee's report. He was a member of the committee, but I refer him to the details of its report. I refer the hon. member to page 80 which gives actual examples of the prices of drugs in this country and their prices in other countries. Here I am not talking about generic name drugs but about brand name drugs. Chloromecytin, produced by the Parke, Davis Company, the very drug which the hon. member for Simcoe East was asking questions about during question period today, sells in Canada for $23.64 per 100 tablets. In London, England, the price is $11.18. Under this bill, if a drug wholesaler wants to import Parke, Davis chloromycetin from Great Britain he will be able to buy it there, pay the duty on it, pay the freight, and bring it into Canada more cheaply than he could buy it from Parke, Davis in Canada, with the result that he will be able to offer it to retail druggists at a lower price and that lower price will be passed on to the consumer. That is what the hon. member for Simcoe East wants to oppose.

Mr. Rynard: You put a Canadian out of a job.

Mr. Orlikow: Let us take achromycin. In London it sells for $9.83 but in Canada the price is $17.62. Librium, which the hon. member for Simcoe East knows is a drug that if it is needed is not needed for a day, a week or a month but may be needed for years, sells in Great Britain for $3.02 per 100 tablets but the price in Canada is $7.20. This bill will permit the Canadian consumer to save money. The hon. member for Simcoe East says, what about the Canadian worker? I do not believe that this bill will do anything to the Canadian worker.

Mr. Rynard: You don't know.

Mr. Orlikow: It will do something for some Canadian workers and I will tell you what. We have evidence before the committee that of every dollar which a drug manufacturer spends 30 cents goes for the expenses of its detail men. For every doctor in Canada the drug companies are churning out $5,000 worth of publicity a year. They inundate the poor doctor with material which usually winds up in a wastepaper basket, trying to convince him that a Parke, Davis antibiotic is better than an Eli, Lilly antibiotic. It is the consumer who pays for that. If this bill is passed and a company like National Drugs wants to reduce the price to the consumer we will not see the Canadian drug companies go out of business. I do not believe for a minute that they will go out of business, and I will deal with the question of their profits shortly.

Listening to the hon. member for Simcoe East yesterday weeping about the poor inventor and the poor researcher and how they were going to have the bread taken out of their mouths, one would have thought we were dealing with poor people, but all of the

evidence cited in the committee report shows that drug manufacturing is one of the most profitable industries in Canada. The hon. member for Simcoe East wants to give them a licence to continue stealing from the people of Canada. That is what he is saying, Mr. Speaker.

Mr. Rynard: But they are providing research.

Mr. Orlikow: They can operate their businesses very efficiently. They can do research, but they have been doing very little research. They do not have to lay off workers but that is what they will do if this bill and certain other measures which have been proposed by the committee and others are put into effect. These measures will force them to operate at a legitimate rate of profit and bring down the price of prescription drugs, which are basically necessary to tens of thousands of people in this country, to a reasonable level.

• (4:40 p.m.)

Before I refer to some of the evidence given before the committee, which has been so eagerly and easily ignored by spokesmen for the official opposition, I should like to deal with the responsibilities of so-called ethical or large drug companies. One would think, to listen to the hon. member for Simcoe East (Mr. Rynard) and the junior member for Halifax (Mr. Forrestall), that these companies are paragons of virtue, never make mistakes and never produce any products which hurt the public. Let me refer those hon. members to an article which appeared in the Toronto *Globe and Mail* on April 7, 1966. This is a report on a speech made by Dr. James Goddard, the commissioner of the food and drug administration in the United States. I should like to read the following two sentences:

> The commissioner cited examples of misleading labelling and said that during the past year a staff studying drug advertising has brought complaints involving nearly one-third of the membership of the pharmaceutical association.
>
> "Those of us in government who are responsible for protecting the lives of American citizens cannot look away, cannot ignore, cannot put aside any acts of irresponsibility that may occur in the market place."

Those are United States companies which are also operating in Canada. Let me read a portion of a story which appeared in the Toronto *Globe and Mail* on March 1, 1966:

> The U.S. government seized 68 bottles of a heart drug called Peritrate SA yesterday and said claims made for it by the manufacturer, Warner-Lambert Pharmaceutical Co., are false.

Warner-Lambert is not some fly by night company; it is one of the giants of the United States pharmaceutical industry. I refer to another story which appeared in a labour union publication on June 4, 1966. This is what the article had to say:

> More than a third of the nation's drug makers are violating U.S. rules on false and misleading advertising. That startling disclosure came from the head of the food and drug administration, Dr. James L. Goddard. He told a house subcommittee hearing, that these violations include distortion of claims for usefulnesses, misinforming the doctor on the size of the drug test, claims of no side effects despite test evidence to the contrary and failure to modify old ads when new research indicated their message was invalid.

I am sorry the hon. member for Simcoe East has left the chamber because I wanted to indicate that one of the most flagrant violations in respect of failure to give the real information to doctors was perpetrated by the very company in respect of the very drug to which he referred, namely, Parke, Davis and chloromycetin. The New York *Times* of March 12 of last year made reference to another report by Dr. Goddard and stated:

> Among the commissioner's public moves have been seizure of the heart drug Peritrate SA because the manufacturer, Warner-Chilcott Laboratories, at Morris Plains, N.J., had published "false and misleading" advertising; withdrawal from the market of Elipten, an anticonvulsant drug made by the CIBA Pharmaceutical Co., Summit, N.J., because CIBA allegedly withheld unfavourable test results, and, most recently, banning the manufacture of antibiotic throat lozenges on the grounds that they are ineffective.

I have put these quotations on the record for two reasons, first, because I want the record to show very clearly that the large drug manufacturers and members of the Pharmaceutical Manufacturers Association do not have a completely clean bill of health and, second, because they demonstrate conclusively the contention of some of us, including members of the official opposition on the committee, that we ought not leave the health and welfare of Canadians to the tender mercies of individual drug companies which have their own axes to grind and are interested—I am not critical in this regard because this is how the free enterprise system works—in making a profit. We ought to assure that the food and drug administration of Canada is given the responsibility and takes on the job of making certain that the people of Canada get safe drugs. On that basis I can agree with the hon. member for Halifax. However, that is not the issue here today. The issue is

whether this bill will help bring down the price of prescription drugs to Canadian consumers.

The hon. member for Halifax was correct when he said that this bill does not do all the things the committee said it should do. Of course it does not. One of the things the committee said should be done was the removal of the 12 per cent sales tax on prescription drugs. That was accomplished months ago. There are other things which will be done, as I mentioned earlier, by various branches of government, including the food and drug directorate. The bill is a direct result of recommendation No. 21 of the special committee to be found at page 54 of the committee's report. I commend it to the hon. member for Halifax for examination. This is what it says:

> That section 20 of the Trade Marks Act be amended to make clear that no infringement can be claimed where imported drugs are manufactured by a "related" company;—

We have heard a great deal from hon. members about the dangers of unrestricted importation as a result of products being brought in from Great Britain, for example, which might not be the same as those sold in Canada under the same brand name. I find it hard to believe that the hon. member for Halifax and the hon. member for Simcoe East really believed what they were saying. If they did they must believe that there is a difference between the brand name products or prescription drugs made by Parke, Davis, Warner-Chilcott, Eli, Lilly, Lederle or American Cyanamid in Great Britain and those made by the same companies in Canada. I have too much respect for these international drug companies to believe for one minute that achromycin, chloromycetin, gantrisin, equanil and enovid made in Great Britain are different from the same products made in Canada or different from the same drugs produced in various other countries of the world under the same brand name. I am sure these drugs meet the same standards whether they are made in Great Britain, France, Italy, Canada or the United States. Yet that was the implication of what those hon. members were saying. I suggest that it is nonsense.

We have heard a great deal about selective choices. I think I should very briefly put on the record what the witnesses did say about drugs and drug practices. I refer hon. members to the second and final report of the special committee of the House of Commons on drug costs and prices. Let me quote a few sentences from page 12:

> The committee believes that the profits of pharmaceutical companies in Canada appear about twice as high as the level of profits of the manufacturing industry as a whole.

These are the poor defenceless people the hon. member for Simcoe East attempted to defend last evening. He said this bill would take the bread from their mouths; they were going to be cast into perdition and would have to go out of business. This is what the committee said:

> The committee is not concerned primarily with reducing profit below a reasonable level but it is concerned with reducing costs of drugs to the consumer. The committee is convinced that this can be done within the framework of the free enterprise system.

• (4:50 p.m.)

Arising out of this paragraph we have the recommendation to which I have referred and the legislation we are debating today. On page 15 of the report the committee said:

> Secondly, a thorough and comprehensive comparison between Canadian drug prices and those in other countries was undertaken by the Director of Investigation and Research under the Combines Investigation Act, which study resulted in the Green Book earlier referred to, and which comparison showed clearly the evidence that Canadian drug prices appeared to be surprisingly high. In fact, one of the conclusions reached by the director was that "prices of drugs in Canada are among the highest in the world."

I commend that sentence to the junior member for Halifax who suggested that we were talking about saving only pennies for the Canadian consumer. The report goes on to say:

> Thirdly, more up to date figures on the comparison of prices of drugs in Canada with those in other countries having relatively advanced economies were presented to the committee by the Consumers' Association of Canada. These figures likewise substantiated the conclusions of the Green Book.

Farther on in the report the committee said:

> Your committee confirms the previous findings now on public record; and it has come to the inescapable conclusion that drug prices in Canada are in fact high and that every fair and reasonable step should be taken to reduce these prices.

The junior member for Halifax was a member of the committee and I presume he endorsed this report when it was prepared. Lord knows, some of us wanted a strong report and the chairman of the committee, the hon. member for Halton (Mr. Harley), will confirm that we spent many hours twice

a week over a period of weeks reaching agreement with members like the junior member for Halifax and the hon. member for Saskatoon (Mr. Brand), who wanted to be 200 per cent certain that the committee report did not say anything which might hurt anybody unfairly. Some members of the committee—this certainly applied to me—consented to things that we would not normally have agreed to in order to get the hon. member for Halifax, the hon. member for Saskatoon and the hon. member for Simcoe East to agree to the wording of the report. Yet here we have the first piece of legislation arising out of the unanimous report of the committee and we have members of the official opposition saying in effect: Let us not pass this legislation; let us send it back to some committee.

They do not ask that this matter be sent back to the committee that studied it. Lord no, because that committee understands the situation. They ask that it be sent to the committee on industry, to a committee oriented to industry because industry wants to make as much profit as possible. They make this suggestion because they know such a step would kill this bill, and that is what they want.

Mr. Forrestall: I was talking about safety.

Mr. Orlikow: Let us not draw that red herring across the trail today. I said earlier, and I say it again, that if somebody in the family of the junior member for Halifax was sick enough to be admitted to hospital in Halifax I can assure the hon. member and he knows it—if he does not he should ask his doctor—that the doctor would not write a prescription calling for the drugs of Parke, Davis, Eli, Lilly or any other drug manufacturer. He would prescribe a generic product because that is the way the hospital saves money. Therefore the junior member for Halifax should not draw that kind of red herring across the trail today.

Why are we discussing this question? What are the profits of drug companies? Are we being unreasonable? Are we being unfair? Are they a group of companies that is just getting by or are they in fact, as some of us have said for years, making exorbitantly high profits? The Kefauver committee in the United States proved conclusively, I think, that they are large, wealthy companies which are doing very well and are in fact making an exorbitant profit.

I would not expect the hon. member for Halifax, the hon. member for Simcoe East or the hon. member for Wellington-Huron to believe me in this respect. After all, I am not really a very great supporter of the free enterprise system. But I wish those hon. members would look at appendix E of the report. This appendix was prepared by W. J. Blakely, the committee's chartered accountant. I do not know Mr. Blakely's politics but I am sure that if he was appointed on the recommendation of the government and if he is like 99 per cent of the chartered accountants whom I know, he is a pretty strong supporter of the free enterprise system. Let us look at his report. I shall quote a couple of sections from it. This is what Mr. Blakely said:

It is apparent from Table 1—

In the report.

—that the operating results for 1961-1964 do not indicate any material change in trend from that shown for the period 1953-1960, dealt with by the Restrictive Trade Practices Commission. Although the average rate of return on sales of pharmaceuticals decreased noticeably in 1961 and 1962, there was a significant recovery in 1963 to a rate of 10.05 per cent, the fourth highest rate in the 12-year period 1953-1964. The average rate of return for this entire period was 9.55 per cent for pharmaceuticals and 5.82 per cent for all manufacturing, the former being approximately 64 per cent higher than the latter.

This is one of the highest profit industries in the country, an industry to whose defence the hon. member for Halifax and other members of the official opposition spring. Let me refer again to the report of the committee's accountant. If you look at page 73 you will see the rate of return on capital invested compared with all other manufacturers. The table shows that for the years 1953 to 1963, a ten year period and a pretty good period to consider, the percentage return on capital investment in the pharmaceutical industry was 19.71 compared with just 10.40 for all manufacturing companies. In other words, their profit margin is almost twice as high as that of all manufacturing companies.

These figures were calculated by the accountant in another way. He showed the rate of return on resources employed. For pharmaceutical companies, for the years 1958 to 1963 the average return was 13.77 per cent while for all manufacturing it was just 7.42 per cent. Again, drug manufacturers are making almost twice as much money as other companies.

I want to repeat what I said earlier, Mr. Speaker, and I shall close on this note. I showed, as did the hon. member for Hamilton South (Mr. Howe) yesterday and on several other occasions, from the records compiled by the experts employed by the committee the tremendous difference in the prices charged in various countries for prescription drugs. I did not deal just with the difference in price between brand name drugs and generic drugs because this is not the time or place to discuss that question. I dealt with the difference in the prices of brand name drugs as between Canada and other countries. One can look at the prices charged in London, Paris, Bern, Switzerland; Rome, Italy; Bonn, Germany and the United States and one will see that the only country in which the prices of prescription drugs are as high or higher than in Canada is the United States. I demonstrated earlier that in Great Britain brand name drugs are sold for half the price they are in this country, or even less. Who is paying these exorbitantly high prices? As the hon. member for St. John's (Mr. Cashin) said, it is the consumer who pays them; it is the poor working man, whether he lives in Halifax, Simcoe East, Winnipeg, Toronto or Vancouver.

• (5:00 p.m.)

Some persons find it necessary to take a drug such as equanil three times a day over a period of weeks or months. If a doctor prescribes equanil the patient may have to pay as much as ten cents for a tablet. When we speak of a person earning $50, $60 or $70 a week having to pay 30 cents a day for a prescription drug we are not talking about a luxury; we are talking about the kind of circumstances where a family would have to make do with one less quart of milk per day.

This is the reason that I, like the hon. member for St. John's West (Mr. Cashin), was so surprised at the contribution of the junior member for Halifax. There are hundreds of thousands of Canadians who must have prescriptions filled every week, whether they be for tranquilizers, sedatives or antibiotics, and what is involved is an expenditure which frequently amounts to $5 or $10 per prescription. I am sure that every member of parliament over the years has received many letters from his constituents asking him to do something about this situation. They say they simply cannot afford to pay these high prices. These people are particularly disturbed when they read the profit figures published occasionally by the drug companies because these figures show the fantastic profits of these companies. They write to their members and probably to the minister asking that something be done. Finally the government has acted. Finally we have one part of the package that was suggested by the committee.

I am not suggesting for a moment that the report of the committee contained every recommendation it should have. Like my colleague, the hon. member for Waterloo South (Mr. Saltsman), I believe the best way in which to do something about the price of prescription drugs would be for the government to establish a crown corporation which would manufacture and distribute certain important and basic prescription drugs. It is the doctors of Canada who decide what prescriptions will be written which the pharmacists in the hospitals and in the drug stores across Canada will fill. As a group they write hundreds of thousands of prescriptions a day. Therefore, if we had such a crown corporation we could save the people of Canada tens of millions of dollars a year.

Unfortunately the government has not made such a proposal. I do not expect the minister will ever make such a proposal even if he and I are here for the next 30 years, because I do not think he would consider that kind of solution. However, the legislation before us today is a step in the right direction. It contains one of a whole battery of proposals made by the committee in an effort to bring down the prices of prescription drugs. I hope this legislation will be passed and go into effect very quickly. Although I suppose I am hoping for the impossible I hope that the members of the official opposition will reconsider the impossible position they have taken during the past couple of days. I do not wish to be unfair but I say they are taking a position which can bring comfort only to a very small group of Canadians, namely, the members of the Pharmaceutical Manufacturers Association of Canada. I hope that we can complete the discussion of this bill in all stages in the next couple of days, pass it unanimously, and get on with the overdue task of seeing that drug prescriptions are filled at a reasonable cost.

[*Translation*]

Mr. Gaston Isabelle (Gatineau): First of all, Mr. Speaker, you will permit me to thank the hon. member for Winnipeg North (Mr. Orlikow) for having congratulated the minister who has proposed the discussion on this bill.

I must remind the hon. member that it is a Liberal government that introduced Bill No. C-190 which will certainly bring about a reduction of drug prices in Canada. This measure had been anticipated for 40 years, and I am very glad that the hon. member was thoughtful enough to thank the government for having at last introduced it.

I hope I will be permitted to take a few very precious minutes to make my humble contribution to consideration of Bill No. C-190, which will bring about, as I have just mentioned, with the legislation already passed, a substantial reduction of drug prices to consumers.

As an answer to the eloquent testimony of my colleagues in opposition and to the arguments which have been put forward, I wish to quote the following Japanese proverb: If you understand everything, you are badly informed. It is impossible to understand everything.

First of all, it is essential to understand that the drug industry cannot be considered in the same way as all the other industries in 1968. It is an industry which belongs to a public service called health, a blessing unequalled by any other on earth. As I said, this service belongs in part to the public sector, and therefore it is up to the government to take the steps necessary to normalize the excessive profits of this important—and I would even say privileged—industry by modifying the Patent Act in such a way as to allow competition in order to bring about a considerable reduction in drug prices. I think that is the whole essence of the bill.

Dealing with the normalization of profits, I find it shameful and scandalous that drug companies realize up to 27.25 per cent profit from their investments, while all the other manufacturing enterprises get an average of 13.25 per cent, according to 1959 figures. It is also scandalous to see that certain companies have spent up to 50 per cent of their annual budget on publicity and that, in 1964, for instance, 34 companies have spent $35 million in this field. On the other hand, it is hypocritically advocated that the Canadian drug industry—to be more exact, I should say 35 drug companies—has spent $9,551,000 in 1960 on research, namely 8.3 per cent of the total amount of their sales. However, what the drug industry is not saying is that it has, in fact, spent only a third of this sum, in Canada that is, $3,349,000, leaving to the headquarters of the drug companies the huge sum of $6,202,000, subscribed to their research fund although research work was done outside Canada.

Mr. Speaker, this borders on legal fraud, and I hope that the Department of National Revenue, in conjunction with the Departments of Industry and Defence Production, will take the necessary steps to check the drain of Canadian dollars or recover the sums spent by our sick when buying very expensive drugs. The money thus spent could contribute to national production or be considered as taxable capital. Since the Canadian drug companies spend an insignificant amount on research, they should, in my opinion, be made to spend the money received by their headquarters for research, in order to find a way to reduce the cost of drugs.

• (5:10 p.m.)

The drug industry in Canada makes a lot of its research through false devices which are only a publicity screen to increase its profits. I do not need to add that the drug industry in Canada is only a subsidiary of the American drug industry which owns nine tenths of our so-called Canadian industry.

We have often heard in Canada about rackets or combines in the drug industry. It has even been implied that every Canadian physician was getting up to $5,000 of advertising literature. In fact, most medical magazines are subsidized by the drug companies and they are often filled, from cover to cover, with colour photographs representing everything that the fertile imagination of publicity agents can think of to praise this or that drug. But what has that to do with the quality, the therapeutic effect of those drugs? It is false representations for a magazine to show a beautiful smiling woman, hardly dressed, merely wrapped in a wonderful oriental-coloured piece of material.

Doctors are deluged with samples. There is systematic brain-washing, always in terms of a given article. That is why the Harley committee recommended that a national formulary should be published to enable doctors to choose themselves the drug to be prescribed.

It has been claimed with great fuss that the Food and Drug Directorate was not up to the task, that, after the passage of this new legislation, its staff and the number of inspections would have to be increased.

I think that the government has done its best since it has increased the number of inspectors in that department from 93 in 1962

to approximately 200 at the present time, that is a percentage of 50 per cent. Canadians will certainly be protected, since the government has undertaken to improve its Food and Drug Directorate which is, by the way, recognized as one of the best in the world, according to Professor Blanc, a world authority in pharmacology, a professor at Geneva University and a member of the World Health Organization.

Now, nobody should try to make us believe that our Food and Drug Directorate is not working properly. I maintain that it is the best in the world, as stated by a competent member of the World Health Organization in Geneva.

For the information of those who are still not convinced, I will say that the number of inspections made by the Food and Drug Directorate gradually increased from 242 in 1963 to 551 in 1966. On November 8, 1967 the Canadian Medical Association sent to the minister a resolution it had adopted and which said:

[*English*]

This committee recommends that the Canadian Medical Association make known its views to the Registrar General that we are in favour of measures which will reduce drug costs to the patient but that these reduced costs must not be at the expense or safety of drugs or at the expense of retarding the continuing growth of the Canadian drug industry.

[*Translation*]

In this resolution signed by its executive secretary, the association states clearly that it favours measures likely to lower drug prices but is against certain measures that will lower the quality and safety of drugs. The Minister of Health and Welfare (Mr. MacEachen) answered as follows:

[*English*]

It would be wrong to suggest that there is any degree of uncertainty concerning safety of imported drugs.

[*Translation*]

I must add that a patent has nothing to do with the quality of a drug. Quality control depends exclusively, first, on the Food and Drug Directorate, a branch of the Department of National Health and Welfare, and secondly, on the manufacturer's integrity. There has never been any evidence that the quality of a drug was lessened at the expiration of a patent. This brings me to deal briefly with generic drugs.

Even though the Department of National Defence and a very great number of Canadian hospitals have been buying, for a long time, huge quantities of generic drugs, and always with a view to reducing the price of those drugs, their use has never given rise to serious difficulties. As I said, it is quite definite that the government will increase the number of its inspectors in order to guarantee that all drugs coming from Europe or elsewhere will satisfy the standards prescribed by the Food and drug Directorate. This is quite a small price to pay if one considers the great benefit which will derive from this for those who must take drugs but cannot because of the high price of drugs in 1968. I must add here that the officials of the Food and Drug Directorate have been very clear in their evidence and that, according to their views, based on an analysis made by inspectors, the generic drug and the brand name drug provide the same guarantees as to their quality and security. This can be found on page 12 of the Harley report.

• (5:20 p.m.)

Having said this, I should like to make a small digression to philosophize a bit on drugs and to demonstrate that the policy adopted by our government is the best with regard to lower prices, since it takes into account the underprivileged class, the sick and the handicapped, and this is beyond value. Since 1900, and I now refer to an article from the *Women's Medical News* which appeared in the Montreal *La Presse* last August, the life expectancy of the American woman has been extended by 25 years. She can hope to live to be 73 while the average man will not reach 70 years of age.

From 1920 to this day, woman's life expectancy has increased by 19 years. Since 1920, thanks to drugs discovered in recent years, humanity benefits from what I shall call "a living bonus". Those "living bonus" years are more than added pages to one's calendar. They are productive, pleasant to live, and not only do they spare human lives but they also spare human beings from handicaps or reduced physical activity.

The invalid's bed and the wheelchair are becoming increasingly rare, which led a research specialist to say: We do not only add years to life expectancy, we add life to each year lived. Ten years ago, 80 per cent of the drugs prescribed today did not exist. As you know, the new drugs relieve arthritis, schizophrenia, pain, and allergies; perhaps that is why members can make speeches. These new drugs cure pneumonia, rheumatic fever, tuberculosis and venereal disease.

New vaccines can inoculate little girls against infantile paralysis and measles. In a few months, we will have a vaccine against the mumps. And we can expect to have a vaccine against German measles within two to five years. Yet about a decade ago, these illnesses seemed to be the common lot of all children, threatening them with possible blindness, disability and deafness. All that goes to show that we must, at all costs, find the means, as I said earlier, to lower drug prices, for when we get to a certain age, which I will call a "living bonus", that is to say years added to our life span by medical science, we can no longer afford to stay in good health, often because we do not have the financial means, or because of limited financial means, and mostly because of the high price of drugs.

It is well known that, when we get beyond a certain age, the number of prescriptions we use undergoes a noticeable yearly increase, due to the fact that we must often maintain our physical health by the use of new and efficient drugs. We must therefore protect this group of people to whom we have given this "living bonus" through our modern medical discoveries, our social security and preventive medicine programs. Through this legislation, we could add a supplement to this "living bonus".

It must be noted that this bill is practically a statement of principles to create fair competition which will lead to an administrative program designed to set the price of drugs at a level everyone can afford. It is to be hoped that the Canadian drug industry will recognize that this legislation is justified and that it will take this opportunity to reduce the price of drugs in the near future. If they are intelligent—and they have proved it in their brief—the drug people will recognize that the best competition is still the one that can be avoided.

[*English*]

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I agree with earlier speakers that this is a very complicated and important piece of legislation. This much was indicated by the minister sponsoring Bill No. C-190, because he required almost an hour and a half to explain all its ramifications. He made a well prepared presentation on behalf of his department in defence of his proposed action to allow easier entrance of foreign produced drugs into Canada.

[Mr. Isabelle.]

To make my position clear, Mr. Speaker, I want to state at the outset, and state emphatically, that I support the intended effect of the bill, which is to make drug prices in Canada as reasonable as possible. I emphasize the words "intended effect of the bill", because what might be considered short term benefits might not in turn produce long term benefits to drug purchasers, drug manufacturers or to the economy of Canada as a whole. Proper legislative enactments to provide drugs at reasonable prices for all Canadians, particularly the elderly and low income groups, will certainly receive my support and I am sure will receive the support of my colleagues on this side of the house. I have received letters from constituents in connection with the present prices of drugs and I have assured the writers that we on this side of the house will do all in our power to see that prices are set at reasonable levels. I should like to repeat the statement I just made. We want to make sure that proper pricing methods are followed and that proper legislative enactments are passed to achieve the desired results. Again I emphasize the word "proper". Perhaps we might make some improvements to the bill before it finally passes.

I was a part time member only of the special committee on drug costs and prices. I had to yield my place on that committee owing to the demands of the standing committee on transport and communications. Being on the committee for only a short time I therefore cannot speak with the authority of the hon. member for Simcoe East (Mr. Rynard), the hon. member for Halifax (Mr. Forrestall), or the hon. member for Wellington-Huron (Mr. Howe) on all the testimony given before the committee. They have put their comments on the record and have made it clear that there are serious doubts that Bill No. C-190 will give definite assurance of long term benefits in the public interest. The hon. member for Wellington-Huron particularly emphasized the absolute necessity to ensure complete safety of all drugs that are made available to the public, especially those drugs that are imported. I will not take up the time of the house to repeat his warnings but I certainly want to bring this matter to the attention of those who will be voting on this bill later in the week.

• (5:30 p.m.)

I am mainly concerned about the words on the front page of the bill, "An Act to amend the Patent Act and the Trade Marks Act." In

this connection I wish to read a short paragraph from a letter I received from the Pharmaceutical Manufacturers Association of Canada.

> Bill C-190 essentially would abolish normal patent and some trade mark rights as they relate to prescription medicines made in Canada. It has far-reaching implications in that it represents a serious attack on the patent system, a fundamental facet of any competitive society and a matter of significance to the Canadian economy. We believe it might set an unfortunate precedent.

That paragraph emphasizes my concern about what appears to be a dangerous tampering with patent rights in Canada. I am not an expert on patents so I consulted Webster's international dictionary, third edition, and under "patent" I found the following definition:

> A government grant of a monopoly right that gives one who invents or discovers a new and useful process, machine, manufacture, or composition of matter, or a new and useful improvement thereof the exclusive right for a specific term of 17 years with certain rights of extension to make, use or sell his invention or discovery.

The bill refers to compulsory licensing, and in this regard I consulted the 1965 edition of the Encyclopaedia Britannica. Though the paragraph refers to Great Britain, what it says has application in this country.

> Since the original object of the patent laws was the establishment of new industries, the main grounds for a grant of a compulsory license are that the patented invention is not being worked within the country—

I underline the words "within the country".

> —to the fullest practicable extent, or that the demand is not being met on reasonable terms, or is being met by importation in place of home manufacture.

To be fair I must also read the following paragraph that appears in the Encyclopaedia Britannica:

> Applications for compulsory licenses relating to food or medicine may be made at any time and without alleging abuse of monopoly. Such compulsory licenses are to be granted unless there is good reason for refusal, and are to be on such terms as will secure that the patented article shall be available to the public on the lowest terms consistent with fair remuneration to the patentee.

I cannot say too much about fair remuneration with regard to patents but, according to certain testimony presented to the committee by the controller of patents, I understand that in these cases the payment of royalties would amount to a mere pittance. From what I have heard and read and received by way of comment in letters and briefs, it seems to me that patent rights are an essential incentive to adequate pharmaceutical research in Canada. I hold no brief for the Pharmaceutical Manufacturers Association of Canada, and I stress that. Some speakers have suggested that perhaps we are speaking on its behalf. I hold no brief for the association but it is not difficult to share its concern about the effect that Bill C-190, if passed in its present form, will have on future drug research and development in Canada. In its brief the association says:

> Bill C-190, which would have the effect of abolishing patents, could never be considered conducive to "continued and increased scientific research in Canada."

The brief goes on to say:

> Patents are generally recognized as having a twofold value. They provide an incentive to discovery and encourage the disclosure of scientific information from which other researchers benefit.

In this connection it is fitting to put on record the 1967-68 statement of policy of the Canadian Chamber of Commerce. No doubt each member of the house received a copy of that document. In one of its pronouncements on policy the chamber of commerce said, as noted in the P.M.A.C. brief:

> The Canadian Chamber of Commerce, in its 1967-68 statement of policy, has urged that the government "implement a review of the Patent Act with respect to its being strengthened so as to encourage research and invention in Canada."

The legislation now before us is based on the idea that Canada can get along without its pharmaceutical industry. I am concerned about that. If Canada becomes dependent on other countries for vital drug supplies as may happen if this bill passes, her national health could be impaired in times of emergency.

I shall put on the record the extent of the pharmaceutical industry in Canada as outlined in the brief from the association:

> Canada's pharmaceutical industry makes an appreciable and growing contribution to the national economy. It employs over 10,000 Canadians—of whom 2,500 are university graduates—and helps to create jobs for an estimated 25,000 more in firms providing supplies and services for the industry. The member companies of our Association have a total capital investment of nearly $100 million.

The brief goes on to say:

> Their exports in 1966, as shown in a recent survey conducted jointly by the Department of Industry and the Association, amounted to some $20 million, a figure which these companies are continually striving to increase. The proposed legislation not only would put an end to any hopes of this export development, but would also further upset Canada's negative balance of payments.

I thought I should read those paragraphs into the record because they indicate the extent of the pharmaceutical industry in Canada.

With regard to research, I have just received a copy of the first edition of a pamphlet put out by the Canadian Association for the Advancement of Health Sciences. The pamphlet refers to medical research and health sciences, and I think the latter aspect also includes research in drugs. In one part the pamphlet says:

> The publication of this bulletin for the benefit of those involved in medical research or interested in the improvement of the research environment in Canada is in response to a growing public and professional awareness of the importance of the health sciences which has been building up in recent years.

A few paragraphs farther on it says:

> Unless a more favourable environment for medical research—

I include pharmaceutical research under this heading.

> —is provided as a matter of urgency, the skilled manpower on which medical education and health care depend will be inadequate both in quantity and quality.

• (5:40 p.m.)

In this connection, perhaps I might refer briefly to something which appears in a booklet issued in January by the Department of National Health and Welfare. It contains an article entitled "Measuring Medication Costs" which includes a whole series of price indices, founded on 1949 as the base year. The writer states:

> The drugs on the market in 1949 represented the standard of health care of that period. The price of these particular drugs over the years changed only slightly as shown by the consumer price index. Changes have occurred, however, in the drugs actually prescribed by physicians. Instead of using the same drugs as in 1949, physicians are now using many new "wonder drugs" which usually cost more than the older, more established products.

We are then given a list showing how prices have changed. The article goes on:

> If physicians did not use any new drugs but continued to prescribe the same medication as in 1949 the average prescription price would have changed very little. Now we can ask the question, why do physicians prescribe new drugs?
>
> The answer is that either the new products are better than the previously existing products or they control or they cure a disease for which there previously was no effective drug treatment. Within the last decade, for example, we have for the first time developed effective drugs to treat glaucoma, fungus infections, mental depression and high blood pressure. The treatment of other diseases has also improved through the introduction of new antibiotics, tranquilizers, vaccines and anti-cancer drugs.

I quote from this article because I believe it is germane to the problem we are now facing. We are bound to be concerned about the new drugs which are becoming available and the cost of research necessary to produce them.

Perhaps I might return to the question of patents. Any abolition of a patent right tends in my opinion to create a perilous precedent which might make it easier to abrogate other rights. I have had some experience in connection with copyright and I believe these two fields are to a certain extent related. According to the Encyclopaedia Britannica "copyright" is a term currently used to designate the rights secured by the laws of civilized countries to authors of literary, dramatic, musical and artistic works to protect them against unauthorized copying of those works. To bring the situation closer to us, I suggest that tampering with patent rights could open up other areas such as copyright and make them liable to infringement. We have all heard statements at the end of National Hockey League, World Series baseball and Grey Cup games that they cannot be rebroadcast without authorization because there is a copyright protecting the original broadcast. I suggest that copyright and patent laws are in the same category and that changes made in one of these fields could over the years become the thin end of a wedge making it possible to introduce changes in the other.

Perhaps I should offer some suggestions to the minister for his consideration following these remarks on patents. I am sure this matter will be the subject of discussion during the clause by clause study in committee. It has been claimed that drug manufacturers are spending too much on the promotion and distribution of their products. The figure often quoted is 30 cents on the operating dollar. I certainly agree that this is a high figure and that it does add to the cost of drugs to the consumer.

I would remind hon. members that the committee which went into this subject recommended that the food and drug directorate issue a monthly publication to medical doctors outlining the effectiveness of all drugs available at that particular time and commenting on their safety and efficacy. I believe such a publication would be of great value. It would be official and authoritative and it would list all those drugs which the directorate considered to be most effective in particular cases. It would command the attention of

all doctors who prescribe medication for their patients. In my view the availability of such a publication would undoubtedly reduce the cost of promotion to pharmaceutical manufacturers. They would not have to use 30 cents of every dollar to advertise the new drugs which they have created through research. I suppose it would still be necessary to employ what they call detail men to call on doctors and talk to them. However, I believe a monthly publication outlining all these drugs would be of great assistance and would cut down the cost of drugs to the public.

I took down one quotation from the minister in the course of the hour and a half during which we listened to him yesterday. He said that during any given interval of time the incidence of disease was far from uniform and those who incurred the highest drug bills because of their disabilities were likely to have incomes substantially below the average.

I agree with this statement. I myself have been contacted by people who have had the greatest difficulty in paying for the drugs they need. In this connection I have a suggestion to make which the minister might well consider. Instead of taking action which would certainly curtail the operations of the pharmaceutical industry in Canada, I suggest that people with incomes substantially below the average should be given special consideration by the government. I am not proposing any form of means test in this connection. The government has taken the position that the plan they introduced for the payment of supplementary pensions to people with low incomes does not involve any form of means test or needs test.

My suggestion is that the minister propose to his colleagues in the government that those receiving supplementary pensions be provided with necessary drugs at minimum cost. Such a course would cost the government far less, in my opinion, than the revenue which would be lost in taxation if the pharmaceutical industry in Canada were curtailed or lost. Perhaps this proposal could be considered in more detail during the committee stage. In the meantime I leave it with the minister to ponder.

• (5:50 p.m.)

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I do not intend to speak at great length this evening but I do wish to make some statement on Bill C-190. I think it very important that we as members of the House of Commons try to satisfy the insistent demand that something be done about the high cost of drugs, but I have found the public to be singularly sceptical about our ability to affect drug prices. Members of the public point to the failure of the elimination of the sales tax on drugs to reduce their price to any degree.

There is a problem and it is important that we tackle it squarely and give the public the assurance that we have their best interests at heart. The discussions in the special committee have been referred to at length. One of the most interesting things in that committee was the story, repeated over and over again, of how Canadian drug companies had become wholly owned American subsidiaries owing to the tax policies of successive federal governments, particularly inheritance and death duty taxes. I expect that later this week we will be presented with a report on United States investment in Canada, but I am sure that report will not contain one chapter showing how the tax policies of Canadian governments provided the incentive and rationale for United States investment in Canada.

Those who weep now about the effect which this bill may have on the Canadian drug industry have not paid full attention to the testimony given to the standing committee. I draw the attention of hon. members specifically to the submission of the government of Alberta to that committee. I have no intention of reading it all but I am sure the chairman and the members of the standing committee recall it well. Indeed, one member of the committee remarked that it could well have a cover slapped on it and be handed in as the committee's report. I believe the Alberta submission was influential in the drafting of the committee's final report and influenced the minister's opening statement yesterday. I suggest that if the bill is passed and the minister is given a boost by it he will on occasion, on his travels across the country, give some credit to the submission of the government of Alberta.

Chapter 3 of the Alberta government's submission specifically relates to the bill we are considering. It deals with the influence of the legal and regulatory framework on Canadian drug prices and asks why the level of Canadian drug prices is the highest in the world. It lists several of the factors that influence drug prices, whether the drugs are manufactured

in Canada or imported into the country, and I quote some of these factors:

—presence or absence of process and product patents in the foreign country; tariffs, quotas, or other impediments to free foreign trade; presence or absence of price controls on drugs; the status of the existing drug industry in a given country, and similar factors.

I believe that by far the most important is patent policy, and it is not surprising that this bill deals with that aspect in an effort to provide some relief from the high cost of drugs. The Alberta submission goes on to say:

In Canada there are five major elements in the legal framework which influence the level of drug prices directly and indirectly.

It lists these as the patent and trade mark laws, tariffs and anti-dumping laws, the federal sales tax, the food and drug laws, and legal sanction for the practice of brand name prescribing. It goes on to say that the adoption of compulsory licensing in the United States would be of very great benefit to Canada but points out that this is not likely to happen. It adds:

The best solution would then seem to lie in the area of enabling those presently price competitive elements of the Canadian drug market—chiefly the small, Canadian-owned firms—to be able to compete more effectively with the major foreign patent-holding firms. Measures should also be taken to induce new entry by price competitors. If about 90 per cent of the Canadian drug industry is presently controlled by firms which do not choose to take advantage of compulsory licensing, then steps should be taken to increase the viability of the existing competitive segment of the market, and to introduce new competition, if necessary from abroad, in the interest of lowering Canadian drug prices.

To that end the submission presented a variety of recommendations. It discussed the possibility of the complete abolition of drug patents but felt this would not be the wisest course for the government to take. Some of its recommendations were:

1. Compulsory licences to import should be granted, subject to the payment of reasonable royalties.

Royalties still remain.

3. Every effort should be made to further expedite the process of acting on compulsory licence applications—

4. Section 19 of the Patent Act should be amended to allow provincial governments and their agencies as well as the government of Canada to use any patented drug, subject to the payment of reasonable compensation—

6. The schedule of tariffs on drugs should be reviewed by the Tariff Board with a view toward:

(a) Limiting the liability of drugs to tariff duties to those drugs of a class or kind actually made in Canada—

It goes on to add:

7. Liability for anti-dumping duty should be limited to drugs of a kind actually made in Canada, where "kind" is defined in terms of the active ingredient.

It ends with this recommendation:

14. If the above reforms do not succeed in reducing drug prices to competitive levels in a reasonable period of time, drug patents in Canada should be completely abolished.

We who sat on the committee know that its report was considerably watered down. Some of us who attended all the committee hearings, and were particularly impressed with submissions such as the one from the Alberta government, had cause to wonder just how much we could give away, how much we could concede and still have a report left that would produce any noticeable affect on the price of drugs. I trust that the report was not watered down so as to be without effect. I trust that this legislation, in spite of what is being said by the official opposition, will prove of benefit to the public.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

Mr. Speaker: It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the question to be raised at ten o'clock this day is as follows: The hon. member for Springfield (Mr. Schreyer), Air Canada—Winnipeg—transfer of employees from base.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PATENT ACT—TRADE MARKS ACT

AMENDMENTS RESPECTING IMPORTATION OF PRESCRIPTION DRUGS

The house resumed consideration of the motion of Mr. Turner for the second reading of Bill No. C-190, to amend the Patent Act and the Trade Marks Act.

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I rise with a certain amount of trepidation to say a few words in connection

with Bill C-190, which is before the house tonight, because on occasions during this debate hon. members of this party, when putting forward what I consider entirely reasonable points of view, have been harangued by hon. members opposite. I have in mind particularly the unwarranted and ungentlemanly outburst by the hon. member for St. John's West (Mr. Cashin). I am sorry he is not in the house at this moment.

The speech made by that hon. member did not do him credit, nor was it a credit to the decorum usually present in this house. I should like hon. members to contrast that speech with the speech of the eminent and hon. member for Gatineau (Mr. Isabelle), who this afternoon delivered a speech worthy of a man of his profession which contained a great deal of invaluable information for the consideration of hon. members during their consideration of this bill. I appreciated his speech and I have told him so personally. I think it should be placed on record that many of us consider his speech as a real contribution to the debate.

On the other hand, the hon. member for St. John's West displayed his own political philosophy, when he suggested the art of politics was to arouse public sympathy in order to obscure the merit in the arguments of one's opponents. I suggest that is exactly what he did. He tried to arouse hon. members of the house in respect of an emotional point in order to obscure the arguments put forward by the hon. member for Halifax (Mr. Forrestall).

No one on this side of the house has made any pretence that the cost of drugs in this country is anything but high. No one has pretended that we would like to see anything but lower cost. We are all aware of the fact that drugs represent a very expensive commodity in this country. This is an item of cost that is felt particularly by those who can least afford to pay for them out of their budgets. I refer, of course, to the elderly and the sick. During my experience I have become aware of individuals on old age pensions who are faced almost continuously with drug bills amounting to $60 or $70 per month. Naturally these people cannot afford to meet this expense at present pension levels.

When members of the committee were considering the cost of drugs as the background of this legislation they were informed on many occasions of the high costs in this country. I remember reading a newspaper article in connection with one of the submissions to that committee. Although I do not know where it may be found in the committee proceedings, I have read a newspaper report based on it.

At this time I should like to refer to a pamphlet entitled "Sugar Coated Pill" by William Stephenson. This article appeared as an insert at about the middle of this publication and it stated:

> During the latest House of Commons committee investigation into drug costs and prices, it was revealed (on December 13, 1966) that Smith, Kline and French, a staunch P.M.A.C. member, sold 2.2 pounds of stelazine to druggists for about $57,000, despite the fact that this amount can be imported into Canada, all taxes and duties paid, for as little as $200. This would represent a profit to SK & F of a cool 28,000 per cent!

• (8:10 p.m.)

I wanted to put that passage on the record, Mr. Speaker, to indicate to the house that we in this party are not blind to the fact that drug prices in this country are high, too high. But we want to put forward at the same time a warning that price alone cannot enter into the consideration of this bill.

The Department of National Health and Welfare distributes a monthly publication called "Canada's Health and Welfare". The January issue deals with the question of the cost of drugs in this country. I found this article very interesting. It indicates that the drugs that were common in 1949 are being sold today at about the same price as they were in 1949. The new drugs that have been developed in the intervening years account for the large increase in the cost of prescription drugs. As a matter of fact there is in this article a chart covering the consumer price index, which indicates that in the year 1949, which is taken as the base year, prescriptions were at 100 and in 1966 they were at 100.4. As I indicated earlier, this covers the drugs that were in existence in 1949 but does not include the "wonder" drugs that have been added since. This article then says:

> The drugs on the market in 1949 represented the standard of health care of that period. The price of these particular drugs over the years changed only slightly as shown by the consumer price index. Changes have occurred, however, in the drugs actually prescribed by physicians. Instead of using the same drugs as in 1949, physicians are now using many new "wonder" drugs which usually cost more than the older, more established products.

The article includes a chart indicating the average price of a prescription. In 1952 the average price was $1.82; in 1964, 12 years

later, the average price was $3.31. The new drugs which have been discovered and placed on the market in the intervening years are to a greater extent being prescribed by physicians than the drugs that were in common use in 1949.

Another chart indicates that family expenditures on prescription drugs in 1955 amounted to $23.60 per year, whereas in 1964 they amounted to $39. In other words, families are using more costly drugs to cure diseases than they did in 1955. Mr. Speaker, there is no doubt that we are aware of the high cost of drugs in Canada today. I think it is a fallacy for the government to throw back at us the suggestion that we are not mindful of the problems of people in this country when they are faced with drug prices such as are in effect today.

We are not entirely sure, though, that this bill as it stands will have any effect on the cost of drugs. There is no assurance that the cost of drugs to the average Canadian citizen will drop as a result of the passage of this bill. The government says that theoretically, the cost will drop but there is no way of knowing for sure that this will actually happen.

I have here a copy of a letter that appeared in the Winnipeg *Free Press*. This letter was written by Dr. George F. Wright, professor of chemistry at the Univeristy of Toronto, and says in part:

> There is no assurance that John Turner's Bill C-190 will lower drug prices on any but a temporary basis. His gambit, that compulsory licences to sell dosage forms (pills, capsules, etc.) imported from abroad will increase competition, and thus lower prices, is a fantasy in which the major drug companies of Canada are somehow to be held in chains that will compel them to produce regardless of profit.

We should pay attention to what is said by an impartial observer from the University of Toronto who has no connection with politics or the drug industry, and who is probably involved in research at that university. I would say that he has no political interest in putting forward this point. He has made a responsible statement and we should accept it as such.

The basis of my argument, Mr. Speaker, is that it is absolutely essential for the future health of the people of this country that the government assure that the quality of drugs supplied is kept at a very high standard. This is not something new that was dreamed up by the committee, nor is it something that was brought out as a red herring by the hon. member for Halifax (Mr. Forrestall). It is a matter that has been considered for a considerable length of time. As a matter of fact, going back as far as the royal commission on health services under Judge Emmett Hall, this question was very much in the forefront of people's minds.

I should like to quote from the report of the Hall commission at page 369 of Volume I as follows:

> The Canadian Pharmaceutical Association told us that "the degree of quality control of drug products that is mandatory under present regulations of the Food and Drugs Act is not such as to give sufficient assurance to the pharmacist that any given batch of the products of all manufacturers will meet the required specifications".

In other words, even several years ago it was recognized that the food and drugs administration could not guarantee the purity and quality of drugs being supplied to people in this country. Further down on the same page of the report we find these words:

> Dr. Morrell further expressed the opinion that in order to adequately test and check drugs in Canada the food and drug directorate would have to triple its staff of inspectors and laboratory personnel.

This brings us to the present moment when we are considering a bill that will change the Patent Act, ostensibly following the recommendations of the Harley report, the final report of the special committee of the House of Commons on drug costs and prices. But I submit that the Harley report contained 23 recommendations, and practically all of them have been ignored. It appears that the minister has picked out one and has dealt with it in isolation without giving consideration to the other recommendations contained in the report.

• (8:20 p.m.)

The members of the committee certainly were concerned about the quality of drugs in this country. Perhaps I might pick out at random a few of their recommendations. In recommendation No. 3 they felt that the food and drug directorate should publish not less than once a month an informative bulletin to the medical profession giving complete details on drugs and their actions, and reviewing major drug uses in Canada. Several recommendations were passed over entirely. In No. 16 they recommended that the Canadian Pharmaceutical Association and all provincial

pharmaceutical associations, faculties of pharmacies and the provincial governments should meet to discuss the practice of pharmacy in Canada, bearing in mind the following matters:

1. Ethics of the profession particularly concerning advertising and merchandising, and the role of discount and mail order houses;

2. Qualifications and training necessary for dispensing pharmacists;

3. Promotion of competition within the profession, in the public interest;

4. Distribution of pharmacies, both in heavily populated urban areas and less developed rural areas;

5. Ownership of pharmacies by non-pharmacists;

The minister has picked out one recommendation in isolation and has dealt with it. As I said before, members of the committee were quite aware of the necessity to maintain the quality of drugs. At page 39 of the report of the special committee we find this:

Your committee believes that in no circumstances should the general policy of permitting compulsory licensing applications for patents relating to foods and medicines be eliminated.

I think it is important to pause here to say that the present unamended Patent Act does allow for compulsory licensing. This procedure under the act has not been used widely by the drug industry, a privilege which has existed since about 1923. Very few applications have been made and practically all applications which have been received have been approved. The federal government seeks to amend subsection 3 of section 41 so as to make the issuance of this compulsory licence automatic.

The quotation continues:

Indeed, your committee has four recommendations regarding compulsory licensing

(1) Applicant for compulsory licence to have food and drug directorate approval;

In the suggested new act the approval is not necessary. It specifies that the commissioner of patents shall advise the food and drug directorate that a compulsory licence has been issued. The committee also recommended the following:

(2) Extension of compulsory licensing to imports;

(3) Payment of food and drug directorate inspection services outside Canada; and

(4) Licences by right in cases of undue delay;

However, the members of the committee also felt that the patentees had some rights. The following appears at page 38 of the committee's report:

There is no doubt whatsoever that the manufacturer who introduces a new drug should be allowed certain time to promote the drug and establish his position in the market following appropriate clinical testing and satisfying the requirements of the food and drug directorate, so that for a period of time at least he retains his monopoly position.

If I might come back to the question of quality control, I should like to say that I believe that it has been overlooked in this legislation. I am supported in this view by a chemist, Dr. D. J. Marshall of Hampstead, Quebec. Dr. Marshall is employed as a chemist by one of the drug producing firms, and says in part:

One wonders, also, whether the government has given adequate consideration to the matter of quality control of drugs. I doubt if the layman has any conception of the effort invested by reputable pharmaceutical manufacturers in devising analytical procedures which can be used to verify the quality of each batch of finished product. There are no generally applicable procedures for doing this; each new drug presents its own special problems, often requiring a fairly major research effort before quality and uniformity can be assured.

Should we be concerned about quality? Here is another letter. This is from the Chemical Institute of Canada and is signed by Dr. R. L. Salvador. I shall quote part of this letter:

As a professional group composed of scientists involved in all aspects of drug research, manufacturing and quality control, we have a special responsibility to express our grave concern at the unfavourable and undesirable impact that the provisions of this bill will have on drug research, drug manufacturing, and drug safety in Canada.

The impact will be to reduce the safety of drugs, to reduce the amount of drug manufacturing in Canada, and to threaten the very existence of drug research in Canada.

I have quoted from several sources to indicate that we are not alone when we express concern about the continuation of quality drug manufacturing and importation in this country. I am now looking at a page from *Hansard* for October 20 when the bill to set up the department of consumer affairs was being discussed on second reading. The newest member of the administration, the hon. member for Verdun (Mr. Mackasey), was good enough to put his thoughts on the record at that time. I think one must respect the point of view put forward by a person who has just recently been appointed to the cabinet. At page 3342 of *Hansard* the hon. member for Verdun said this:

I think that before making important changes, for instance in the field of patents, copyrights and trade marks, he—

The hon. member is referring to the minister:

—should discuss them with the other ministers involved, because he may find these desirable changes are not practicable and cannot be effective unless another minister brings forward necessary legislation.

In that same report it was proposed that the recommendations of the Heller report—

I believe he means the Hilliard report.

—be implemented and that before the minister decides to adopt certain recommendations of the Harley committee to alter the Patent Act, the Copyright Act or the Trade Marks Act he should make certain that the food and drug directorate is enlarged and given the proper funds to ensure that the drugs flowing into this country as a result of these changes are subjected to the most rigid scrutiny.

So, there you have it, Mr. Speaker. People from various parts of our society are concerned about the maintenance of quality in the drug industry. Who is responsible for the maintenance of quality? Is it the food and drug directorate? I am not too sure about this. I found a very interesting article in the *Medical Services Journal* for March, 1967, which left me in a quandry as to who is responsible for the quality of drugs. I should like to quote from this article, which was prepared by Mr. N. G. Allmark, assistant director general, food and drug directorate:

It is not, however, a proper function of the food and drug laboratories to act as a control laboratory for the industry. The first responsibility for safety and potency is put squarely on the manufacturer.

• (8:30 p.m.)

Here we are, Mr. Speaker, asking the food and drug directorate to police an industry over which the directorate claims no control in so far as quality is concerned. To whom do we look for control of quality in drugs? It is not good enough to say we are going to be able to import drugs from every country in the world, countries in which we have no right of inspection, countries that do not have the sanitary standards or supervision of manufacturing procedures as we have in Canada and the United States.

In the past we have, to a large extent, relied on the integrity of the manufacturer to maintain quality control of drugs. Surely the legislation that is proposed now should be matched with some other type of legislation in order to maintain that control. As Mr. Allmark has said, the first responsibility for safety and potency is put squarely on the manufacturer.

In the same publication another food and drug officer, Mr. J. R. Smyth points out the lack of investigation by our own officers of manufactured drugs outside our country. On page 276 of this journal, I find this:

At the present time, many of the imported products are tested outside of Canada and we have had some difficulty in obtaining satisfactory certificates of analysis which clearly indicate that the products have been sufficiently well tested.

This is my main argument, and with this I will close: It is all well and good to propose legislation to change certain facets of the laws of this country but you cannot change an act such as the Patent Act without at the same time putting forward satisfactory measures to ensure that the control of quality will be retained in the drug industry of this country. There are other ways of combating the price of drugs. One very novel way, and I thought very sensible, was put forward this afternoon by the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe). This would be a far more practical solution than amending the Patent Act as this bill purports to do. I should like to see the minister give serious consideration to the proposal put forward this afternoon, rather than go ahead with Bill No. C-190. The Canadian public health should not be jeopardized from the importation of drugs of a lower standard.

Mr. Raymond Rock (Jacques-Cartier-Lasalle): First of all, Mr. Speaker, I should like to congratulate the minister upon the interesting remarks he made concerning Bill No. C-190 as well as his explanation of the five main steps that were being taken to achieve the government's objective. One of these was the removal of the federal sales tax, and another was the introduction of Bill No. C-190. I am not too happy about this part of it. This minister also tabled an international price comparison. As Pat Burns, a radio commentator with CKGM in Montreal would say, I hope this is not another snow job.

After listening to the hon. member for St. John's West (Mr. Cashin) this afternoon, I must say it sounded like a snow job, definitely an emotional snow job. I wonder if the hon. member for St. John's West would play the same tune if we were introducing legislation today which would permit the importation of cheaper fish from Russia or Portugal? I wonder if he would feel the same if we were introducing legislation which would stop the useless, cruel slaughter or, as many of us might say, murder, of helpless white baby seals? I believe his emotions would be different from what they were today. In fact, I believe

he would play a different tune on his fiddle if he had a few pharmaceutical companies in St. John's, Newfoundland.

There are many pharmaceutical companies in Montreal, and 21 of them are in the western district of that city. These companies have employed thousands of people from this district and many graduates from the universities of McGill and Montreal. I am concerned about their future if Bill No. C-190 is adopted.

The old Canadian Patent Act, in so far as drugs are concerned, allowed one to protect the process by which the drug was made. This was called a process patent. The act did not allow the patenting of the actual product, which is called a product patent, and is something which the United States permits. This process patent is weaker protection than a product patent. In addition, under section 41 of the old Patent Act, the government had the added safeguard, in case they felt there was a monopoly on the drug, of issuing a compulsory licence to another manufacturer who applied for it. In the past, when a compulsory licence was granted the drug had to be manufactured in Canada, a provision which was felt to be reasonable since it provided jobs for Canadians in manufacturing, packing, research and quality control. Many of these people were university graduates. The inventing company usually manufactured in Canada, so the situation was stable.

The new amendments to the Patent Act would change the situation to the extent of granting a compulsory licence for imported drugs, that is drugs made in other countries, such as Hong Kong, Japan, Czechoslovakia, Mexico or Italy where labour costs are definitely lower. Perhaps these amendments will lead to a reduction in costs, but only by jeopardizing Canadian jobs, the future of many university graduates and the pharmaceutical industry established in Canada. At the moment, the industry employs 10,000 people and helps to create jobs for an estimated 25,000 more in firms providing supplies and services.

• (8:40 p.m.)

Also jeopardized by Bill No. C-190 is the development of research in Canada. The weakening of patent protection will discourage research endeavours, as well as investment and expansion. In 1967 there were 40 pharmaceutical manufacturers that spent $12 million in research, and I understand that there is a projected increase of 50 per cent by 1970. If this bill passes, I feel that this projected increase may become a decrease and that many graduates will have to look elsewhere in the future. The expansion of this industry will cease. In some instances it is possible that operations will be phased out, because as a result of this bill parliament will give the international companies the opportunity to supply Canada with drugs from their home bases.

The tenor of the amendments to the Patent Act also destroys, in effect, inventors' property rights. This, in turn, destroys incentive. What I feel is particularly unfair is that the patent changes are restricted only to drugs. In effect, Mr. Speaker, this means that a relatively minor industry is fighting for survival against regulations that are to the detriment of the established drug industry in Canada. Once the principle of interference with patent rights is accepted—and this is interference—I feel that the incentives provided by our own society will gradually be destroyed.

I do not believe any minister in this house would suggest that we should import wheat from South America because it may be cheaper than the price of wheat in Canada, and that therefore our daily bread would be cheaper. This of course would be to the detriment of our farmers. Neither do I believe that the minister would dare suggest that we should import milk, butter or fish from a country where labour costs were cheaper than ours. Yet he is bringing in legislation that I believe will jeopardize the pharmaceutical industry in Canada. This is an industry that employs 10,000 people and supports another 25,000, but this bill will kill that industry while it is still in its infancy.

This legislation has left the rational and entered the emotional field. The latest amendments are extreme and potentially destroy initiative and incentive. I feel strongly, Mr. Speaker, that this bill may be unnecessary and that if it is allowed to go through on emotional grounds it will destroy the property rights that are inherent in our society.

We all want to see drugs sold at the lowest possible price. I think that government inquiries and surveys of this field are good if they point out weaknesses within Canada that can be corrected. However, there is a difference between constructive legislation and legislation that is punitive, and I feel that Bill C-190 as it stands falls into the latter category unless this is proven to the contrary.

I understand, Mr. Speaker, that Dr. Malcolm Brown, chairman of the Medical Research Council of Canada, is preparing or has

prepared a report on research in the pharmaceutical industry, which may have an important bearing on this bill. In addition, I understand that the Canadian Institute of Patents and Trade Marks, the chairman of which is Mr. H. Grey, is preparing a brief on Bill No. C-190, as is the Canadian Manufacturers Association. The Chemical Institute of Canada has sent an important brief concerning this bill to the government and has also sent telegrams to members requesting that the institute be heard in the committee. Also the faculties of pharmacy of the Universities of Montreal, Toronto and British Columbia have protested Bill No. C-190.

I have received many telegrams and letters from people connected with the pharmaceutical industry and I should like to put on record some of the short ones. I have before me a telegram addressed to me and reading as follows:

Seriously concerned with actual Bill C-190 for its negative effect on pharmaceutical research in Canada. Please withhold support.

D. Klupfel

Another one addressed to me reads:

Please see that Bill C-190 is returned to committee for study. Unfair to Canadian medical research, my livelihood.

Dr. A. J. Manson, Ph.D.

Another telegram to me reads:

Bill C-190 highly detrimental to pharmaceutical-medical research in Canada. Usefulness in reducing drug prices questionable. Writing arguments in a letter which follows. Please hold support of Bill C-190 during second reading.

Dr. S. N. Sehgal

Another one sent to me reads:

The Chemical Institute of Canada, medicinal chemistry group has submitted an important brief to Mr. John Turner on February 6 concerning C-190.

A copy is now in the mail for your attention. We believe this legislation deserves committee study by trade, finance and economic affairs, and by the industry, research and energy development committee.

Sent to Messrs. Drury, Winters, Sharp, MacEachen, Harley, Tennier.

That telegram was sent by L. G. Humber, Ph.D., the vice chairman of the medicinal chemistry group, Chemical Institute of Canada, Montreal.

I should also like to refer to a short letter received from Mr. Arnold Davis, a Ph.D. from Montreal, who writes:

Dear Mr. Rock:

The enclosed copy of letter to the Hon. John N. Turner represents both my own and many of my colleagues' opinions regarding the serious limitations of Bill C-190.

[Mr. Rock.]

As an M.P. having a Pharmaceutical Manufacturers Association of Canada member in your constituency, you might wish to give this matter your consideration before further action is taken on this bill.

I also received a special delivery letter from a Dr. Carl von Seemann. The letter is three pages long, but he too requests that this bill be sent to a committee for further study.

The next letter was written by Mr. Morris L. Givner and is addressed to the Prime Minister (Mr. Pearson). This letter also requests that the bill be sent to a committee. Another letter from Mr. D. J. Marshall, Ph.D., addressed to the minister requests that the bill be sent to committee. Another letter signed S. N. Sehgal from Dollard des Ormeaux makes the same request.

Lastly I received a letter from Mr. L. G. Humber, the vice chairman of the Chemical Institute of Canada, who writes as follows:

The Chemical Institute of Canada feels very strongly that the provisions of Bill C-190 will be detrimental to pharmaceutical research in Canada. We have stated our feelings to Mr. Turner, and we enclose copy of this correspondence for your information.

We trust that you will take these views into account and that this bill will not be allowed to pass.

The fourth paragraph of his letter to the minister is very important, I feel, and reads:

We feel that our government should instead take steps to maintain the safety of drugs, to develop an independent Canadian capability to manufacture our own drugs, and to encourage the development of scientific research directed towards the discovery of new drugs.

• (8:50 p.m.)

Now that the bill's contents are known, Mr. Speaker, I think that all people who will be affected should have the opportunity to come before a committee, such as the committee on trade, finance and economic affairs, to air their grievances, present briefs, ask questions, etc. I believe therefore that Bill C-190 should be sent to a standing committee, since it is too important to be rushed through without giving those who are interested the opportunity to be heard.

There are some pharmaceutical companies in the Montreal area which intended to spend millions of dollars for expansion purposes. They have held back the execution of these works pending the decision on this bill. If Bill C-190 is rushed through without giving these people the opportunity to appear before a committee, I believe these works will be cancelled.

Mrs. Jean Wadds (Grenville-Dundas): Mr. Speaker, my contribution to this discussion on Bill No. C-190 necessarily will be brief when compared with the contribution of the hon. member for Simcoe East (Mr. Rynard), who has had many years of practice and experience in the medical profession, and when compared with the contribution of all those who have sat long and diligently on the committee on drug costs and prices.

I have no great knowledge of the vast, complicated field of drugs and their uses; I am participating nevertheless because I have strong feelings about the effects of drugs and their possible dangers. This feeling is common to all responsible adults, especially to those who from time to time recommend drugs in their own homes and to children. No matter whether the indisposition is minor, we have learned from our general education and our education in medical matters to realize the danger of an impetuous diagnosis.

Responsible people must always realize that they carry a burden when they give any drug. This natural reaction was heightened for me by a personal experience in this house some five years ago, when one of the great tragedies connected with drugs struck Canada and the world. It was with horror that is not often experienced in our protected society that we heard about the frightening effects of the drug, thalidomide. It is when such serious difficulties arise that responsible people show their worth.

I remember distinctly the various attitudes which were displayed to the government at that time. I am pleased here to have an opportunity to express something publicly, and to put on the record an observation which I have made privately many, many times. I am referring to the highly honourable and commendable attitude of the hon. member for York Centre (Mr. Walker). Happily, he is still sitting in this house and the high opinion that many members formed of him at that time has in no way been diminished. He realized that members of all parties were equally heartsick over the thalidomide tragedies and he refused to allow any blame to be placed for political advantage.

Remembering this occasion, it was with regret that I heard the member for St. John's West (Mr. Cashin) this afternoon accusing those in the official opposition of using drug safety as a red herring. The hon. member for St. John's West took particular delight in repeating over and over again his criticism of the junior member for Halifax (Mr. Forrestall).

I cannot accept the insult to the official opposition, and particularly to the junior member for Halifax and the hon. member for Simcoe East, which is inherent in the suggestion safety is being used as a political excuse, and that we in this party are not as concerned about the cost of drugs, the cost of medical protection and the cost of living, as any other Canadians are concerned. It is silly, to the point of stupidity, to imply that we care less for our families, loved ones and our fellow Canadians than those in other parts of this house care.

I did not hear the speech of the junior member for Halifax; yet on reading his speech carefully I saw nothing in it which should so incense the hon. member for St. John's West. The junior member for Halifax showed the house, clearly, that we on this side of the house agree with the intent of any measure which will lower the price of prescription drugs to consumers. As a good committee member the hon. member for Halifax asked the minister merely if some of the committee's recommendations had been carried out. The minister admitted that one of the recommendations had not been implemented, the recommendation reading:

> That the food and drug directorate publish not less than once a month an informative bulletin to the medical profession giving complete details on drugs and their actions and reviewing major drug uses in Canada.

Surely there is nothing wrong when the hon. member for Halifax brings to the minister's attention committee recommendations and reminds him that most of these recommendations have not been implemented.

The hon. member for St. John's West tried to depict the junior member for Halifax as the great exponent of high drug costs, as the protector of the drug industry. That accusation is in no way related to what the hon. member said last night in this house, and is entirely unfair and unjustified. The member for Halifax was stating what cannot be stated too often, that there is absolutely no guarantee about safety and that there is no reference to safety in this bill.

It is not only the official opposition that is insisting on high quality, safe and effective drugs. All Canadians give priority to such drugs, and the official opposition is here to make sure that the weaknesses in any bill are demonstrated. The hon. member for Winnipeg

North (Mr. Orlikow) did less than justice to the entire subject this afternoon when he accused the official opposition of trying to protect the drug industry and when he accused the hon. member for Simcoe East of wanting for the drug companies a licence to steal from the people of Canada. The reputation of the hon. member for Simcoe East is such that no one can take seriously such an accusation. This parliament would be improved if we had more members with his experience, his qualifications and his specific knowledge.

Some hon. Members: Hear, hear.

Mrs. Wadds: The hon. member spoke because he has great respect for the medical research that has been done in this country in the past, and because there is a continued need for research to be done in the future. It is a pity that such superficial criticisms are made of such a knowledgeable speaker. The hon. member for Simcoe East knows whereof he speaks when he questions the minister about ways and means of making drug inspections. For the young member for St. John's West this afternoon to ridicule his opinions was ill-placed arrogance.

Mr. Nesbitt: It was a dirty speech.

Mrs. Wadds: The entire question of drug uses is enormously complicated. I was interested to hear the high praise given to Parke, Davis in regard to the manufacture of chloromycetin. One of that firm's Canadian plants located in Leeds county is a highly respected and well managed unit of eastern Ontario industry.

I think it is only sensible for us to give consideration to those who possess the most qualified voices in this specialized area of consumer affairs. The minister has received a resolution from the Canadian Medical Association's committee on pharmacy. That resolution favours methods which will reduce drug costs to patients but, said the resolution, these reduced costs must not be implemented at the expense of safety of drugs or at the expense of the continuing growth of the Canadian drug industry.

On February 3 the Canadian Medical Association *Journal* carried an editorial about Bill C-190 and, in part, it said this:

> If there is doubt about the effects of the proposed legislation on the cost of drugs to the consumer, there is no doubt that the Canadian consumer would not have the same assurance of quality of imported drugs as he does of drugs manufactured in Canada.

[Mrs. Wadds.]

• (9:00 p.m.)

We have heard a great deal about the possible savings that can be made by using generic as against brand name drugs. An independent company, International Surveys Limited produced a report dated November 27, 1967 on its investigation of the relative cost of prescriptions written under brand names compared with those under generic names. The basis for the selection of drugs to be studied was as follows: they had to be well established, they had to cover as wide a range as possible in different therapeutic fields. Controlled drugs and drugs restricted by the Narcotics Act were excluded from the inquiry. Major cities across Canada were chosen for use in the survey and pharmacies were selected at random from the yellow pages of telephone directories. Purchases were made between October 26 and November 8, 1967.

In the 11 categories of drugs studied, the differences in cost between brand and generic prescriptions were found to be negligible in nine of the categories. In one category the price of generic drugs was significantly higher and in one other the brand name prescriptions were significantly higher in price. The differences in price as between one outlet and another were found to be considerable.

Mr. Speaker, I join with members of all parties in wanting to see lower prices charged for drugs in Canada. As has been stated by a number of previous speakers, however, there are many factors involved in the price of Canadian drugs. There is little guarantee that the bill as it now stands will produce cheaper drugs and no guarantee at all that they will be as safe.

Mr. G. D. Clancy (Yorkton): Mr. Speaker, I have listened to a lot of experts talk about the cost of drugs. I happen to come from a province where there is a social welfare scheme in operation. I am allowed $1.25 an hour yet the man who sweeps the streets in front of me gets $1.75.

People talk about generic drugs. How many can tell me what they are? It is not we who write the prescriptions. This is done by members of the medical profession. All we do is what they tell us to do. I will tell you a story. I come from a little village. Every morning I went down to the town pump, and from it I used to carry two pails of water. Some of my good friends said: "What are you doing with that, Clancy?" I said: "That is profit".

I have listened to this debate and I think a great deal of nonsense has been talked by

people who do not know what they are talking about. An hon. member on the other side says we are going to lose this argument. Well, if a man can make more money driving a bus why should he take responsibility for the health of other people?

Let us get down to reality. If you want a corner laundry to fill your prescriptions, then try to get it done there. But if you want somebody to take responsibility for your health and see that you get what a particular doctor sent you in to get, that is another matter. I cannot tell you whether you need penicillin or another drug. I can tell you something else, though. Some of the women could stay home and look after the children. This would save a lot of money now being spent on drugs.

I realize it is a popular issue. I know it has aroused interest across the country; the women are yelling and all the families are concerned about the cost of living. Why pick on drugs? Go to the supermarket. I can tell you where the cost of living is increasing—and I do not set myself up as a processor. At least I can compare prices. The pure food and drug legislation provides that the net weight shall be stated for comparison with a certain price.

I am tired of this being made a popular issue. Everyone in the house thinks it will add to his or her popularity, to get up and speak on it. All right: If you want to sell it, go out and harvest. Find a scandal.

Some hon. Members: Hear, hear.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, yesterday we listened with interest to the hon. minister introduce the first bill emanating from his new department. I will say at the outset that it seemed to me that the minister wanted to justify the creation of his department.

When this department was set up, I think I read some comments showing that the basic philosophy of this department was simply to create a strong and powerful bureaucracy in order to watch over the interests of the Canadian people. On the other hand, one wondered who was going to keep an eye on the minister and his officials.

It was most interesting this evening to listen to the remarks of the hon. member for Jacques-Cartier-Lasalle (Mr. Rock), a member on the government side of the house whose riding is next to that of the minister. He criticized the minister severely saying that certain people, especially in the city of Montreal, did not support the first bill of the minister.

I should like, in my opening remarks, to support the representations made by the member for Jacques-Cartier-Lasalle, to the effect that the contents of this bill should be referred to the committee on health and welfare so that it might study its implications, because they exceed by far the scope of the remarks the hon. minister made yesterday and which were supported this afternoon by some on the treasury benches and other leftist members.

[*English*]

Mr. Speaker, I shall not say that I felt the remarks of the minister were conveniently bilingual yesterday. There is a time and a place, and this, as we know, is a rather interesting time for the minister to indicate his bilingual capabilities.

[*Translation*]

On the other hand, Mr. Speaker, I think he tried to show us, in his opening remarks, that he was mod and that this was the philosophy these days. In fact, his remarks can be called demagoguery, since they appeal to the little people who could not afford the price of drugs and medication, especially the low-wage earners.

One would think, in the light of the introduction of such a bill, that most Canadians live in huts, that they lack worldly goods, that they dress in tatters and that they are the poorest in the world. Now, we know full well that this is not the case at all. Yet there are some who like to appeal to these people.

[*English*]

On the other hand I found the remarks of the young and brash member for St. John's West (Mr. Cashin) to be most repugnant. He seemed to imply that anyone who appeared to question anything the minister had to say or what this bill says—and this applies also to the comments made by some of his hon. friends in the house who have criticized this legislation—were mouthpieces of vested interests, motivated only by a desire for profit. The suggestion was that my hon. friend from Simcoe East (Mr. Rynard) had debased himself by taking a professional interest in criticizing this bill.

Patent Act—Trade Marks Act

• (9:10 p.m.)

I will crave the indulgence of the house, Mr. Speaker, for being a little personal, but if the hon. member for St. John's West (Mr. Cashin) is so much against the profit motive and the well established motive of business concerns in this country, I would say to him that he should turn around and point at the ancestry of his own family who spent many years acquiring the fortune the benefits of which the hon. gentleman is now enjoying, when they were dealing in the economy of Newfoundland.

Some hon. Members: Shame.

Mr. Lambert: Let us not hear any more nonsense of that kind from the hon. member.

I now wish to turn to the speech made by the minister. First of all, I think he has done a disservice to this house in submitting tables of comparative prices of certain types of drugs in various countries. He said naught as to whether these had been converted with due adjustment for varying scales of living in those countries. For instance, let us take librium, as given in column 1 on page 6617 of yesterday's *Hansard*. It shows that in Canada the price to the retailer is $7.20 per 100, and in England the price is $3.02. That is a straight comparison, on a straight exchange rate.

The minister did not say that workmen in certain categories in Britain consider themselves well paid at £20 a week. If we were to translate that into Canadian dollars it would mean something like $55 a week. Under no circumstances would he say that a Canadian workman was well paid at that rate. I could make the same comparison with West Germany, and particularly with Italy and other European countries. These monetary scales in the tables are actually misleading, and I would say almost a deliberate misrepresentation as to the comparative price levels.

If the minister wants to limit the comparison to the United States and Canada we could make an adequate comparison with the exchange rates on roughly the same type of economy, and we would get a much closer comparison. But when the minister starts to compare monetary prices in the United Kingdom as against Canada, or in Italy against Canada, without any explanation that there should be some adjustment, then I would suggest his tables are quite misleading.

Mr. Howe (Hamilton South): May I ask the hon. member a question?

Mr. Lambert: Yes, certainly.

[Mr. Lambert.]

Mr. Howe (Hamilton South): On the basis of this reverse reasoning that the hon. member is making, does this mean that he could go to India or one of the other less developed countries and buy a new Ford car for $400?

Mr. Lambert: No, for the simple reason that the Ford car is not made in those countries, and also they have other types of controls plus their costs of transportation and so forth. The hon. member for Hamilton South (Mr. Howe) should know better. I am talking about drugs produced under pretty well the same circumstances in Canada as against the United Kingdom, Italy and Germany. When comparisons of prices to retailers are based on a mere exchange rate without any explanation, that is deluding the reader. If the minister wanted to make some adjustment or some allowance for this spread I would not be criticizing him as I am now. The differentials are not as wide as indicated by the minister.

As recorded at page 6616 of *Hansard* the minister said that a number of constructive suggestions were made by the standing committee which studied drugs, under the chairmanship of the hon. member for Halton (Mr. Harley). In that committee members got an instructive examination of certain of the factors that go into the determination of prices and the marketing of drugs. But the point is that this bill seizes upon only one suggestion by the committee. As the minister himself said yesterday afternoon, this bill is no guarantee that prices will come down, unless he is prepared to impose price controls at the retail level.

Mr. Turner: Mr. Speaker—

Mr. Lambert: If you will allow me to make my speech—

Mr. Turner: On a question of order—

Mr. Lambert: May I ask what is the question of order? If the minister is going to dispute what I say, that is not a point of order. The minister has a right of reply.

Mr. Turner: If the hon. member would be good enough—

The Acting Speaker (Mr. Tardif): Order. If we take a little time to listen to the minister we will find out if he is in order or not.

Mr. Turner: On a point of order, Mr. Speaker, I have a right to challenge the hon. member if he misquotes me or misinterprets my remarks. What I said was that by itself

there was no guarantee this bill would affect prices. I said it was part of a cumulative program, and the program was set out quite clearly.

The Acting Speaker (Mr. Tardif): Actually this is not a point of order. It is more like a medium sized debate.

Mr. Lambert: I think that only reinforces my remarks. The minister convicts himself out of his own mouth. I did not say the minister said this bill was the only means—not at all. I am suggesting the minister would have to resort to many other things, many other devices to guarantee a reduction of prices. I merely said that the minister admitted yesterday afternoon that this bill would not guarantee a reduction of prices, and he has admitted that again now. The mere importation of drugs under licence—and I will explain this later—by a group of importers who will be going along for a free ride, with no guarantee as to the level of their mark-up, and the mark-up through jobbers and through retailers, is no guarantee of a reduction in price. Unless the minister is prepared to impose price controls all the way along the line he cannot guarantee that there will be price reductions.

From an economic point of view, and again I will develop this argument, whether the country will be further ahead is another question. I revert to what the minister said yesterday as recorded at page 6622 of *Hansard:*

> On the supply side of the market, the framework in which industry operates in such that there are high barriers to the entry of newcomers who might inject new and more vigorous competition by importing the basic drugs for processing and packaging in Canada or by importing dosage forms. The most important of these barriers arise as a result of the interaction of the Patent Act, the Trade Marks Act, the Customs Tariff, the very intensive and costly program of marketing and promotion undertaken by the established firms, and the requirements of the Food and Drugs Act.

If this philosophy applies all along the line will the minister argue that the prices of all commodities in Canada which come into the market, either under domestic production or from foreign sources, are higher than they need be, because many other commodities are produced in Canada under patents?

• (9:20 p.m.)

There are many other products produced in Canada that are protected by certain tariffs and the Trade Marks Act. There are also many programs for marketing and promotion. I do not know how the requirements of the Food and Drug Act relate to this, but perhaps there is also protection in respect of food. The minister has singled out drugs as part of this program. Is this a forecast of what the minister or the government intend for the future in respect of other products? Does he intend, from here on in, that patent rights will not be applicable to any type of commodity that may be manufactured in Canada, and that the Trade Marks Act shall not apply to them? Are we to see the elimination entirely of customs tariffs and prohibitions in respect of marketing promotion?

Some of this new philosophy is expressed at the very same page, and this seems to be in line with the basic principle the minister followed in his bill. Let me read from the bottom of column two on page 6622 of *Hansard* for February 12 where the minister is reported as having said this:

> Since the demand and supply characteristics of the market tend to rule out price competition in the Canadian drug industry, except in sales to institutions, rivalry between drug firms takes the form of concentration on the development of minor differences in product and of sales promotion. Competition is, therefore, cost increasing. The more intense the competition, the higher costs are driven.

In spite of this the minister says that by doing away with competition and by importing under licence, set at an arbitrary level by the commissioner of patents, competition will increase, and therefore drug prices shall go down. Will the minister guarantee that there will not be his kind of competition as a result of even minor differences even under licence? According to his own principle, competition shall be cost-increasing and there shall be greater promotion. How does he think that under this new utopia some of the characteristics about which he complained will not prevail?

Let me suggest to the minister that by the provisions of this bill he will be giving certain importers of drugs a free ride, in that they will not have to do one penny worth of research; also there will be no price controls. All these importers will have to do is pay a mere licence fee in the form of a royalty set by the commissioner of patents. This decision will be beyond negotiation by the parties concerned—the exporter and importer. In other words, "big brother government" will come down to the market place and determine what shall be paid as a licence fee. This again is an example of that "do goodism" about which I spoke. This is implicit in the proposal

of the minister, that there shall be this type of enforcement by the commissioner. However, there is nothing indicated in the bill or in what the minister has said on which one can base any conclusion as to how the commissioner of patents will use this authority. There is no criteria for the commissioner to follow in setting the level of licence fees. I find this a little difficult to accept in this day and age, unless the minister is disclosing a new philosophy of this government.

I am not going to go through all the details of possibilities for reduction in manufacturing by drug manufacturers in Canada. This has been more than adequately covered by my colleagues. Neither do I intend to go into the question relating to the potential elimination of almost all meaningful drug research in this country. This also has been covered by my colleagues, the hon. members for Simcoe East (Mr. Rynard) and Halifax (Mr. Forrestall). The hon. member for Jacques-Cartier-Lasalle (Mr. Rock) has indicated his concern in respect of this implication. I am sure all members of this house have received representations from individuals and firms, including the Chemical Institute of Canada, particularly its medicinal chemistry group. Are these people so suspect, merely because they are protesting the minister's bill, that their representations are to be dismissed as mere efforts to protect mere money grubbing instincts? Some of the statements in this house today and yesterday have been based on sensational penny dreadfuls, most of them ill-founded, regarding drug prices and drug quality.

It is very distressing when one has to rely entirely upon drug manufacturers for the safety and quality of drugs, to find, that some of them are defective or of less than adequate quality. The minister might do a greater service by proposing a measure to jack up quality control on the part of drug manufacturers. Surely this would be a step forward, although on the whole the drug and medicinal producing industries in this and other countries are efficient. Of course humans are fallible, and production cannot be guaranteed 100 per cent. Such quality control measures would be a step in the right direction toward the elimination of as much error as possible. Let us not approach this subject only from the aspect of cost.

There are many other parts of the minister's speech to which I could refer, which contain flaws in reasoning. As the hon. member for Grenville-Dundas (Mrs. Wadds) said, although we criticize this bill we must not be deemed to have no concern for the level of drug prices. No one in this house has any monopoly or concern for people who are ill and have to spend money on drugs. I do not fault the minister or the government for their concern for these people, or for their efforts to decrease drug prices.

This bill that the government advances gives us no such guarantee. We have to weigh the pros and cons of the bill. On the basis of what has been said and the criticisms that have been advanced, I have very grave doubts that Canada in the net result will benefit from the passage of this bill.

• (9:30 p.m.)

Hon. J. A. MacLean (Queens): Mr. Speaker, Bill No. C-190 purports to have as its objective a beneficial effect on the cost of drugs for Canadians. We on this side of the house agree that any measure which will have the effect of lowering the price of drugs to the consumer, and prescription drugs especially, is advantageous to the people of this country, provided any saving in price is not outweighed by other resulting disadvantages.

Two years ago a special committee of the house was set up to consider this question and make recommendations respecting a comprehensive and effective program to reduce the price of drugs. The terms of reference under which the committee was established spoke only of the price of drugs. It seems so obvious that when we as Canadians speak of drugs we mean drugs that are of a high quality and will perform as effectively as possible the function which they are prescribed to perform. Therefore we assume that these are the kind of drugs the house had in mind when it referred this problem to the committee. The committee, in its report at page 6, chapter II entitled "Background to the Report", has this to say:

> The committee's conclusions must be such that any of its recommendations, if adopted, should continue to maintain a proper balance between industry and consumer and take into consideration the importance of continued and increased scientific research in Canada. No recommendations could be considered, which, although designed to lower drug prices in Canada, might produce drugs of questionable safety or have a detrimental effect upon other aspects of the Canadian economy.

This is what the committee reasoned was its duty with regard to the responsibility placed upon it. We have heard unfortunately, a great deal of propaganda, I would say, to

the effect that Canadians pay exorbitant prices for pharmaceutical preparations, and some would have us believe that the Canadian pharmaceutical industry is a grasping, evil, bloated extortionist industry which feasts on the miseries of the ill. They want to create this myth and then, like knights on white chargers, go charging against this fictitious myth, having the people believe that they are the sole protectors of the interests of the Canadian consumer.

The myth that the pharmaceutical industry of Canada is any worse than any other segment of our industry, or indeed any better than any other segment of our industry, has yet to be proven. I consider that the pharmaceutical industry of Canada has done a great deal for Canadians. We have benefited from their research. Any of us, if we think about it at all, will realize the tremendous benefits to mankind generally, and not only to Canadians, which have resulted from medical research in pharmaceuticals.

We think of the "wonder" drugs that have come into general use in the last few years, with their resulting beneficial reduction, and in some cases the wiping out, of diseases causing premature death and the elimination of prolonged illnesses because of treatment which may result in a rapid and complete recovery from many diseases which only a few years ago were often fatal.

Benefits resulting from these drugs far outweigh the total cost of all the drug research that has ever been carried out. It is true that some of these drugs have been discovered as the result of research in universities or in institutions supported by the taxpayers; but the industry, too, has made very worth-while contributions. We will always be indebted to the industry for the benefits to mankind which have resulted from this research. This type of research, of course, takes place in many parts of the world. All mankind benefits when some great, new breakthrough is made in pharmaceutical research.

Since all mankind benefits from these advances, it creates a very complicated problem as to how the discoverers of a new drug shall be adequately compensated for their contribution to mankind. The drug industry cannot be thought of as being in isolation in any one country, or indeed in any one group of countries, because when it produces a new advance in the treatment of disease our moral conscience requires that the new drug be available to everyone as quickly as possible. This of course complicates the process of adequately recompensing the discoverers of a new drug, because the sale of the drug cannot be confined to a limited market. Drug companies cannot cater, generally speaking, to the needs of just one country as far as their research is concerned.

We in Canada are a relative newcomer in the fine chemical industry. Countries such as Switzerland and Germany, because of discoveries in the past, have become world leaders in the fine chemical industry. As a result they are in a better position than Canada to make advances in research in pharmaceuticals. Take, for example, the discovery of coal tar dyes in Germany. This gave the German chemical industry a tremendous advance and they profited from the discovery to a great extent. This discovery put them in a preferred position for a long time as far as advances in this field were concerned. Incidentally, it also put them in a preferred position as far as pharmaceutical research was concerned.

• (9:40 p.m.)

Nevertheless, we should not underestimate or downgrade the importance of Canadian achievements in this field. I should like to quote from a statement by the medicinal chemistry group of the Chemical Institute of Canada, which reads as follows:

> In Canada the drug industry spent $12 million in 1967 on research and provided employment for 700 scientifically and technically trained people. Canadian scientists over the years have made outstanding contributions in drug research. These include processes for the production of insulin, for the production of steroid hormones from bile acids, and innovations in estrogen therapy. In the past decade Canadian scientists in industry have published in international scientific journals, over 200 accounts of the results of their studies. Ten drug companies maintain research laboratories in Canada, half of them having been opened in the last decade. Drug research is international in its scope. The research that is done in Canada contributes to and benefits from world knowledge. There is in Canada the necessary cadre of scientists and technicians to do research. There is the necessary scientific climate created by the presence of excellent universities, hospitals and other institutions. Canada must not become a parasite—it is proper and to be expected that Canada will make the contribution to drug research of which we are capable. Bill C-190 apart from reducing the funds available for drug research, will not help to foster the economic and political climate needed if industry is to continue to invest in Canadian drug research.

When we talk about the cost of research, I should like to remind members of the house that the pharmaceutical companies carry on research from day to day often at great cost, because they pursue what appear to be likely

paths to advancement. We are told, however, that only about one of every three thousand research projects results in a marketable advantageous pharmaceutical. So it stands to reason that when a successful pharmaceutical is evolved the cost attached to it is not only the direct cost of that particular drug but also the cost involved in the research which produced the other 2,999 examples which proved to be unsuccessful. Therefore, we have a very difficult problem in determining what is a reasonable benefit under the patent rights. Then too there is the question of proving that a new drug is a safe drug. When a new drug has the status of a new drug the law requires that continuous testing of a very expensive nature be carried on in order to determine as conclusively as possible that the drug has no detrimental side effects, or that there are no other dangers attached to it when used.

The copier who comes into the picture at a later date, who is given a licence to manufacture the drug does not have to become involved in this prolonged and expensive procedure. He should be able to market his drug with less expense than it was marketed originally. In this connection I believe it is essential—and the members of the committee felt that it was essential—that the royalties paid under the Patent Act by licensees should be made more rewarding so that the innovator of the drug would be recompensed in some measure for the service he has provided to mankind in bringing this new drug into use.

There are many factors involved in the cost of drugs to the consumer. The members of the committee immediately recognized this. In addition to the cost of manufacturing there are many other factors. There is the cost of distribution, the professional cost of dispensing the drug, and the taxation involved at every stage in respect of the drug and the concerns which carry on the business of manufacturing, distributing or selling pharmaceuticals. All these factors, of course, are built into the cost of the drug, the same as in the case of other products. These costs have been increasing in recent years. This is part of the entire picture of the increased cost of living with which we are all so familiar. The federal government has jurisdiction with regard to some of these factors. Some of them, however, are under the control of other levels of government while others are under the control of the profession itself and are affected by other considerations.

[Mr. MacLean (Queens).]

The committee recognized this fact and made a large number of recommendations, 23 in fact, some of which fall under the responsibility of the federal government and others under other jurisdictions. For example, one recommendation of the committee was that pharmacists use the cost price plus professional fee method to determine drug prices to the consumer. I believe that in some provinces the profession has already adopted this recommendation. The result of that recommendation will be that the cost of a low priced drug will be increased slightly, while in the case of the very expensive drug there will in some cases be a tremendously reduced cost. Low cost drugs are obtainable at a price which usually is bearable by the patient, but some high cost drugs can be a very great burden, especially if they must be taken over a long period of time. So I believe some progress has been made in that direction.

Then there is the question of the federal sales tax. An advance has been made in this regard, provided the savings are passed on to the consumers. Recommendation No. 16 concerns the profession and the industry. The committee made several recommendations, some of which are being put into practice. Among the recommendations there are approximately seven which seem to fall under the jurisdiction of the federal government, and I shall read them:

• (9:50 p.m.)

2. That the personnel and facilities of the food and drug directorate be expanded to make possible the implementation of the recommendations of the Boyd committee, the Hilliard committee and this committee;

11. That the patent commissioner, on assessing royalties on the granting of a compulsory licence, shall consider that the patentee who discovers and initially develops the drug in Canada should have higher royalties than the drug manufacturer who discovers new drugs outside of Canada;

17. That subsection 3 of section 41 of the Patent Act be amended to indicate clearly that the granting of a licence by the commissioner of patents is subject to a report by the food and drug directorate of the Department of National Health and Welfare, to the effect that the applicant for the compulsory licence has satisfied the directorate that he has met the regulations under the Food and Drugs Act;

18. That subsection 3 of section 41 of the Patent Act be amended to include applications for compulsory licences to import drug products in all forms, subject to inspection of manufacturing facilities by the food and drug directorate and provided such importation is in the public interest as may be determined by the commissioner; and to this end, your committee recommends that the rules under the Patent Act be amended to permit the commissioner to seek and receive outside independent expert advice in the determination of this question;

19. That the importer of drugs under compulsory licence pay the cost of food and drug directorate services outside of Canada;

20. That subsection 3 of section 41 be amended so that if the granting of a compulsory licence takes longer than 12 months, the commissioner, if in his opinion the delay is unwarranted, may be empowered to issue the licence subject to revocation if any appeal against such a compulsory licence is upheld, providing however that such licensee provide sufficient evidence to satisfy standards of the food and drug directorate;

21. That section 20 of the Trade Marks Act be amended to make clear that no infringement can be claimed where imported drugs are manufactured by a "related" company;

Out of all these inter-related recommendations, the drafters of this bill have selected one and taken ideas from a couple of others. The requirement that before a licensee can import drugs the food and drug directorate must be satisfied in advance that the circumstances under which these drugs are being manufactured meet Canadian standards, does not appear in this bill. Such a requirement was recommended by the committee. This is a very important point, Mr. Speaker, because the standards drug manufacturers must meet vary from one country to another. The standards required of a manufacturer of drugs in Italy, for instance, or any other country, may be lower than those imposed in Canada. The exporting country has no responsibility to ensure that the drugs meet the requirement of the food and drug directorate of the country to which they are being exported. This condition applies even in Canada. We have no responsibility to ensure that drugs exported meet the requirements of the countries to which they go.

We have heard a great deal, Mr. Speaker, about the myth—I think that is not too strong a word to use—that drugs are just drugs, that an analysis of a generic drug in a laboratory gives a certain result and all those drugs are the same. This is a fallacy. In some cases however it may be true, but when we are dealing with the question of the safety of drugs we cannot assume that it is true. It is a known fact that of themselves, laboratory tests do not prove conclusively that a drug is safe, or as safe as any other drug that gives the same analysis. It may not be as effective as another drug that gives the same analysis.

The suggestion has been made that this myth was created by a segment of the Canadian pharmaceutical industry, and therefore should be disregarded; that it is suspect or bias. In this connection, I should like to quote as a witness a United States congressman giving evidence recently before a committee in the United States. I see that it is almost ten o'clock, so I will desist from that at the moment. I do want to say to the minister, however, that although we congratulate him on his objective of lowering the price of drugs to Canadian consumers, where that can be done safely and where it can be demonstrated that prices are too high, we are genuinely concerned that the high safety standards of Canadian drugs as we have known them will be endangered if this bill becomes law in its present form. I should like an assurance from the minister, therefore, that he would consider sympathetically and favourably the amendments which we might make in committee of the whole. We would prefer of course that the bill be referred back to the special committee which studied the cost of drugs in the first place, or some other appropriate committee, in order to bring the bill more in line with the recommendations of the committee. We feel the bill does not carry out the recommendations made by this hard working committee, recommendations which the committee felt were in the interests of the Canadian public. If the minister could give that assurance, I am sure that the second reading of this bill will not take much longer, so far as the official opposition is concerned.

May I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Starr: I should like to ask the acting house leader if he would tell us the business for tomorrow and possibly Thursday?

Mr. Turner: I am in a position to give the business for tomorrow. We will continue with item 51, the second reading of Bill No. C-190, which we have been debating, to be followed, if that is possible, by item 55, house in committee of the whole on Bill No. C-193, an act to amend the Income Tax Act.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

• (10:00 p.m.)

AIR CANADA—WINNIPEG—TRANSFER OF EMPLOYEES FROM BASE

Mr. Ed. Schreyer (Springfield): Mr. Speaker, when the Minister of Transport (Mr.

Hellyer) took on the portfolio of the Department of Transport he gave, I suppose one can say he reiterated, the solemn assurance of the government that the Air Canada overhaul base would not be moved from Winnipeg, at least not until 1973. When the minister went to western Canada recently he stopped over in Winnipeg a matter of ten days or so ago, at which time he repeated the intention and determination of this government that there would be no change in this undertaking.

Meanwhile, Mr. Speaker, the course of events has been such as to throw some considerable doubt upon whether or not the government is in fact determined enough to stand by this commitment. I say this because the management of Air Canada has all the time been transferring certain of its employees from Winnipeg.

The minister was questioned about this in the house last week. My colleague the hon. member for Winnipeg North (Mr. Orlikow) and I tried to get some indication from the minister as to how he would proceed in persuading the management of Air Canada to agree to his intended course of action. The rules of the house did not permit us to engage in any exchange with the minister, and this prompted the debate at the present time.

The minister gives us to understand that he feels somewhat frustrated because he himself is circumscribed by the collective agreement that exists between the management of Air Canada and the employees. This is precisely the point on which I should like some clarification from him.

Air Canada maintains that it has an agreement with the employees that provides for it to continue to transfer certain of its employees, and this it has been doing. As I have already said, the minister also points to the agreement as a factor that impinges upon his freedom to take charge of this situation. I should like to put before him if he is not already aware of it, a statement that was made by an official of the employees union. I do not have the exact words before me but I have copied in longhand the essence of what he said, which was that if the employees were to take the position of not agreeing to further transfers of employees, they would have to have a definite indication from the federal government.

This is very logical, Mr. Speaker. I am unable to understand how the minister can point to the labour-management collective bargaining agreement as a factor that somehow prevents him from persuading the management of Air Canada to go along with the undertaking that he and his colleagues have given, both to this house and to the people of Winnipeg. I believe that a delegation from that city discussed this matter with the minister a week or two ago, and I am sure he has given it a great deal of thought. Nevertheless I put this request specifically to him: Would he please clarify what he has in mind when he says that the collective agreement impinges upon his ability to take action in this connection?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think the hon. gentleman is paraphrasing what I actually said. The commitment that I gave in Winnipeg was that the Prime Minister's undertaking would be honoured. There has been no change in the government's position since that time. The Prime Minister undertook, as I understand, that the Air Canada base would remain open, or that an alternative solution would be found which would provide approximately equal employment opportunities in the aircraft maintenance industry. As my hon. friend undoubtedly is aware, we have made a special effort to try to reach a solution which will be satisfactory to everyone involved. A committee was formed with members of the provincial government and federal government, and they have been meeting and considering some of the suggestions which have been made. They are aware that there are at least several alternative possibilities, so far as the means which might be adopted to fulfil the commitment are concerned.

At the present time I cannot tell my hon. friend with certainty, though I should very much like to do so, which of the options that are being studied will be ultimately adopted. It is for this reason that the employees of Air Canada face a dilemma, the dilemma being whether to negotiate additional transfers under the contracts which now exist, and take advantage of the seniority rights which have been guaranteed, or whether to take their chances and remain at Winnipeg, in the hope that the ultimate solution will meet with their approval and provide satisfactory employment for them.

As I explained to the union officials, when I met them, I regret very much that this dilemma for the employees exists, but unfortunately I cannot do much about it right at this

moment. I hope that we shall be in a position to announce, in the not too distant future, what the ultimate solution will be. Unfortunately I am not in a position to do that now. Negotiations between the union and the company will be going on in the meantime. It is this aspect of the situation which is beyond my control. I wish it were within my control, but it is not and I am afraid that the union and the company will have to resolve it in a manner which meets with their own general approval, notwithstanding some of the factors that will not be decided at the time.

Mr. Speaker: Order, please. The hon. minister's time has expired.

Motion agreed to and the house adjourned at 10.10 p.m.

HOUSE OF COMMONS

Wednesday, February 14, 1968

The house met at 2.30 p.m.

LIBRARY OF PARLIAMENT

COMMITTEE REPORT RESPECTING SALARY REVISIONS, ETC.

Mr. Speaker: I have the honour to inform the house that a report has been received from the joint committee on the Library of Parliament concerning salary revisions of employees of the Library of Parliament, and related matters, and the library regulations.

[*Editor's note: Text of the foregoing report appears in today's Votes and Proceedings.*]

NATIONAL HOUSING ACT

AMENDMENT TO INCREASE RATIOS FOR INSURED LOANS

Hon. E. J. Benson (President of the Treasury Board) moved that the house go into committee of the whole at its next sitting to consider the following proposed resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the National Housing Act, 1954, to increase from $13,000 to $18,000 the loan ratios for insured loans to home owners, builders, and co-operative housing associations for the construction of new housing units.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

JUVENILES IN FEDERAL PENITENTIARIES

Question No. 717—**Mr. Orlikow:**

1. How many juveniles are in federal penitentiaries?

2. In how many cases did the court have presentence recommendations from social workers, probation officers, psychiatrists, etc.?

3. What facilities, if any, are there for segregation of these juveniles from the adult inmates?

Hon. L. T. Pennell (Solicitor General): 1. As of November 20, 1967, there were the following numbers of inmates in federal penitentiaries within the age group shown:

17 years and under 18 years	55
16 years and under 17 years	12
15 years and under 16 years	6
Under 15 years	0
Total	73

2. This information is not available within the department.

3. In the Montreal area, many are transferred to the Federal Training Centre. In Ontario, most juveniles are confined in the Collins Bay Penitentiary. In addition, the new institutions at Drumheller, Warkworth, Cowansville and Springhill are designed for the training of young inmates and young offenders are being transferred, insofar as practicable, to these institutions.

CANADIAN CONTENT OF PHARMACEUTICALS FOR EXTERNAL AID

Question No. 908—**Mr. Brand:**

1. Does the External Aid Office have requirements that services and material procured by this program have an 80% Canadian content?

2. How successful has the External Aid Office been in obtaining pharmaceuticals with an 80% Canadian content?

3. What measures and methods are used to satisfy an 80% Canadian content for pharmaceuticals if such is required by the External Aid Office?

4. Have any purchases been made by the External Aid Office which indicate that buying pharmaceuticals with an 80% Canadian content would provide a saving to the Canadian taxpayer?

5. Have expenditures been made by the External Aid Office meeting the above suggested requirements which have in fact entailed greater expenditures than if expenditures had been made on other pharmaceuticals presently on the Canadian market?

6. Have any plans been made to meet the proposed changes in the Patent Act and the Trade Marks Act in relation to the importation of pharmaceuticals which are entirely of non-Canadian manufacture?

Hon. Paul Martin (Secretary of State for External Affairs): 1. Yes.

2. All pharmaceuticals provided under the aid program which are available from Canadian suppliers have had a Canadian content of 80 per cent or above.

Questions

3. The pharmaceuticals are purchased from Canadian manufacturers who certify the Canadian content of their product.

4. No.

5. No.

6. The external aid office will re-examine the Canadian content requirement as it applies to pharmaceuticals in the light of any changes in the Patent Act and Trade Marks Act approved by parliament.

ARDA OFFICES, AMHERST, N.S. AND MONCTON, N.B.

Question No. 918—**Mr. Coates:**

1. How many employees were involved in the ARDA operation at Amherst, N.S., on January 1, 1966, what was the total staff of ARDA at Amherst, N.S., on January 1, 1968, and what is the present staff at the regional office of ARDA, established at Moncton, N.B., on January 1, 1968?

2. From whom was office space rented for the ARDA regional office at Moncton, what was the square foot rental rate and the total annual rent for the quarters in question?

3. What is the length of the lease for the rental at Moncton, N.B.?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): 1. (a) As of January 1, 1966, 32 employees were engaged in the ARDA operation at Amherst, N.S. (b) As of January 1, 1968, 61 employees were engaged in the ARDA operation at Amherst, N.S. (c) The regional headquarters of the rural development branch with a staff of 18 moved to Moncton, N.B., on January 15, 1968.

2. The office space was rented from MacSpear Investments Limited, at a rate of $6.21 per square foot per year, for 8,600 square feet, the total annual rent being $53,400.

3. The lease is for 10 years from the date of occupation.

PAYMENTS TO MEMBERS OF STATUS OF WOMEN COMMISSION

Question No. 948—**Mr. Coates:**

1. What amounts have been received by the members of the Royal Commission on the Status of Women in salary and expenses to date?

2. How much was received in salary and expenses by those members of the Commission who resigned from their positions?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the Royal Commission on the Status of Women in Canada as follows: 1. Amounts paid in honoraria to members of the commission to January 26, 1968, $63,087.50.

[Mr. Martin (Essex East).]

Expenses paid to members of the commission to January 26, 1968, $10,955.03.

2. Amount paid in honorarium to member of the commission who resigned November 1, 1967, $5,550.00. Expenses paid to member of the commission who resigned November 1, 1967, $655.62.

PUBLIC WORKS EMPLOYEES, CHARLOTTETOWN, P.E.I.

Question No. 951—**Mr. Macquarrie:**

1. Is it intended to decrease the complement of positions in the Dominion Department of Public Works, Charlottetown, P.E.I.?

2. If so, when?

3. If so, by what number of positions is the District Office to be decreased?

4. If such a move is in contemplation, what are the reasons for it?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. As retirements or relocations occur.

3. Seven.

4. Reassessment of staff requirements in view of the fact that the major public works project in the area (Northumberland strait crossing) is not being handled through the department's district staff.

NEWSTART PROGRAM, SASKATCHEWAN

Question No. 954—**Mr. More:**

1. What projects are (a) in being (b) in prospect in the Newstart program for Saskatchewan?

2. What is the total amount of expenditure by the Government of Canada involved in these projects?

3. What members of the Public Service of Canada are assuming responsibility for this program in Saskatchewan?

4. Where will such personnel be located?

5. What is the amount already expended in inaugurating Newstart in Saskatchewan?

6. What benefits are expected to accrue to the residents of Saskatchewan as a result of the Newstart program?

7. What insurance coverage has been required for Newstart in Saskatchewan (a) what coverage has been acquired and what are the annual premiums (b) in what manner was the insurance placed?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. (a) None. (b) Saskatchewan NewStart Incorporated is at present developing its projects and a statement of the number of projects in prospect would be premature.

2. A precise estimate is not yet possible, but it is anticipated that the total will be between $2.5 million and $3.5 million.

3. No members of the Public Service of Canada are assuming responsibility. Saskatchewan NewStart Incorporated is a non-profit corporation established by the federal and provincial governments under the Societies Act of Saskatchewan. In addition to financing, it will be able to get technical assistance from the Department of Manpower and Immigration.

4. Not applicable.

5. As of December 31, 1967—$40,000.

6. The Saskatchewan NewStart Incorporated will address the training needs of some of the economically disadvantaged adults in Saskatchewan. The methods developed will help these people to secure better jobs. The primary aim is to experiment with methods of improving adult training programs generally.

7. (a) Saskatchewan NewStart Incorporated has acquired general public liability insurance with one million dollars coverage at an annual premium of $212.00. (b) The insurance was placed with a recognized company in accordance with normal commercial practice.

COMMISSIONS OF INQUIRY

Question No. 956—**Mr. Gauthier:**

1. How many Commissions of Inquiry had not completed their assignments in 1962?

2. How many Commissions of Inquiry were set up between January 1962 and December 1967?

3. What was the cost of each of these Commissions?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. 5.

2. 19.

3. Name of commission	Year of app't	Year of termination	Cost
Taxation	1962	1967	$3,344,787*
Pilotage	1962	——	856,373*
Bilingualism and Biculturalism	1963	——	6,669,669*
Irregularities in processing claims under Prairie Farm Assistance Act	1963	1964	17,957
TCA Overhaul and Maintenance Base, Winnipeg, Man.	1964	1966	55,340
Crash of TCA Aircraft at Ste. Therese	1964	1965	21,038
Export Marketing Problems of Salt Fish industry in Atlantic Provinces	1964	1965	42,116
To inquire into allegations about any improper pressures having been brought to bear on counsel acting upon an application for the extradition of one Lucien Rivard	1964	1965	180,053
Irregularities in 1963 Federal Election B.C.	1965	1965	14,107
Inquiry into Freshwater Fish Market	1965	1966	39,611
Inquiry into Group D. Salary Increases	1965	1965	7,193
Working Conditions in Post Office Dept.	1965	1966	78,960
Inquiry into Mr. Justice Landreville	1966	1966	55,831
Inquiry into Complaints made by one George Victor Spencer	1966	1966	13,099
Inquiry into matters relating to one Gerda Munsinger	1966	1966	54,708
Farm Machinery Costs	1966	——	370,328*
Security	1966	——	201,037*
Status of Women in Canada	1967	——	227,569*
Administration of Justice, Hay River, N.W.T.	1967	——	13,500*

* Cost to 31 December 1967.

27053—423

Questions

SON ET LUMIÈRE SPECTACLE, OTTAWA

Question No. 958—**Mr. Diefenbaker:**

1. How many persons attended performances of the spectacle Son et Lumière in 1967?

2. What was the total expenditure for this spectacle?

3. What plans, if any, are there for continuation of Son et Lumière?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the centennial commission: 1. 79,216 persons paid admission to see the performance. An additional 1,200 persons attended the opening ceremony on May 13, 1967, and the July 1 presentation for Her Majesty the Queen as non-paying guests.

2. Not including the cost of the amphitheatre on Nepean Point which was used and will be used for other types of performances, the capital investment in the Son et Lumière production was $380,000. The cost of operation maintenance and administration for 1967 is estimated to be $50,000. As a gross revenue of $71,000 was realized from the 1967 operation, the capital investment is reduced by $21,000 to $359,000.

3. The matter of the future of the Son et Lumière program is still under consideration.

FEDERAL AID FOR STUDENTS, MONTREAL

Question No. 969—**Mr. Godin:**

Do unemployed students in the Montreal area receive more federal aid for living expenses than students in other parts of the Province of Quebec and, if so, for what reason?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Yes. Training allowances are considered income replacement and according to the act, are related to living costs of trainees. In the case of Quebec, in co-operation with the provincial government, four levels of allowances were established, based upon the average wage levels in specified areas.

FEDERAL REPRESENTATIVES ON CAPITAL REGION COMMITTEE

Question No. 989—**Mr. Schreyer:**

1. Who have been named to represent the Government of Canada on the Preparatory Committee on the Capital region of Canada?

2. Are such persons to receive emoluments for this task?

3. If so, what amount and would this be additional to regular salary?

[Mr. Matheson.]

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. Messrs. A. D. P. Heeney, Carl Goldenberg and Marc Lalonde have been named to represent the government of Canada on the preparatory committee on the capital region of Canada.

2. No. The three federal representatives are already employed by the government of Canada for other tasks; no special emoluments are paid for this purpose.

3. Not applicable.

APPLICATIONS FOR MEDICAL RESEARCH EQUIPMENT

Question No. 999—**Mr. Fulton:**

1. Under what circumstances and for what points in time are applications for major equipment for medical research considered for approval by (a) the Health Resources Fund (b) the Medical Research Council, respectively?

2. Is there any limit on the number of applications for major equipment for medical research for the same laboratory or the same investigator eligible for approval under the Health Resources Fund?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. (a) Contributions from the health resources fund are paid to provinces in an amount up to 50 per cent of the reasonable costs of all basic equipment necessary for the operation of a facility. Applications are received from provinces at any time and are generally approved within a few days, provided the projects are included in provincial five year programs approved by the health resources advisory committee in accordance with the act. (b) Applications are received by the Medical Research Council at any time from individual investigators for the support of all research equipment not eligible for support by the health resources fund.

2. The only limits to support by the health resources fund of the costs of basic research equipment required by a new health training facility are: (a) Equipment is ineligible if it is delivered before the date on which the contract is signed for the construction, renovation or acquisition of the facility. (b) Equipment is ineligible if it is not installed and ready for use within 18 months of completion of the facility.

FEDERAL BUILDING, WALKERTON, ONT.

Question No. 1017—**Mr. Loney:**

1. Have tenders been called for the new federal building scheduled for construction at Walkerton, Ontario?

2. If tenders have been called, in what publications were they advertised?

Hon. G. J. McIlraith (Minister of Public Works): 1. No.

2. Not applicable.

Mr. W. H. Jorgenson (Provencher): I rise on a question of privilege, Mr. Speaker. I wonder if I might ask when question No. 32 is going to be answered. It has been on the order paper since May 10, 1967 and for two months during the previous session.

Mr. Béchard: We shall try to answer it.

[*Translation*]

MOTION FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Would Your Honour be kind enough to call notice of motion No. 44?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

FISH MARKETING—IMPLEMENTATION OF MCIVOR REPORT

Motion No. 44—**Mr. Schreyer:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence and documents exchanged between the Government of the Province of Manitoba and the Government of Canada, relative to the possible implementation in whole or in part of the McIvor Report of Fresh Water Fish Marketing.

Hon. Robert Winters (Minister of Trade and Commerce): Subject to the usual reservation about the consent of the province, Mr. Speaker, this motion is acceptable.

Mr. Speaker: Subject to the reservations or conditions expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR SPECIAL CONFERENCE WITH PROVINCES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to

direct a question to the Prime Minister. I should like to ask him whether in order to carry out his stated objective of making a practical medical care program available to as many Canadians as possible and as soon as possible, he will even now take the step of calling the provinces together in a special conference on medicare to ascertain their views as to the basis on which a national, portable and practical medicare program could be brought into effect on July 1, 1968 for Canadians in all parts of the country, and particularly those who need it most.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the legislation does provide for a national, practical and portable scheme, and it will be coming into effect on July 1. If the provinces have any views to submit in writing as a group or individually concerning what they think could be done to this particular measure after it has been in effect, in the light of the operations of the act to make it more effective, we will be glad to discuss them.

FINANCE

CONSULTATION PRECEDING INCREASE IN BANK INTEREST RATES

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Finance, and is based upon a press report today that some of the chartered banks have already raised the rate on their prime loans to 7 per cent, while others are contemplating taking a similar step within the next day or two.

My question is this. Before taking this action did the banks have consultations with the minister or with the Bank of Canada, and if so what justification did the banks give for this action, which can only compound our economic difficulties?

Hon. Mitchell Sharp (Minister of Finance): I do not agree with the final observation of the hon. member, but I can tell him that there was no consultation with the Department of Finance. I do not know whether there has been any consultation with the Bank of Canada.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Has the minister intimated to the banks that the government approves of this action, or has he expressed any concern on behalf of the government?

Inquiries of the Ministry

Mr. Sharp: No, Mr. Speaker, I have had no conversations with the banks about this matter.

Mr. E. Nasserden (Rosthern): May I ask a supplementary question of the Minister of Finance. Is this part of his grand scheme for the banks of the country?

[*Translation*]

FARM MACHINERY

REQUEST FOR REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

Could he tell us whether the royal commission on agricultural machinery is making progress and when its report will be tabled in the house?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): It is progressing with its work, but I am not quite sure when that work will be finished. I will communicate with the chairman of the committee through the Minister of Agriculture.

FISHERIES

ESTABLISHMENT OF GEOGRAPHICAL CO-ORDINATES FOR PACIFIC COAST

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to direct my question to the Secretary of State for External Affairs. In view of the continuing interest in the question, can the minister advise the house when he expects to be able to announce the geographical co-ordinates for the Pacific coast under the territorial seas and fishing zones regulations?

Hon. Paul Martin (Secretary of State for External Affairs): At the moment I cannot add to what I said in the month of November, but I shall look at the question again to see if further information can be given.

CANADA LABOUR CODE

INQUIRY AS TO IMPLEMENTATION OF REPORT ON TRANSPORT INDUSTRIES

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Acting Minister of Labour, which he may want to take as notice.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

In view of the fact that the Department of Labour has received the Murchison report and recommendations regarding the labour standards code and particularly the hours of work in the trucking industry, and in view of its constructive and reasonable approach to this problem, could the acting minister advise when the department will implement this report and the recommendations?

Hon. B. S. Mackasey (Acting Minister of Labour): Mr. Speaker, I appreciate the suggestion of the hon. member for Ontario that I take the question as notice. I might in the interval point out to him that the Murchison report is being analysed at the present moment by officials of the department, and that talks have already begun in their presence between union officials and representatives of the trucking industry. These talks have resulted essentially from the recommendations of the Murchison report. I shall seek further and more detailed information in the interim.

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the Prime Minister's refusal, expressed yesterday to the Canadian Labour Congress, to stimulate the economy, will the Prime Minister take the earliest opportunity to outline what alternative plans the government has to get the economy moving and thus combat the steadily rising rate of our unemployment.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I urge the hon. member not to put his questions in a form which makes it impossible for them to be answered on orders of the day.

Mr. Hees: A supplementary question, Mr. Speaker. I am putting my question in substantially the same form as the right hon. gentleman's colleagues put their questions during six years in opposition.

Mr. Speaker: Order, please.

Mr. Hees: Since their questions were answered then I submit that the Prime Minister should answer this question now.

Mr. Speaker: Order. The hon. member is following a very bad precedent.

[*Later:*]

Mr. William Skoreyko (Edmonton East): My question is intended for the Minister of Manpower and Immigration. In his absence perhaps I could direct it to the Minister without Portfolio, the Acting Minister of Labour. In view of the alarming increase in unemployment in Canada, can the minister advise the house what steps are now being taken by the government to alleviate this very serious situation?

Mr. Speaker: Order. The hon. member is asking for a statement which ought to be made on motions.

LABOUR RELATIONS

MONTREAL—APPOINTMENT OF ARBITRATION BOARD ON PICARD REPORT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Acting Minister of Labour, of which I gave him notice. Since an injunction of the superior court in Montreal ordered the International Longshoremen's Association and the shipping federation to arbitrate their differences as to the interpretation and application of the Picard report, would the hon. gentleman inform the house whether the Minister of Labour was requested by the nominees of the parties or by the parties themselves to appoint a chairman for the arbitration board. If so, has the minister failed or refused so to appoint a chairman?

Hon. B. S. Mackasey (Acting Minister of Labour): Mr. Speaker, the Minister of Labour is not in the habit of failing or refusing with respect to anything that is reasonable.

I thank the hon. member for his courtesy in giving me prior notice of his question, though for various reasons I received his notice just as I came into the house. As I recall, Mr. Speaker, a request was made by the courts that certain clauses of the Picard report be sent to arbitration, that the two parties concerned name a representative and that the minister name a chairman. Unfortunately only the unions complied with the request of the courts; the shipping federation has failed to name a representative. It is thus impossible for the Minister of Labour to name a chairman. I might also point out, of course, that the wage agreement has now terminated and both parties are in the midst of new negotiations.

Mr. Lewis: A supplementary question, Mr. Speaker. Am I to understand from the minister's remarks that the shipping federation has not appointed its representative? The basis of my question was that both parties had appointed members and had asked the minister to appoint a chairman as the result of a court order, so that arbitration should take place. Do I understand from the minister that it is not the intention to appoint such a chairman, even now?

Mr. Mackasey: Mr. Speaker, I shall make certain of my answer, since I was speaking from memory. As I recall the matter, however, the shipping federation had named their representative and immediately withdrew that representative, on the argument, valid or otherwise, that the spirit and intent of the Picard report had been violated by the unions during the Christmas holiday. Whether the minister intends to name a chairman to the arbitration board will depend—

Mr. Speaker: Order.

SHIPPING

ST. LAWRENCE RIVER—REPORTED CRITICISM BY HARBOURS BOARD VICE CHAIRMAN

On the orders of the day:

Mr. J. M. Forrestall (Halifax): I should like to ask the Minister of Transport whether in the light of remarks severely critical of winter transportation on the St. Lawrence, made in Halifax by Mr. Talbot of the National Harbours Board, the hon. gentleman might not in his wisdom reconsider the entire practice of navigation on the river during the severe winter months.

Mr. Speaker: Order. It seems to me that the question as asked is of a very general nature and would call for the type of statement which should be made on motions.

Mr. Forrestall: Then could the minister give the house an assurance that in the light of the severity of the criticism by Mr. Talbot he will consider making a full statement on this matter at the earliest opportunity?

Hon. Paul Hellyer (Minister of Transport): Perhaps I can get a transcript of what was actually said, and if a statement is warranted I could make one at an appropriate time.

Inquiries of the Ministry

[*Translation*]

AIRPORTS

MONTREAL—INQUIRY AS TO CONSTRUCTION PROGRAM

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the Minister of Transport?

Now that a subvention of $9 million has been granted for the development of the Toronto air terminal, does the minister intend to re-establish the subvention granted to the Montreal airport? Does the minister intend to make an announcement on that matter soon?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I have received a preliminary report on the 20-year plan for the Montreal airport, and it has raised certain questions which are now being investigated by the consulting engineers who were retained for that purpose. I hope to receive a final report soon and, after that, to make a statement at the earliest possible date indicating what new structural facilities will be required in the Montreal area and when we may expect work to go forward.

GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT FOR 1966-67 CROP

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): I should like to ask the Minister of Trade and Commerce when the final payments on the 1966-67 wheat crop will be made.

Hon. Robert Winters (Minister of Trade and Commerce): I shall be meeting with members of the wheat board tomorrow. After that I shall be able to make a statement.

DRUGS

CHLORAMPHENICOLS—INQUIRY AS TO CLINICAL TESTS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I have a question for the Minister of National Health and Welfare. In his absence I would address it to the Prime Minister. Would the right hon. gentleman inform the house what clinical tests are now being done to protect the Canadian public against the use of the chloramphenicols which are now on the Canadian market, but which were taken off the United States market about six weeks ago?

Right Hon. L. B. Pearson (Prime Minister): I will look into the matter, Mr. Speaker.

[Mr. Hellyer.]

TRADE

WHEAT—INQUIRY AS TO PROMOTION OF FURTHER SALES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Trade and Commerce. During the hon. gentleman's absence in Europe and Asia we were informed that part of his mission was to try to sell wheat. Is the minister in a position to indicate to the house whether any positive sales resulted from his efforts?

Hon. Robert Winters (Minister of Trade and Commerce): I think we laid some pretty constructive groundwork. There are prospects of sales of wheat to some of these countries, and we are pursuing them actively.

Mr. Korchinski: Could the minister let us in on the secret and tell us what countries he has in mind?

Mr. Winters: No, I do not think that would be in the public interest at this time. It might compromise possible sales.

EXTERNAL AFFAIRS

VIET NAM—SUGGESTED INTERVENTION OF THE POPE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. It is based on a very dramatic effort to bring peace to war stricken Viet Nam. Has the minister been advised of a message sent today to His Holiness Pope Paul, as follows:

> Humbly beg Your Holiness become hostage Hanoi so that barbarous American bombardment stop due your holy presence. This could lead negotiations and American withdrawal and put end Vietnamese agony.

The message is signed by Zaira Singh, a Roman Catholic, and is supported by a number of others. Has the minister received a copy of this telegram, and has he any comment to make on this very unusual suggestion?

Mr. Speaker: Order. Even if it is an urgent matter I doubt whether the hon. member can ask a question in this way. I doubt whether it is acceptable put in this form.

Mr. Herridge: Mr. Speaker, may I ask a supplementary question. Has the minister received any information along these lines?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, when I was coming into the house my hon. friend was kind enough to give me a copy of this telegram. This is the only indication of it that I have seen.

HEALTH AND WELFARE

MEDICARE—PARTICIPATION BY YUKON AND NORTHWEST TERRITORIES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Will the minister inform the house whether he intends to cause proposals to be laid before the respective legislative councils of the Yukon and the Northwest Territories with respect to the participation by those two territories in the medicare program?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, for some time my officials have been in consultation with officials in health and welfare, and of course the advantages of medicare are available to the people who live in the territories so long as the territories acting for their people come up to the criteria set here. I understand that in the case of the Northwest Territories, principally due to the difficulties of geography, they are leaving the matter over for discussion this year, and I think in the case of the Yukon the question is going to be before the Yukon council next month.

POLLUTION

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. D. V. Pugh (Okanagan-Boundary): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. In view of the growing need for national control over pollution, will the minister indicate whether the Canada water act will be introduced this session?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I have already said to the house, Mr. Speaker, that being a realist I thought it would be introduced at the next session and not in this part of the present one.

[*Translation*]

PUBLIC BUILDINGS

HULL, P.Q.—REQUEST FOR REVISION OF CONSTRUCTION PROGRAM

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

As reported in *Le Droit* yesterday, according to the estimates for the current year, the Department of Public Works will spend $84 million in Ottawa, as compared to $1 million in Hull, which has prompted a Liberal journalist to say that there is a difference—

Mr. Speaker: The hon. member should put his question.

Mr. Caouette: Precisely, Mr. Speaker, a horse to a rabbit ratio. Does the government intend to revise its policy and grant Hull more attention, and if so, when?

Mr. Speaker: The question of the hon. member is too general in character to be put at this time.

[*English*]

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE RECONVENING OF GENEVA CONFERENCE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I would like to ask the Secretary of State for External Affairs whether he can give us any information as to the possible credence to be put in rumours that the suggestions being made to the Russians regarding the reconvening of the Geneva conference, have some prospect of success?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Canadian government would be happy to support any move to bring about a resumption of the Geneva conference in the hope that peace talks might be begun. However, I have no reason for believing that there is any immediate prospect that the co-chairmen together would agree to calling the members of the conference. Therefore I do not think it is possible at the moment, notwithstanding the efforts being made in this regard by the Secretary General of the United Nations.

Mr. L. R. Sherman (Winnipeg South): As a supplementary question, can the minister tell the house when he expects to have a report available from Ambassador Ormond Dier?

Inquiries of the Ministry

Mr. Martin (Essex East): Mr. Speaker, I now have a report from Mr. Dier, who has returned from Hanoi. This report was sent to the government from Saigon. We are now examining the report, and consultations will be carried on in respect of it. I note in this connection the statement made by the Secretary General to the effect that he believed that if the bombing were to stop there might be talks within a period of about two weeks.

NORTH VIET NAM—PROTESTS OVER KILLING OF MISSIONARIES AND CIVILIANS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, now that the Secretary of State for External Affairs has received information from Saigon which approximates the information we have been receiving from the press and radio, does he intend to send a strong protest to the government at Hanoi with regard to the slaughter of missionaries, women and children which has been undertaken by the forces which that government supports?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, on the basis of the report I have received I would not be in a position to modify the answer I gave on Monday.

Mr. David MacDonald (Prince): I have a supplementary question, Mr. Speaker. I wonder whether the Secretary of State for External Affairs could indicate, as a result of his communication from Ambassador Dier, whether there is greater reason to believe that the government of Hanoi would be willing now to come to the conference table.

Mr. Martin (Essex East): I am sure my hon. friend will understand that it is not desirable or possible at this time, until this report has been fully examined and discussed with other parties, to give a reply with regard to a matter which is as important as this.

Hon. George Hees (Northumberland): Mr. Speaker, I wish to address this question to the Secretary of State for External Affairs. Has the Canadian government decided to participate in a plan to give assistance to the refugees in South Viet Nam and, if so, what form will the plan to render this assistance take?

Mr. Martin (Essex East): Mr. Speaker, the Prime Minister indicated yesterday that this matter is being examined by the external aid board. That examination is under way. Dr. Vennema has been asked to go to Viet Nam to assess the situation in the hospital area which formerly was under his jurisdiction.

[Mr. Sherman.]

ATLANTIC DEVELOPMENT BOARD

POSSIBLE RESULT OF REDUCTION IN ESTIMATE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, normally I would direct this question to the Minister of National Health and Welfare, but because of his absence with the committee on procedure I might put this question to the Prime Minister. In the light of the fact that the estimate for the Atlantic Development Board has been reduced from $60 million to $38 million can the Prime Minister tell the house whether this will have an influence on the acceptance or rejection of proposals advanced last week by the premiers of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will have to look into this matter.

ADMINISTRATION OF JUSTICE

POLICY OF DEPARTMENT IN PROSECUTIONS FOR POSSESSION OF MARIJUANA

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this question is for the Minister of Justice. Is it the policy of the Department of Justice, as expressed by the department's Toronto director, that drug prosecutors will be asking for jail terms instead of suspended sentences with probation for first offenders convicted of possession of marijuana?

Hon. P.-E. Trudeau (Minister of Justice): I am not aware of the statement, Mr. Speaker. I will have to look into the matter.

LABOUR RELATIONS

BRITISH COLUMBIA—RECOMMENDATION FOR INDUSTRIAL INQUIRY COMMISSION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Acting Minister of Labour. In view of the constitutional problems raised by the report

by Mr. Justice Nemetz which was tabled yesterday in the British Columbia legislature and which recommended a permanent industrial inquiry commission, has the Department of Labour requested or received copies of that report?

Hon. B. S. Mackasey (Acting Minister of Labour): Mr. Speaker, to the best of my knowledge we have not yet received the report. However, I assure the hon. gentleman that as soon as we do I will keep him abreast of developments.

NATIONAL CAPITAL

ALLEGED DELAY IN SETTING UP JOINT COMMITTEE

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, I should like to direct this question to the Minister of Public Works. Would he advise the house what is now delaying the appointment of the joint special committee on the national capital?

Hon. G. J. McIlraith (Minister of Public Works): Nothing, Mr. Speaker.

Mr. Bell (Carleton): Mr. Speaker, in view of the fact that last September the appointment of this committee was promised for early in this session of parliament, would the minister now indicate when it is proposed that the committee be appointed?

Mr. McIlraith: Whenever the house can deal with it, Mr. Speaker. We propose putting the notice of motion on the order paper within the next few days.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, this question is supplementary to the question asked by the hon. member for Carleton. When this committee is being set up will the minister consider my question which appears on the order paper? Will representatives from other provinces be appointed as members of this committee?

Mr. McIlraith: The setting up and the constitution of a committee of the house is a matter for the house. I believe the whips usually endeavour to give regional representation on the committees. It is not a matter for the government; it is a matter for the house.

Inquiries of the Ministry

FINANCE

INQUIRY FOR TARIFF BOARD REPORT ON GREENHOUSE INDUSTRY

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, if I may I should like to direct this question to the Minister of Trade and Commerce. Would the minister advise the house, if he has not already received it, when he expects to receive a report from the tariff board in respect of the submission made to it on behalf of the greenhouse industry?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, it would be unlikely that the report would come to me first, but I will make inquiries about it. I have not yet seen it.

FLOODS

ONTARIO—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, may I direct this question to the Secretary of State. I should like to ask her whether she has received a request from the province of Ontario for assistance in respect of the serious flood damage suffered by southwestern Ontario and, if so, what decision has been reached.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have not received any such request. If it were delivered to me I suppose I could only supply blotting paper. It would have to go to one of my colleagues. I would think perhaps it would be a matter for the Department of National Defence.

CANADA PENSION PLAN

REQUESTS FOR EXCLUSION ON RELIGIOUS GROUNDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address this question to the Minister of National Revenue. Has he any answer at the present time to the question I asked previously concerning persons wishing exemption from the provisions of the Canada Pension Plan on religious grounds?

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, we are aware of that problem; however, we cannot do anything, because the legislation would have to be amended and this is not considered at the present time.

Patent Act—Trade Marks Act

[*English*]

• (3:10 p.m.)

PATENT ACT—TRADE MARKS ACT

AMENDMENTS RESPECTING IMPORTATION OF PRESCRIPTION DRUGS

The house resumed from Tuesday, February 13, consideration of the motion of Mr. Turner for the second reading of Bill No. C-190, to amend the Patent Act and the Trade Marks Act.

Mr. Harley: Mr. Speaker, may I rise on a question of privilege. This arises as a result of something which came to my attention late last evening. During the debate on Bill No. C-190 on February 12 as reported at page 6651 of *Hansard* I stated that chloramphenicol manufactured in the United States by nine companies had been allowed back on the market after rechecking. My information, Mr. Speaker, was incorrect. These products have not been allowed back on the United States market. I apologize to the house and express my appreciation in particular to the hon. member for Simcoe East (Mr. Rynard) and the hon. member for Queens (Mr. MacLean) for drawing this matter to my attention.

Hon. J. A. MacLean (Queens): Mr. Speaker, when I was speaking last evening I tried to stress the point that we in the official opposition agree with the stated objectives of this bill. However, we have grave concern on two main points. The first is the almost impossible task facing the food and drug directorate in attempting to assure the safety and quality of drugs for Canadians, if the drugs are easily imported from other countries without adequate supervision. Second, we are concerned that the legitimate pharmaceutical research in this country may be needlessly but seriously hindered and reduced as a result of this bill in its present form. With regard to the first point, I should like to quote a telegram which was received this morning from the president of the Canadian Medical Association. It is addressed to the president of the Pharmaceutical Manufacturers Association of Canada, with a copy to the Prime Minister and others, and reads as follows:

> Re Bill C-190; further to our previous communications to the Hon. John Turner on this subject the Canadian Medical Association continues to be deeply concerned that Bill C-190 in the form now being presented to parliament may open the door to drugs whose safety and effectiveness are below the standard expected and deserved by the Canadian public. Although we too favour the availability of drugs at a lower cost we are not convinced that the implementation of Bill C-190 will accomplish this end and we fear that the more important factors of safety and effectiveness may be compromised.
>
> Our concern is not restricted to the importation of generic drugs. We fear that confusion may arise due to the importation of brand name drugs some of which have ingredients, physiological activity and dosage forms different from similarly named Canadian brands.
>
> Under present government requirements quality control is responsibility of the drug manufacturer under the supervision of the food and drug directorate, Department of National Health and Welfare. Under this new legislation allowing the importation of drugs it will be extremely difficult if not impossible for the food and drug directorate to maintain the same degree of supervision over foreign manufacturers.
>
> We urgently request that this bill receive further detailed study and necessary amendments to provide adequate safeguards for the public. The association stands ready to aid in any such investigation.
>
> Dr. N. J. Belliveau, President,
> Canadian Medical Association

Since coming into the house I have received another telegram which is brief but, I think, very important because it comes from a large Canadian owned drug manufacturer which I think specializes in generic drugs. This telegram is addressed to myself and reads as follows:

> As a major Canadian owned pharmaceutical enterprise Empire Laboratories is vitally concerned with consequences of Bill C-190. Contrary to statements by bill's advocates, bill seriously threatens existence of Canadian owned segment of drug industry. Moreover the public health is threatened. Food and drug directorate cannot possibly ensure every import is manufactured under sanitary conditions—

And so on. With regard to the second point, I should like to point out that during the course of this debate I have heard various supporters of the bill say a great many times that the pharmaceutical industry has earnings which are twice as high as those of the average industry in the country. However, at page 12 of its report the committee says:

> Your committee believes this to be true for pharmaceutical companies generally, whether they be so called "innovators" or "copiers"; or brand name or generic producers. It should be pointed out in all fairness (as seen in table 4 of the appendix E), that the pharmaceutical industry showed (in 1963) the seventh highest rates of return on resources employed, and are exceeded by distilleries, wineries, motor vehicles, petroleum and coal products, motor vehicle parts and accessories, wire and wire products, and office and store machinery.

So there is a wide range of activity here in which the new minister can indulge. With regard to the pharmaceutical industry, it is my belief that they are good corporate citizens generally speaking, and I believe they

would welcome negotiation or discussion with the Department of Consumer Affairs with regard to prices, advertising and guide lines which might be set down which would have the effect of reducing the cost of drugs to the consumer.

It seems to me that the government in drafting this bill has flailed about with a bludgeon in a situation where the deft use of a scalpel is what is required. We in the official opposition hope that the minister will see fit to withdraw the bill from committee of the whole and refer it to a suitable committee to bring it more into line with the recommendations of the special committee, while preserving its position on the order paper.

If the minister does not accept this suggestion, we in the official opposition expect that he will have the bill suitably amended or will agree to suitable amendments in committee of the whole on the points I have stressed, so that the public interest will be safeguarded. We of course reserve our position with regard to third reading until the final content of the bill is established by the committee of the whole.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall take only a few moments of the time of the house this afternoon to pay tribute, first of all, to the Minister of Consumer and Corporate Affairs (Mr. Turner) for having brought this legislation before the House of Commons. Both as a member for a workingman's area and as a physician, I have a deep concern for the health of our people. I believe that Bill No. C-190 is another step in the legislation introduced by this government to provide assistance for our citizens in order that they may achieve good health.

• (3:20 p.m.)

I have said in the past, and I repeat it today, that the cost of drugs to the patient who buys them at the drug store is much too high. In fact, we in this country pay one of the highest prices in the world for drugs. I welcome very much the assurances of the minister who has voiced his concern in the house about not only bringing down the cost of drugs through this legislation but also providing for the safety and efficacy of drugs. I should also like to express my concern on the question of safety and efficacy.

It is my opinion that the telegram referred to by the previous speaker, sent to the Prime Minister (Mr. Pearson) by the Canadian Medical Association, should be given serious consideration by the minister. We would like to hear in the course of this debate and in the study of the bill in committee, assurances that the food and drug directorate and the minister's department will do everything possible to ensure that drugs will be not only economical but safe, and will do the job they are intended to do.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, like the previous speaker in this debate I shall be very brief. It is possible for me to be very brief because hon. members who have spoken in the debate in the last few days have gone into the technical aspects and ramifications of the bill in great detail. I was greatly impressed with the contributions made to the debate by those hon. members who are of the medical profession; in particular, the hon. member for Halton (Mr. Harley), my colleague the hon. member for Hamilton South (Mr. Howe) and the hon. member for Gatineau (Mr. Isabelle). I listened closely to what was said by the hon. member for Simcoe East (Mr. Rynard) and then read his speech in *Hansard*.

With respect to the reasons which have been advanced by members of the official opposition who are opposed to the bill, I find myself completely unconvinced by their arguments. The two main arguments put forward in opposition to proceeding with this bill, as I gather from listening to them and then reading the speeches in *Hansard*, are that while the legislation shall bring into the Canadian drug market a greater degree of price competition, it will somehow lead to a deterioration of quality control and will make it more difficult to maintain high standards of drug safety.

They also make much of the argument that if the profit of drug companies is reduced their capability to conduct research and development will be lowered. In advancing these arguments hon. members apparently failed to take account of some obvious facts. First, as was shown clearly by the hon. member for Halton (Mr. Harley), drug safety inspection can be taken as a fact. It must be policy on the part of any government to see that medicines and drugs put on the market, regardless of price, measure up to certain criteria or standards of safety. Any attempt to relate price to drug safety is spurious and illogical.

In respect of the argument that any reduction in the margin of profit will encourage a greater degree of price competition in the industry and lower the capability of that industry to undertake research and development, let me point out that the industry spends about four and a half times as much on promotional advertising as it does on research and development.

If research and development is a prime function of the industry, as it ought to be, there is nothing in this legislation which will reduce the capability of the industry to engage in research. The industry may have to cut back on its promotional activity but, as has been suggested by several hon. members, particularly those of the medical profession, there seems to be a proliferation on the part of the industry to seduce the medical profession, through the use of a great number of brochures and advertising gimmicks. As has been said, many doctors in this country feel the time has long passed when material emanating from the pharmaceutical manufacturing houses serves any useful purpose. Much of this material is consigned to the wastebasket. All this promotion increases the expenses of the firms, which they pass on in good measure to the consumer.

Let me refer to one other point which was brought forward by the hon. member for Edmonton West (Mr. Lambert). He took exception to what the minister sponsoring this bill said about the inclusion of those charts which were appended to *Hansard* for Monday, and which indicated that the price of drugs in Canada was much higher than in most other industrialized countries.

That hon. member suggested that these charts were misleading because they do not take into account the relative purchasing power and wage scales in these other countries where drug prices are considerably lower than in Canada. The hon. member was obviously suggesting that since wages or incomes are lower in these countries, the price of drugs should be lower. Apparently he feels there can be some reason for higher drug prices in Canada if only because of higher incomes. While there may be some validity to the argument, the hon. member has ignored one essential point.

The pricing practice used by pharmaceutical houses is obviously divorced from production costs and the cost of research. Obviously their pricing practice is not related to the cost of production as it should be, but rather to some judgment as to what the market will bear, or what the Canadian consumer will pay without complaining too much. The differential between costs and selling price is enormous. The practice over the years has been to increase the price little by little over a period of time. Whenever it is felt there is imminency of consumer price complaint, the increases are stopped.

I suggest that if it were not for action of responsible public bodies such as parliament, this practice would likely continue. Many interesting pieces of information were brought to light in evidence presented to the committee on drug costs and prices, and by evidence presented to two other investigating bodies. Inasmuch as much of this information has been aired and discussed in this chamber, I feel I would be serving no useful purpose in referring to it again.

Let me conclude by saying there is no question but that there is a direct and obvious responsibility on this government and parliament to pass this legislation, even though, taken by itself, it may not have a great impact. Together with other measures the minister has indicated this government is contemplating, this measure will have the effect of bringing drug prices in this country down to levels which can be justified by the cost of production and research. I wish to commend the minister and his colleagues for the enlightened and bold position they have taken which was not really expected.

Mr. Speaker: I must remind hon. members that if the minister speaks now he will close the debate.

Hon. John N. Turner (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to thank hon. members of the house for allowing me to close the debate at this time, so that the bill may go to the committee of the whole for further discussion and elucidation, particularly in respect of some points referred to in general terms during this debate on second reading.

Let me deal briefly with those points referred to by hon. members on all sides of the house, particularly the chief spokesman for the official opposition, the hon. member for Simcoe East (Mr. Rynard). He suggested that the bill was confiscatory in that it took away property rights of patentees under the Patent Act. I assure hon. members that I listened to his point with the greatest interest.

• (3:30 p.m.)

I want to say to the hon. member in general terms that this bill does not, to use his words, virtually abolish patent protection. In effect, a five year monopoly under the patent is maintained because of the period that elapses under the present food and drug regulations, and thereafter the patentee, if there is a compulsory licence issued, will enjoy the protection he has gained through establishing a position in the market. This is a position he would enjoy under ordinary circumstances for five years under the patent. In addition, he will enjoy the royalties from any new rivals who may have been able to obtain a compulsory licence from the patent commissioner. This is not confiscation of property, Mr. Speaker, because what we are doing here is diluting, to a certain extent, the patent protection in a way that is analogous to reducing a tariff.

The purpose of this bill is to reduce the effect and use of a patent as an analogous economic weapon, if you will, to the tariff. I may say that the domestic drug industry will still obtain the 15 per cent most favoured nation tariff. Both the patent and the tariff are economic institutions that are designed to achieve particular economic ends. I want to say to the hon. member, through you, Mr. Speaker, that much research, innovation and invention is not patentable. I want to say also to the hon. member that patent laws vary widely around the world according to the needs of the individual economies. A patent right is not an absolute right. It is a right that has to be weighed in the balance of economic convenience. In this case, it is the objective of the bill to weigh the legitimate rights of the Canadian consumer against the legitimate rights of the inventor and the drug industry. In this sense, this bill moves Canada closer to the position already adopted by the United Kingdom and the United States.

Many members were worried about the fact that this bill, if carried by the house, would have an effect on employment. In my opening speech, sir, I recited the figures relating to the people employed by the drug industry in this country. It is my view, on the basis of the best advice I was able to obtain, that this bill will not adversely affect employment within the drug industry in Canada. About 85 per cent of the Canadian drug industry converts the basic chemical ingredients from their basic form into final dosage form, that is to say into the pill, the tube or syrups. This bill, if effective, would introduce more competition into that manufacturing process. It should not affect the amount of manufacturing done in Canada. It would tend to make manufacturing more competitive, but the amount of employment should not be affected to any degree.

Some members were disturbed by the possibility of Canada importing large amounts of drugs from Italy, Hong Kong and other parts of the world. Here again, I want to remind the house, if I may, that 85 per cent of the Canadian drug manufacturing industry in Canada really exists on importation of the basic ingredients, and conversion of those basic ingredients into the final dosage form. We already import 85 per cent of the basic chemicals into Canada. We do not expect this bill will unduly rearrange this percentage.

Then, some members were concerned, and perhaps I would share their concern if I were criticizing this bill, about the possibility of research in Canada being adversely affected by this measure. It is our view again, sir, and I hope I was able to make this point in my opening speech, that patent protection by itself is not an inducement to research. We have had patent protection in this country ever since confederation.

Until very recently only three major drug companies did any appreciable research in Canada, and the increase in research done in this country was probably attributable more to direct government intervention by way of research grants and tax incentives than it was by virtue of the patent system. The existence of a patent, therefore, is not the sole reason for research being done here. I hope that government programs for research within the competence of the Minister of Industry (Mr. Drury) would amply encourage the continuance of whatever research in drugs is done in Canada.

I think the house ought to recall that the drug industry is an international industry. All the major companies having 85 per cent of the business in this country are controlled abroad, either in the United States, Switzerland, the United Kingdom or some other country. When these international concerns, subsidiaries and related companies in various parts of the world decide where they are going to put research, they will put research where the market is or where available scientists can be found.

In most cases, research has to be concentrated in one place because of the highly complicated, highly specialized nature of the research and because of the expensive equipment needed to mount it. Not very much of the international research done in the drug industry has found itself resident in Canada. There is nothing in this bill, to our mind, which would promote the changing of the location of research in Canada, if that research were otherwise economically desirable here.

Finally, I want to deal with a point that seemed to be occupying the minds of most speakers who had the courtesy to enter the debate, and that is the question of safety. I was particularly impressed by the learned address by the hon. member for Simcoe East (Mr. Rynard) and by the hon. member for Halifax (Mr. Forrestall) last evening, as well as the very respected member for Queens (Mr. MacLean). They dwelt particularly on this subject.

I want to say again that, regardless of the economic motives for this bill, that is to say, to provoke more competition, to encourage more free enterprise, to encourage competition in price rather than merely in a promotional sense, there are two other objectives. As I said at the outset, the first of these objectives is to maintain safe, efficacious, high quality drugs in Canada. There is no doubt about that. I want to restate my concern and the concern of the government on that score. The second objective is to maintain a viable domestic drug industry.

Mr. Nowlan: Will the minister permit a question? If the prime purpose of this bill is to affect prices, would the minister not agree that just about all manufactured products in Canada could be brought into this country much cheaper, but that is part of the price of having a Canada?

Mr. Turner: The hon. member for Digby-Annapolis-Kings is enticing me into an argument which I should like to have with him on any public platform.

An hon. Member: He is not a leadership candidate.

Mr. Turner: The relevant argument is free trade against protection. I think that this country, in terms of surviving economically, must always weigh the balance of having free trade for the benefit of the consumers, and a certain amount of protection for the benefit of a viable domestic industry. I am saying to him that indeed this measure tends to have an aspect of freer trade attached to it. By lowering the patent protection we are, in effect, lowering a non-tariff barrier to trade.

• (3:40 p.m.)

On the other hand Mr. Speaker, the domestic drug industry, even after the passage of the bill—assuming the bill gains the assent of this house and the other place—will have a good deal of protection left. For example, there will be the 15 per cent most favoured nation tariff and the advance five year period under the new drug status of the food and drug regulations. The industry will have the advantage of its high promotional and selling detailmen. It will have the advantage of having imprinted on the minds of the public the brand names under which most of the major companies sell drugs. So that the protective element in the drug industry is still quite considerable; and it is because we are able to weigh the balance of economic convenience that we have confidence that the bill will not adversely affect the domestic drug industry.

I want to get back to safety, Mr. Speaker. A number of hon. members expressed concern that the bill did not contain what they referred to as adequate safeguards respecting quality and safety of drugs. I would emphasize what I said previously, Mr. Speaker, namely that in the government's program designed to reduce the price of drugs, the need to supply the Canadian market with safe and efficacious drugs is paramount. If I or the minister of health, or if the government were not satisfied that this objective could be achieved when the program becomes effective, then I would not have introduced the bill.

The patent and trade marks legislation is not designed to deal with matters of this sort. This is primarily a question for the food and drug directorate of the Department of National Health and Welfare, who administer the legislation respecting safety and quality of drugs. The proposed section 41(13) of the Patent Act makes it mandatory upon the commissioner of patents to give immediate notice of any application to the Department of National Health and Welfare and the food and drug directorate.

In the preparation of this bill I had the advantage of the advice of officials of the Department of National Health and Welfare, the food and drug directorate, the Department of Finance, the Department of Justice and the Department of Industry, as well as the advice of senior officials from my own

department, which at the time was that of the Registrar General, now the Department of Consumer and Corporate Affairs. Therefore, Mr. Speaker, this bill has received the consideration of the most senior men in a number of government departments.

Since we announced our intention to introduce the bill, and the introduction of the bill itself, I have received delegations from all major and smaller companies manufacturing drugs in Canada that wanted to see me. On two occasions I had interviews with the executive of the Pharmaceutical Manufacturers Association of Canada. I also saw the Canadian Independent Drug Manufacturers Association and other bodies interested in the industry.

I want to say to hon. members that when we get into committee of the whole I will entertain all amendments that might be presented, and will look into them thoroughly. If they add to the protection accorded the Canadian public, then they will certainly meet with my approval and with the approval of the government. However, I want to say that the food and drug regulations at the moment do provide, in our opinion, adequate authority to control fully the importation of drugs.

In this regard I want to read into *Hansard* section C.01.055 of the food and drug regulations, which provides:

In the case of a drug sought to be imported into Canada, the director may require—

Mr. Forrestall: "May" require.

Mr. Turner:

—may require

(a) Information and evidence satisfactory to him that the conditions of manufacture described in section C.01.052 have been met in respect to such drug, and

(b) before such drug is released for sale, the testing in Canada of the drug by an acceptable method in the form in which it is sought to be imported, and if, in the opinion of the director such drug or any lot or batch thereof does not conform to the requirements of these regulations, the drug or lot or batch thereof shall not be admitted into Canada for use as a drug.

It should be recognized that the drugs at present imported into Canada—I have already pointed out that 85 per cent of the industry's operations consists of converting the imported basic drugs into final dosage forms—are already and will continue to be subject to the control of this regulation.

With regard to resources being made available to the food and drug directorate, hon. members will have seen the blue book of estimates for 1968-69 which was tabled in the house on Monday. Those estimates provide for an increase of 110 man years in the staff of the directorate, and for an increase in the budget of the directorate of roughly $2 million. Not all of this increase, of course, is occasioned by the present bill, but I have it from the director of the food and drug directorate that sufficient and adequate resources will be made available to implement this bill and to meet any extra work occasioned thereby.

I think I owe it to Dr. R. A. Chapman, who is the director-general of food and drugs, to refer to a remark that was made by the hon. member for Wellington-Huron (Mr. Howe). The hon. member attributed to Dr. Chapman certain statements that in fact were taken directly from an article that appeared in the January 1, 1966 issue of *Maclean's* magazine. These statements were attributed to Dr. Chapman, and yet there was no attribution in the magazine. I think it only fair to correct the record, and I am sure it was inadvertence on the part of the hon. member for Wellington-Huron.

The first statement related to the fact that an F.D.D. inspector found a kitchen table manufacturer putting out a drug which lost its potency within two days, compared with the six month shelf life of the same drug produced by a reputable company. The second statement was that in Italy the laws call for these manufacturers to assay their own products, but F.D.D. inspectors often find the test equipment dust covered and obviously unused. Dr. Chapman has assured me that these statements were not made by him; and indeed I have the *Maclean's* magazine article containing these two quotations with me this afternoon.

Finally, Mr. Speaker, some hon. members opposite suggested that the government might refer the bill to the standing committee of the house, for further review. It is my feeling that the suggested amendments to the Patent Act and the Trade Marks Act now before the house have received very lengthy review indeed, both by the standing committee of the House of Commons and at the hearings of the Restrictive Trade Practices Commission. When the Restrictive Trade Practices Commission was reviewing a number of subjects relating to drug costs and drug prices, it dealt with the question of patent and trade mark protection. At that time 146 manufacturers were consulted, as well as 80 professional,

trade and hospital associations, health and welfare organizations, universities and so on. In addition to this there were 25 days of public hearings and the testimony occupied 3,260 pages of transcript. Thirteen legal counsel and 78 witnesses were heard.

The standing committee of the House of Commons, under the chairmanship of the hon. member for Halton, who is known professionally as Dr. Harley, produced 2,717 pages of evidence and appendices. The committee took 14 months to complete its hearings; 108 witnesses were called and the committee held 63 meetings.

This bill, Mr. Speaker, is the result of the consideration of the recommendations made by that committee. Some of its recommendations have been accepted in toto. Some have been modified and some have been rejected, for reasons which I tried to set forth in my opening remarks. I think at same time it might be useful for us to review just how many of the 23 recommendations of the Harley committee have already been implemented. If this bill receives the approbation of this house, all statutory amendments which are involved in the recommendations of this report will have been implemented. That includes those recommendations which fall within the authority of the federal government. The bill deals with recommendations numbered 11, 17, 18, 19, 20 and 21.

• (3:50 p.m.)

As I have said, Mr. Speaker, I am grateful to the house for allowing this matter to go to the committee stage. On this side we shall consider seriously all reasonable amendments which are presented during the committee of the whole stage. I suggest to hon. members that they can help us to digest amendments and to process them, if they give us those amendments at the earliest possible moment. The text of some amendments has already been suggested by members of the official opposition, and more amendments may follow.

I shall now sit down, and speak again perhaps during the committee of the whole stage.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tardif in the chair.

[Mr. Turner.]

The Assistant Deputy Chairman: Order, please. House in committee of the whole on Bill No. C-190, an act to amend the Patent Act and the Trade Marks Act. Shall clause 1 carry?

On clause 1.

Mr. Richard: Mr. Chairman, I refrained from speaking during the second reading stage, thinking it would be better if I spoke when the house is in committee. Many hon. members in the debate spoke at length about the drug industry and about the price of drugs. I do not intend to speak about the necessity for immediate measures to reduce the price of drugs. That this necessity exists was fully demonstrated in the committee chaired by the hon. member for Halton.

I am satisfied that the price of drugs is excessive and that that is harmful to the economy and to the nation. I am also satisfied it has been proven that the safety and quality of drugs is not related to ownership or control of patents, or to the products of a few brand name firms. On the contrary, it is well known that certain licensees of patent owners have produced better quality drugs than the so called ethical or brand name firms have produced. I am also satisfied that a large proportion of the profits which are accumulated by our pharmaceutical industry, so called, which is foreign owned, reverts to foreign hands.

In view of recent legislation which has been enacted in many provinces and by the Canadian government, under which medical and hospital care would become a responsibility of government, I have become particularly worried about the cost of drugs. It has been said that over 30 per cent of medicare costs will be attributed to drugs and pharmaceutical products. Unless effective legislation is introduced, this country could price itself out of any scheme which will provide the medical services that it wishes to extend to its citizens. The United Kingdom met this difficulty by importing its drugs directly from Switzerland and other countries. Under its medicare plan these drugs are distributed at a very low cost.

This bill, Mr. Chairman, deals with amendments to the Patent Act and the Trade Marks Act. In passing, I wish to say that it is unfortunate that we are still dealing with the old Patent Act eight years after the royal commission made a report on patents to this house. Nothing has been done since then. Had something been done we should not now be

faced with the difficulties that we are faced with.

The minister has already indicated that this bill is only one step in a larger program which is to effect a reduction in drug prices. Owners of patents should realize that they are beneficiaries of a monopoly extended to them by parliament. In effect, that monopoly gives them unlimited latitude to fix prices for their products, and to control their distribution. There has been little investigation into this feature of patents. Furthermore the house knows that the term of a patent, which is for 17 years, is much longer than necessary under modern conditions.

True, certain clauses in the Patent Act which relate to compulsory licences deal with abuses, but it has always been most difficult, or almost impossible, to make a case of abuse before the courts, because of the great litigation costs in appeals to the Supreme Court of Canada, and because the relevant sections of the act are not strong enough.

In the case of patents on drugs, a great body of opinion has held that patents should not be granted for medical products and foods. Italy is one country which has subscribed to this view. I do not intend to take sides, but I venture the opinion that at the present time our large brand name firms will do as well without patents as they now do with patents, so long as they have their present unlimited resources for publicity, advertising and soliciting, and so long as they have the co-operation of the medical profession, the members of which find it easier to order drugs by their trade names instead of by their generic names.

I remind the committee also that 95 per cent of our Canadian patents are held by foreign firms that the control, distribution, quality and availability of drugs lies in their hands.

I now wish to say a few words about the legislation. In my view it is very fair legislation. It is a fact that foreign firms which hold patents in Canada have the right to import drug ingredients—sometimes they import the finished product—from their parent companies. The legislation which has been submitted to this house gives that same right to an approved importer who is other than the subsidiary of the owner of the patent, except that any new licensees will have to pay royalties. Such licensee must satisfy the food and drug directorate and must find a market for his product in the face of stiff competition. He will have to satisfy the food and drug administration that his product is satisfactory from the point of view of safety and quality.

I should like to pay tribute to our own food and drug directorate. I remind the committee that though we do not follow the United States practice, which is to publish the results of investigations and court cases, it might be a good idea to do so. Hon. members may be surprised to learn that investigations are not always direced against the so-called—and I do not know whether this is the correct term to use—disreputable companies. Somebody said that some firms which are not reputable are selling drugs. To make that suggestion is not to pay a compliment to our food and drug administration.

If the results of investigations were published it would be found that even the so-called brand name firms have been looked into. They are just as likely as other firms to produce products which are not of good quality or approved purity. The fact that a firm overprices its drugs gives us no guarantee of the quality of those drugs. True, certain sections in the Patent Act relate to compulsory licensing and to abuses but, as I have said, those abuses are hard to prove.

Not too many firms can afford the cost of the proceedings that are involved in obtaining a licence, and very few licences will be certified by the food and drug directorate. That is why this legislation will create little problem for those who sympathize with the large companies. Licences must be approved by the food and drug directorate. Firms seeking those licences must have money to obtain them and money to compete with firms which are already established.

• (4:00 p.m.)

This legislation will at least give a chance to Canadian firms to get established, in the hope of developing a Canadian pharmaceutical industry providing drugs at a competitive price. The large patent owners have only themselves to blame for this legislation. They have consistently refused licences to reliable small firms, while at the same time they have willingly licensed some of their large competitors so as to restrict the market and control prices. This is one feature which I believe should be investigated in greater depth by the combines branch.

A great deal has been said about research to be carried out by some of the large firms in Canada. I am satisfied that very little research is being carried on, in comparison with the benefits which accrue to some of the

larger firms. As a matter of fact, the few discoveries we have made in the field of drugs in Canada can be attributed, not to these firms but to government agencies, universities or hospitals. A great deal of the staff involved in research comes from these sources, and the money comes from governments.

I repeat what I said earlier about the term of life of patents for drugs. I consider that a term of 17 years is far too long. It has been my experience that the commercial use of a drug patent is from five to seven years after which, for many reasons, including economic ones, a substitute is developed under a new brand name. There are some doctors present in the committee and they should know this to be true. I know it to be the case. There is the example of librium, which came out a few years ago. It had a real life of only some four or five years before it was superseded by a tranquilizer which was stated to be much better—and of course it was—namely valium. This is why I do not like the provision for a fixed five-year term in connection with the refusal of licences.

I should like to say a word about applications for licences. I am sure the minister realizes that the commissioner of patents has very heavy responsibilities and that he will not be able to hear many applications in one year. The minister should assure the committee that he will be provided with the necessary power and staff to enable applications to be heard by a properly constituted board, say three or four men, otherwise the delays will be endless.

I am against appeals to the Exchequer Court from these decisions. Under the legislation with which we are dealing, decisions by the commissioner are always followed by appeals to the Supreme Court of Canada and the cost of such appeals is excessive. Some hon. members have drawn attention to the fact that under the present practice only a few applications for compulsory licences have been heard in past years. This is the reason, and it is easy to understand. I speak as a patent lawyer. I never could find a client who was in a position to drag litigation out for four or five years culminating in hearings by the Supreme Court of Canada, to be faced in the end, possibly, by a bill of costs which could run to $7,000, even if I did not charge him one cent.

I shall not say much about the trade mark provisions in this bill, except to remind the committee that the most important protection afforded to brand name firms is the trade mark under which they sell their drugs. As long as the medical profession insists on prescribing by brand names, and if governments do the same, there is really no other protection required in order to maintain the status quo.

Mr. Chairman, I hope this legislation will achieve the desired result. But this will happen only if there are enough competent and approved applicants for licences. In any event we must remind ourselves of the fact that any reduction in prices would also be within the power of the licensee. How much will that be?

Mr. Rynard: I should like to make a few further observations on Bill C-190. I have already placed on record my views with regard to the question of patent rights, and I have described what might be the effect of these provisions on the drug industry. I have expressed the view that the main requisite when prescribing drugs is safety—that drugs should be safe, and able to do the clinical job which they are supposed to do. I have put on record what the granting of patent rights has done for the Connaught medical research laboratories at the University of Toronto.

I doubt whether any of this research could have been carried out in the absence of patent rights with respect to insulin. The number of employees there now is about 800. Sales alone amount to more than $6 million, and the export trade to just under $2 million. But the value of the work this laboratory has done is immeasurable. I could cite the names of many professional people engaged in research who are able to continue to carry out work of great value to mankind, as a result of the discovery of insulin and similar drugs. Because their lives were saved they were able to carry on with some of the most fruitful work which has been done in the University of Toronto area. Whether one thinks of all this in the terms of the suffering which has been relieved or in the economics of dollars and cents, the benefit is beyond measure. I do not think for one moment we should disregard these aspects in a country of 20 million people. When insulin was discovered, our population numbered only 10 million. Yet the discovery was made here in Canada, and nowhere else in the world.

It has been stated disparagingly that the drug industry puts only 7 per cent of its budget into research. I want to ask you this, Mr. Chairman: What does industry generally put into research? What do other industries

in Canada devote to research? The figure in the case of the drug industry is higher than that of any other industry in Canada. This is a state of affairs that we must preserve. Do the people of Canada want to pay for all their research to be done in the United States or some other foreign country, as it is done today for many Canadian subsidiaries? I would draw the attention of the committee to the fact that it cost us well over $300 million last year for research done in the United States—a lot of it by people who were educated in this country; we paid the cost of their education and then they went to the United States because research jobs were not available here. What a folly that is. As I have said previously, the cost of educating a medical doctor is well over $50,000. Are we going to let that go as an asset to some other country because we do not provide doctors with facilities for research in Canada? This is folly of the worst sort. The same applies to pharmaceutical research.

• (4:10 p.m.)

When our young doctors go to the United States they become American citizens. Not so long ago I was in Boston, where I met three young Canadian doctors who had been educated in this country. Consider the cost of raising them, paying the baby bonus, paying for their education, putting them through medical school, giving them three or four years training afterwards, and then consider that they went to the United States because that is where the opportunities for research are. They did not have the opportunity to do research in Canada.

Last year the drug industry in Canada poured $12 million into research. I will not say this bill will destroy our drug industry, but I wish to indicate what has happened in other fields. The government takes the attitude that so much of our drug industry is owned outside Canada that the rest does not matter. I ask how much of the oil industry and of the manufacturing industry is owned outside Canada?

How are we ever going to build a country if we do not keep our university educated young men and women in Canada? At present they are going to the United States. I could name Canadians who are top flight men not only in research but in every other field in the United States. I wonder how many hon. members know that last year we paid over $300 million to the United States for industrial research. Surely we cannot build up a country by doing things like that.

All of us want cheaper drugs, cheaper food, cheaper automobiles and lower rents. It does not faze the government, but we also want lower taxes. Our cost of living is at an all time high and I have not heard any suggestions about what the government will do in that regard. True, the government wants drug costs lowered. I am in favour of that 100 per cent, if the safety of drugs is protected. But what is the government doing about the cost of living and about high taxes? These are the things that make us non-competitive in many fields of production.

The Minister of Consumer and Corporate Affairs is smart. I think he is flexible, and I hope he will not be arrogant when it comes to making some amendments to this bill. He has a nice smile. He certainly leads you to believe that he is going to go along with you. I really like him, but I know he has to pilot a bad bill through this house and I sympathize with him. I hope he will show that elasticity and good judgment which will go across Canada to show the people that not only is he concerned about their getting cheaper drugs, but also that he is concerned that the drugs they get will do the job they are supposed to do. In the final analysis we will expect to make this a good bill.

One of the things which has struck me about the government, and this is something I said the other day, is that it allowed foreign imports of boots and shoes to increase year after year, until they pretty nearly put the Canadian boot and shoe industry out of business, a business which, per dollar, employs more people than most other industries. At present about 6 per cent of our labour force is unemployed. The rate of unemployment is going up and up like an escalator, but the government is not protecting the drug industry.

The same thing applies to the textile industry, and this really bothers me because there is a textile plant in my constituency. It is not a big plant by United States standards, but if the government does not move to abolish textile dumping, on July 1, 1968 foreign manufacturers will be able to dump more textiles in Canada in one month than all of our own textile firms could produce. The result will be more and more unemployment.

The same thing applies to farming. What is the government doing about the dairy industry? More and more people are being forced out of dairying with the result that we will have to buy more and more dairy products from other countries. I could also speak about

the fruit and vegetable industry. The other day the Minister of Trade and Commerce said we have to be competitive. How can we be competitive in the drug field, or in any other field, when workmen in some other countries are being paid a third of what Canadian workmen receive? Does that make common sense? The result will be to put Canadian workmen out of jobs. We cannot have the second highest standard of living in the world and import all foreign goods. Look at our balance of payments situation.

Now the government is sponsoring this bill even though its spokesmen have said they do not know what its ultimate effect will be. They hope it will not be disastrous; but this government has done so many things that were disastrous that naturally I am a bit suspicious.

I now wish to deal with the comparative prices of drugs. Many tables which I think are not too relevant have been published during the course of the debate on this bill. I think the hon. lady from Grenville-Dundas put it very clearly when, as recorded at page 6702 of yesterday's *Hansard*, she said:

> We have heard a great deal about the possible savings that can be made by using generic as against brand name drugs. An independent company, International Surveys Limited produced a report dated November 27, 1967 on its investigation of the relative cost of prescriptions written under brand names compared with those under generic names. The basis for the selection of drugs to be studied was as follows: they had to be well established, they had to cover as wide a range as possible in different therapeutic fields. Controlled drugs and drugs restricted by the Narcotics Act were excluded from the inquiry.
>
> • (4:20 p.m.)
>
> Major cities across Canada were chosen for use in the survey and pharmacies were selected at random from the yellow pages of telephone directories.
>
> In the 11 categories of drugs studied, the differences in cost between brand and generic prescriptions were found to be negligible in nine of the categories. In one category the price of generic drugs was significantly higher and in one other the brand name prescriptions were significantly higher in price. The differences in price as between one outlet and another were found to be considerable.

I believe that is very true of the situation across Canada.

I was interested in what the hon. member for Winnipeg North had to say. I listened to him and I read his speech, and it was not too clear to me what he meant. However, I believe he said that the hospitals across Canada used generic drugs. I should like to say that I am not deriding generic drugs; there are some very good generic manufacturers. There are generic drugs which have been tested clinically and which have come up to standard. However, to come back to what the hon. member for Winnipeg North said, or what I thought he said, I checked with 12 hospitals across Canada today and found that they do not use generic drugs: They use brand name drugs. I was advised by one of the hospitals that they had at one time purchased other generic name drugs, but they found that it was necessary to test them clinically and that after testing many of them did not come up to the standards they required in the treatment of their patients. They found that the cost of testing was too high and therefore discarded the idea of buying other than brand name drugs.

Mr. Orlikow: Mr. Chairman, if the hon. member would permit a question, I should like to ask him whether when making these inquiries of the hospitals across Canada he asked what prices they were paying for the drugs they are purchasing, and how these prices compared with the prices the large drug manufacturers charge to other users of the drugs.

Mr. Rynard: Mr. Chairman, that has nothing whatsoever to do with what I said. Is it not true in respect of any business that if you buy in great quantities in bulk you receive a cheaper price. If one goes to a drug store, surely the druggist must be paid his prescription fee. To have it otherwise would be nonsense. I hope what I have said deals effectively with the situation. I have taken the trouble to check into this matter. As a member of a research board I believe I am fairly familiar with the situation. I was therefore surprised to hear the hon. member say what I thought he said, and what apparently he did say. I do not think he intended to give the house false information. Probably he did not do his homework correctly.

I should like to ask the hon. member how he arrived at the figure of $5,000 in respect of the ratio per detail man and physician. I do not wish to enter into a debate on this matter, but according to my calculations that would amount to $100 million for detailing the doctors of Canada. I know the detail men have not spent $5,000 on me, and I have been in practice a long time. I know also that they have not spent it on any of the other doctors in my group. So I do not know where that figure came from. If the hon. member would

like to tell us where it came from I would be glad to give him the opportunity to do so, if he has your permission, Mr. Chairman.

Mr. Orlikow: Mr. Chairman, I did not have the figures in front of me when I made the statement, but if the hon. member for Simcoe East would read the evidence given by the witnesses who appeared on behalf of the Pharmaceutical Manufacturers Association concerning the cost of promoting drugs he would find that 30 cents out of every dollar goes into the promotional costs, the salaries and expenses of detail men, and the very expensive glossy multi-coloured pamphlets which flood the offices of every doctor in Canada. They come from every large drug company which sells prescription drugs in Canada.

If the hon. member would look at the figures showing the amount they spend, and divide that by the number of doctors in Canada he will find that if my figure of $5,000 is not quite correct it is not very far out.

Mr. Forrestall: The figure is out by $4,000.

Mr. Rynard: Mr. Chairman, the hon. member for Halifax says that the figure is out by $4,000 per physician. I think we should be careful, when saying things in the house, that we are sure of the source of our information. I do not want to suggest that the hon. member for Winnipeg North has deliberately misled this house; I would not like such an interpretation to be taken from my words.

Patent rights have now been running for 17 years. I have given some thought to this and I believe we should do something about it. The manufacturers charge a price for their drugs that would enable them to recover the research cost over that number of years. The period now has been cut to five years. It has been stated that some members of the cabinet think that perhaps it should be cut to two years. I am not sure I would agree to a period of 5 years. This would give manufacturers less than a third of the time they have had formerly in which to recover their research expenditures. It might be that the manufacturers will say that they will have to charge enough in that five year period to recover the cost of research of the drug. If they do not recover it, it seems to me they would either go out of business or would be very badly hurt.

Most of the drugs on which they have patent rights, such as chloromycetin, are antibiotics. They play a part in the saving of lives, in infections and therefore in the long run I wonder whether our action might not result in the patient paying more. I think this is worth consideration. I am sure the minister will take a look at this and reply to the question of whether the shortening of the patent right period will influence the cost of the drug. I wonder whether in this way we might be doing a disservice to the Canadian people, because it is only the worthwhile drugs that will be researched to any great extent, because of the part they play in the clinical treatment of patients. In other words, we might well be increasing the cost of lifesaving drugs to the Canadian people.

I should like to mention the clinical efficacy of drugs. I am disturbed by the statements we hear to the effect that some drugs have exactly the same components, and yet clinically will not do the same job. I believe this is one of the things many of us do not grasp. There was a very well known example of this which has to do with chloromycetin. I stated in the house the other day that chloramphenicol had been withdrawn from the United States market and that only chloromycetin was allowed to be sold. The fact of the matter is that chloramphenicol is manufactured by the Parks, Davis Company under the trade name or brand name of chloromycetin.

• (4:30 p.m.)

They had that patent for 17 years. The interesting thing about this drug is that, if my memory serves me correctly, it cost Parke, Davis something like $5 million to research and produce it. I believe my figure is correct. I am going back in my memory to information which I received at the Mayo clinic, Rochester, in the state of Minnesota.

The Chairman: Order, please. It is rather difficult for the Chair to hear the remarks being made by the hon. member for Simcoe East. Perhaps the conversations that are being carried on in the chamber could very well take place in the lobbies.

Mr. Rynard: Thank you, Mr. Chairman. As I was saying, it cost Parke, Davis about $5 million to research that drug. Their patent rights lasted for 17 years. It was a valuable drug, was most often used in cases of very serious illness. Last December those patent rights ran out. In January or February of 1967 five other companies applied for and obtained a compulsory licence to manufacture the drug chloramphenicol. These companies were granted this right, manufactured the

drug and marketed it. Parke, Davis continued manufacturing it also. Around June doctors started to note that they were not getting the results from chloramphenicol that they should have been getting; it was not doing the job. They started to check up in hospitals and found that Parke, Davis' chloramphenicol was doing the job and the blood levels were all right. In the case of the drug manufactured by other companies, the blood levels were at various levels and urinary output in respect of the drug varied as well.

The point with any life saving drug, or any drug used when a patient is acutely ill, is to get the blood at such a level that the components of the drug in the patient's blood are strong enough to kill the germ that has attacked the patient. Therefore the drug is life saving. I do not know whether some people died in the United States as a result of the use of the drug chloramphenicol; I did not go into all the facts. But as a result of the investigation, all those drugs manufactured under compulsory licence were recalled from the market by the food and drugs department of the United States. Chloramphenicol as produced by Parke, Davis is the only such drug one can purchase today in the United States. I thank the hon. member for Halton, the chairman of our committee, for stating that he had ascertained that the information I have given to the committee is correct. I appreciate that very much.

This is the important point. You had a drug that met exactly the requirements of the food and drugs department of the United States. It met those requirements in every detail. A compulsory licence was granted for the manufacture of the drug, but clinically the drug failed. I say to the minister that this is one of the points that must be written into this bill, namely the clinical efficiency of the drug; because nothing else matters.

The drug can be safe as far as the components are concerned, but it is not necessarily clinically efficient. We have a great example of this right now with respect to Parke, Davis. I am sure the Prime Minister will look into this matter immediately. I asked him about it today during the question period. You can go downtown in Ottawa and buy chloramphenicol of different brands. I do not think this is good enough or smart enough. I do not think this should be the situation.

I point out to the minister that, leaving out other factors that may also be of great importance, the factor of greatest importance is the clinical efficiency of the drug that will save somebody's life, instead of losing it. Once the organism or the germ gets ahead of the antibiotic and is not being controlled, you may lose your patient. I again say to the minister that this is something the medical profession demands above all things, namely that the drug doctors are using be clinically efficient.

Somebody said this is an emotional matter. If you have ever sat by the bedside of somebody fighting for his life, and you have been checking the blood level and checking the patient clinically, hoping and praying that the drug would make the blood level high enough to kill the organism or germ, you would know that this is not an emotional matter. Anybody who brands it as emotional should not be in the house; he is not mature enough to be here.

Therefore, Mr. Chairman, this should be a prime consideration in the bill. Every doctor, every patient, has the right to be assured of clinical efficiency in respect of the drugs he uses. I will have more to say on this subject when we deal with other clauses of the bill.

Mr. Hales: Mr. Chairman, my remarks at this time will be very brief, because I do not have a full knowledge of this subject and I realize that the debate and discussion on this side of the house has been under the very capable supervision and in the good hands of the hon. member for Simcoe East. However, I would be remiss in my duty if I did not express my concern for those Canadians who are unfortunate enough to have to buy expensive drugs, and many drugs in some cases. I refer to Canadians with large families, and particularly our senior citizens, who can usually least afford it, who have to pay high prices for drugs. The senior citizens of this country pay more than any other group of people because they suffer from more ailments and need more drugs. Therefore I have every sympathy for these people. And the high cost of drugs with which they are burdened.

I realize that this bill has been introduced in order to bring down the cost of drugs, particularly for the people I have mentioned. Because I shall raise a few objections to the bill I hope I shall not be accused of being in support of high prices for drugs or challenging the need to reduce the price of drugs. I appreciate the minister's efforts and what he is trying to accomplish by means of the bill. His intentions are very good. But to this point

I have not been convinced that the bill will bring about lower drug prices at the retail level, nor have I been convinced that all precautions have been taken for the safety and health of Canadians.

I do not know the intentions of the department as far as policing the importation of drugs is concerned. However, I suggest to the minister and the cabinet that they should take the $10 million increase that they are giving to the C.B.C. this year and give it to this department, so it may set up a force which could police the importation of drugs and provide the safety that is needed in testing all drugs. If this were done, the money would be far better spent than the way in which it will be spent at this stage in the history of the C.B.C. I hope that consideration will be given to this suggestion.

As I have said, Mr. Chairman, I am not convinced that the bill will bring about lower prices of drugs at the retail level, nor ensure the safety in this area that Canadians deserve. I am also concerned for the protection of the drug industry in general. I think of the great research fields and the great research institutions that are now functioning. I have concern for those engaged in the distribution of this product. I have concern for these people in the drug industry, and it is my belief that this bill will interfere with this great economic sector of our country. I am also concerned that this bill will abolish some of the accepted patent and trade mark rights. The provisions of this bill appear to be designed as a serious attack on our patent system, and it might set a very unfortunate precedent.

• (4:40 p.m.)

I have made these few remarks to put my concern on record. I am in agreement with the intention of the minister, but I have yet to be convinced that the bill will accomplish those things he has set out to accomplish. I will support the bill in principle, but I hope when we are discussing other clauses the minister will allow his better judgment to prevail in order that he may accept our amendments, which will be designed to strengthen this measure and accomplish those things the minister had in mind at the outset. I do not intend to labour the points any longer, but I did want to express my concern about those things I have mentioned.

Mr. Forrestall: I think several matters referred to in the past few days in respect of Bill C-190 should be clarified. I do not intend to reply to the suggestion of the hon. member for St. John's West, that the speech I made in the house was utter trash. I intend rather to address myself to those assurances the minister has given about the matters which concern other members and myself as to the absence of any relationship between this act and regulations under the Food and Drug Act.

Earlier the minister quoted from the Food and Drug Act regulations. The copy I have is dated 1965, but I am sure the pertinent part is up to date. That portion quoted by the minister is to be found at page 80B of this copy I have. The regulation is number C.01.055 and is dated March 18, 1963. I accept with one exception what is implicit in this regulation. Let me quote part of what it states:

> In the case of a drug sought to be imported into Canada, the director may require—

I do not think it is sufficient for us to state in these regulations, or accept, such a permissive word as "may". We are concerned in this regard, as outlined by the hon. member for Simcoe East. He feels very strongly about the clinical efficacy of drugs. There should be more of us in this house who are concerned about the maintenance of high standards in drugs. If the maintenance of clinical standards is not possible, the very least we should accept is a tangible relationship between this measure and the regulations of the Food and Drug Act.

There are other regulations of the Food and Drug Act which may help the minister and his officials to understand my concern. Let me draw an analogy, in the hope that I can make my point clear. It is not enough for me to satisfy my concern about safety, and it is not enough to include what is said in the regulations which appear at page 126C of the regulations, specifically number C.08.003, which state:

> Notwithstanding section C.08.002 no person shall sell a new drug in respect of which a notice of compliance has been issued to the manufacturer of that new drug if
>
> (a) the description of the new drug;
>
> (b) the name of the new drug or the name under which it is sold;
>
> (c) the specifications of the ingredients of the new drug;
>
> (d) the plant and equipment used in manufacturing, processing and packaging the new drug;
>
> (e) the method of manufacture and the controls used in manufacturing, processing and packaging the new drug;
>
> (f) the tests applied to control the potency, purity, stability and safety of the new drug;

(g) the labels used in conjunction with the new drug;

(h) the representations made with regard to the new drug respecting

(i) the recommended route of administration of the new drug,

(ii) the dosage of the new drug,

(iii) the claims made for the new drug, and

(iv) the contra-indications and side effects of the new drug—

Even with the inclusion of those requirements, and even if it were possible to spell out these things, there is still nothing that provides for safety in the use or administration of these new drugs. We have in recent years had too many cases of drugs being used before thorough and careful examination has been made. These drugs should not only be safe, but they should appear to be safe. It is not enough to say to the Canadian public that certain drugs are safe. The users of these drugs are entitled to know that as a result of regulations the drugs they use are safe because they have been clinically tested. This must be the case not only in respect of safety but in respect of purity and use. These regulations say nothing about what happens when the drug is used.

In this connection the minister has indicated that he too is concerned and is prepared to consider all amendments brought forward by members on all sides of the house. He has indicated that he will consider them and, where practicable, accept them. There are possibly three amendments that should be moved, and if I may I should like to speak briefly to them for a few minutes. Unfortunately I will not be here to participate in the introduction of these amendments, and this may be my last opportunity to make any remarks about them. Therefore I wanted to indicate to the committee, if I may, Mr. Chairman, my views on these three amendments.

• (4:50 p.m.)

If I may go back for just a moment, the first amendment would be concerned with safety. Safety is like justice; it is not enough that justice be done, because it is equally important that at all times justice must seem to be done. The same remarks apply to drugs. Drugs must not only be safe, but the Canadian public must know they are safe. If the Canadian public starts to question the safety of drugs, one reaction will be that people will not give a damn whether they pay $5 or five cents for a drug. They will buy safety.

As one whose family uses drugs extensively, I am very conscious of this reaction on the part of a parent or husband. The piece of legislation with which we are dealing in the bill before us has nothing to do with safety or food and drug regulations. This bill seeks to amend the Patent Act and the Trade Marks Act. I believe the committee, as a result of its deliberations, was most anxious to make the point that the commissioner of patents cannot accept responsibility for drug safety in Canada. Indeed it is not the final responsibility, either, of the director general of the food and drug directorate. Ultimately it is the responsibility of the Minister of National Health and Welfare. You see, Mr. Chairman, already in connection with this bill we have two ministerial authorities involved. First there is the Minister of Consumer and Corporate Affairs and, second, there is the Minister of National Health and Welfare.

I suggest there is a third area of interest, if we are being guided by the spirit of the recommendations of the special committee in connection with this matter. At page 6 of the final report of the committee, chapter II, under the heading "Basic Principles", I find this:

—although your committee remained fully conscious that its responsibilities in fact exceed those of the commissions—

Here, the committee is speaking of the earlier studies carried out by commissions.

—in that the committee's conclusions must be such that any of its recommendations, if adopted, should continue to maintain a proper balance between industry and consumer and take into consideration the importance of continued and increased scientific research in Canada. No recommendations could be considered which, although designed to lower drug prices in Canada, might produce drugs of questionable safety or have a detrimental effect upon other aspects of the Canadian economy.

We were admitting in that report that we were not sure how such a balance could be struck. If any hon. members are interested in reading them, there are further comments in the report pertinent to basic principles. However, the chief basic principle is there, and I suggest it is clear there is a third area of ministerial responsibility involved. I suggest this third area comes within the jurisdiction of the Minister of Industry. These are the three areas involved; but there is no simple way, within the confines of one act, of bringing these responsibilities together.

In so far as licensing is concerned, I believe that an applicant should have his request considered by a tribunal of these three responsible ministers. Practically speaking, I suppose, the tribunal would not be

composed of the ministers themselves, but rather their designees. In the case of the Minister of Consumer and Corporate Affairs, his authority would be vested in the commissioner of patents. The Minister of National Health and Welfare obviously would be represented by the director general of the food and drug directorate.

I must confess, Mr. Chairman, that my lack of understanding of the Department of Industry, for which I do not apologize, is such that I am not certain who his representative would be. In any event, I suggest that on the basis of the conclusions and recommendations of the Harley committee, the Department of Industry should be concerned.

Mr. Schreyer: Would the hon. member permit a question?

Mr. Forrestall: Yes.

Mr. Schreyer: I should like to ask the hon. member whether his reference to an applicant being subjected to a departmental review would not be covered already by clause 13 of the bill, in which reference is made to the need for referring an application to the Department of National Health and Welfare or the food and drug directorate.

Mr. Forrestall: The hon. member's point is well taken. Earlier I referred to the fact that this clause is permissive. The word "may" is used, not "shall". If we were dealing with an act covering food and drugs, we might be moving an amendment to change that particular word, and perhaps this would satisfy me. I do not believe I would be fully satisfied because, in my non-professional mind, I am not insensitive to the implications of the necessity for clinical efficacy as a standard for reassurance of the user of drugs. Although the point is well taken, I suggest that it does not quite bridge the gap I am attempting to bridge.

In addition to safety, there are other factors involved in connection with these amendments. There is the question of factual and knowledgeable regard for the public interest in terms of its economic needs. Within some modification of this can be found an adequate bridge to what is essentially an amendment of the Patent Act and the Trade Marks Act and the kind of protective legislation to be found under the Food and Drugs Act and the regulations made pursuant thereto.

• (5:00 p.m.)

I should like to move on to two relatively minor proposals that I hope the minister will consider and which in one form or another we will present as amendments to the bill at the appropriate stage. Again to my mind they have to do with safety. The bill provides for the granting of interim licences to applicants. It also provides for what is to be done in the event that an interim licence expires, or is for any reason denied by the commissioner. However, I am concerned about the situation that might arise if a manufacturer or distributor of drugs flooded the Canadian market with drugs or medicine while such interim licence was in force. There is no direction in the bill to withdraw those drugs or medicines from the shelves of pharmacies, medical institutions, hospitals and so on in such event.

I injected myself into a series of questions and answers between the hon. member for Simcoe East and the hon. member a little to the left of him in connection with the amount of money being spent by the P.M.A.C. on doctors' information. I might point out that I like the chairman of the committee very much, as I do all the committee members. If I may say so, it was the most non-partisan group I have ever worked with in any political matter. The chairman and I have been together in one capacity or another for two and a half to three years now, and politics has not entered into our relationship.

I should like to refer to appendix G to the final report of the special committee on drug costs and prices, which is to be found at page 81. This appendix relates to the marketing expenses of 41 companies that were members of P.M.A.C. These expenses are broken down into three categories. The first is field selling expense, which includes supervisory and representatives' salaries, living expenses, cars, meetings and equipment, and amounts to $12 million. Administration of marketing, selling and advertising function—that is to say, management and staff services, home office salaries and other expenses of the marketing department, including marketing research—amounts to $3.5 million. Advertising and promotional expenses amount to $10 million. The total spent on physicians' or doctors' information therefore amounts to about $25 million. If I understood it correctly, somebody stated that there were about 20,000 doctors in Canada. If $25 million is divided by 20,000 the answer is not $5,000. However, I am not a mathematician; I merely leave

hon. members to draw their own conclusions. If I am wrong in this I apologize; if not, I stand on that statement.

I have some additional remarks to make in the form of questions to the minister. He has his officials with him and I hope he will be able to answer my questions. One or two questions involve the reprinting of a text of a speech delivered by Mr. Allmark, assistant director-general of drugs of the food and drug directorate. This speech appears in the Medical Services Journal of Canada, volume 23, No. 3 for March, 1967. I would appreciate the minister's comments on Mr. Allmark's contention that

> —when violations of the law are uncovered, remedial or punitive action is taken. It is not, however, a proper function of the food and drug laboratories to act as a control laboratory for the industry. The first responsibility for safety and potency is put squarely on the manufacturer.

I appreciate that Mr. Allmark is right, but I am sure the minister will not rest until he too is fully satisfied that this type of awareness is built into the bill. Several other statements underline this point. He goes on to deal with the role of the directorate as compared with the industry in the matter of drug control. I read his statements with great interest.

I also have one or two questions about raw material control, drug availability and so on. However, I will say no more for the time being. I just wish to assure the minister and all other members of the committee that I recognize the need to find practical ways to reduce the cost of drugs to the consumer. As I said yesterday, Mr. Chairman, I support any measure that has this objective as its goal.

• (5:10 p.m.)

I cannot lightly pass over something that is most important to users of drugs in Canada, the question of safety. I know that safety is simply a word, but I should like to think that users of drugs in Canada, whether the drugs being used are obtained under their brand names or generic equivalents, may use then with an absolute assurance of their safety. I should like to think that such users know full well that the regulations under which their drugs are processed and put into dosage form are such that one's physical protection is absolutely guaranteed. We have had few exceptions to this sort of thing in Canada, and we may count ourselves most fortunate. It would be unfortunate if Canadians thought that that situation did not prevail.

[Mr. Forrestall.]

Mr. Dinsdale: Mr. Chairman, I want to enter this debate very briefly to clarify a misunderstanding which arose during the second reading debate. I did not take part in that discussion; neither was I a member of the committee, though I read the committee reports.

I must confess that as I listened to the discussion during the second reading stage, instead of becoming more enlightened I became more confused. I became confused about the minister's purpose in introducing this legislaton at this time. The bill itself is described as "An Act to amend the Patent Act and the Trade Marks Act". That sounds like something a lawyer might concern himself with. Matters involving patents and trade marks seem to occupy the attention of the legal beagles in the house. Those who have not that professional background are not so preoccupied with such matters.

It seemed to me, after listening to the minister's speech the other afternoon and reviewing it in *Hansard*, that he was talking about a bill which would lower drug prices in Canada. That need not necessarily have anything to do with the Patent Act or the Trade Marks Act. Nevertheless the minister kept emphasizing all the wonderful things that this legislation would accomplish in terms of lowering drug prices in Canada. As father of a large family, I say that that is a consummation devoutly to be wished. We all agree that the problem of health care in Canada is aggravated by high drug prices. Unfortunately none of the multiplicity of welfare and health programs on our statute books at the present time has done anything to deal with that problem.

As I listened to the presentations of other hon. members in the house I had the impression that the actual effect of this bill would be to threaten an important industry of Canada and lower the quality of pharmaceutical products. I was impressed by the leading spokesman of this party when he spoke on second reading the other day. I thought he summarized the legislation logically, and concluded by recommending that since there is much confusion about this bill, as expressed in the various viewpoints in the house, it might be wise to send it to a committee for further consideration so that this confusion might be clarified.

This afternoon the minister indicated that he had had representations from many groups outside the house and advice from hon. members in the house. I can only conclude that if

he has received such representations, he has not read them carefully. From my reading of those representations, I thought some important and legitimate points were made.

One reason that I wish to speak at this time is that I was impressed by the presentation last evening of the hon. member for Jacques-Cartier-Lasalle. Since he spoke from the government side of the house it is obvious that he has no partisan axe to grind. He spoke from the standpoint of quality and safety of drugs, a viewpoint that has emerged in several speeches, and also about the threat that this legislation poses to the continuing health and progress of an important part of our industrial complex. The hon. member I thought spoke with authority, representing an area which has located in it a substantial part of our pharmaceutical industry. He brought information before the house, read from letters and mentioned names, and I think he persuaded the minister that it might be wise to follow the advice of the hon. member for Simcoe East and recommend that this matter be referred to a committee.

The minister says that the purpose of this bill is to lower drug prices. It is impossible to demonstrate at this juncture whether that can be done. Also we do not seem to be sure of the end result of the legislation; it has been suggested that one effect will be the lowering of quality of drugs and the endangering of the Canadian pharmaceutical industry. It has been my experience in the house that when an important item of legislation which will have a multi-pronged impact and which is full of uncertainties and imponderables is introduced, the course of wisdom dictates that we should be allowed a further opportunity to sort out any confusion that has arisen. That confusion has arisen was demonstrated in the debate on second reading.

Unhappily we have gone beyond the stage where this matter can be referred to a committee. We are now in the committee of the whole stage. Nevertheless I shall make one final plea this afternoon. If we are to avoid some of the potential dangers which have been outlined, the minister may wish to move amendments to the bill. The necessity for those amendments has been demonstrated to him, and I think he is convinced that they are necessary. I saw him nodding his head during the course of the debate as various points were raised. I think he is convinced that the legislation, as it stands, will not necessarily accomplish its objectives. Certainly, it will have some unforeseen effects which have been pointed out by other hon. members.

• (5:20 p.m.)

While the debate has taken place at a relatively high level there have been partisan overtones from time to time. For example, the hon. member for St. John's West yesterday tried to equate the members of this group with high drug prices in Canada. That is a straight partisan approach, of course, because in Canada at this time of soaring prices and general inflation anyone who aligned himself with high prices in Canada would need his head examined. We would not need a pharmacist, we would need a psychiatrist if that were the position we took. The hon. member's approach was a directly partisan one and I believe it will be judged as such. While I was tempted to enter the debate at that time I restrained myself and was content to make only one or two comments. It seemed to me that the hon. member for St. John's West was reflecting the voice of one who has since departed from this chamber. I notice it was reported in *Hansard* that I referred to him as a "pocket Pick". I had to be careful in that respect because if I reversed the words they would have created a wrong impression.

Similarly the hon. member for Winnipeg North tried to align members of this group with the drug industry. This too is a partisan approach. Unlike the hon. member for Jacques-Cartier-Lasalle, I do not have the privilege of knowing that this important industry is established in my constituency. I come from a western constituency where we are striving mightily to broaden our economic base through industrial development. One of the encouraging developments which have been taking place in my area has concerned the drug industry to a minor extent. The Ayerst Company has established an important branch plant in my constituency and we have received inquiries from other companies which are engaged in providing this valuable service to Canadians. For this reason I would not object to a suggestion that I might be interested in the industrial developments aspects which may be involved in this legislation. But this is not special pleading; it is not a special case approach of any kind.

If it is true, as the hon. member for Winnipeg North suggested, that there is abuse in the pricing practices of the drug industry I do not think we need special legislation of the kind before us to get at it. We have at our disposal all the combines investigation procedures for dealing with any price abuses which may exist. Moreover, by a happy chance, the very minister who is interested in

this bill before us also has responsibility for combines investigation. I would suggest to the hon. gentleman, if he really feels there is price abuse in the drug industry in Canada, he should seek to remedy it by using the machinery already established for that purpose. If there is wrongful price maintenance or restraint of trade or any other abuse capable of correction by the combines investigation branch, let him use that machinery instead of this shotgun approach, in the hope that the legislation will have a beneficial side effect by lowering drug prices to consumers.

We all share this hope, but as I have already indicated, and as I am sure the minister has been made aware, there are other side effects implicit in this legislation which could have dangerous consequences from the standpoint of the safety of drugs and also from the standpoint of Canada's economic well-being. I am not necessarily quoting anybody from this side of the house; I am quoting one of the minister's own supporters in this respect, a man who should be most knowledgeable, the hon. member for Jacques-Cartier-Lasalle, who has the industry in his constitutency and who of all hon. members should know what he is talking about in this connection.

Let me make a few additional comments with regard to the fundamental points which have been raised in this debate. The minister has told us his proposals will lower the cost of drugs to consumers. He also admits that they constitute only one of a series of actions which are required. Several hon. members have said that one of the reasons for the high price of drugs on the Canadian market is the high cost of promotion and distribution—the high pressure advertising which is used. Again, if this is so, it is not peculiar to the drug industry. All one has to do is read the interesting little book by Vance Packard entitled "Hidden Persuaders" to learn about these activities in the whole marketing process in Canada. Why select the drug industry in particular for criticism of this kind?

Again, high prices are not exclusive to the drug industry. Prices are high right across the board. For example, I pay much more for my automobile bought here in Canada than I would for an automobile bought across the border or in Europe. Despite this wonderful agreement which has been arranged, I still have to pay $500 more for my car than if I had bought it in the United States. This applies to almost every product distributed in Canada, and if excessive advertising cost is the reason for the difference in price, let us direct our attention to advertising; let us not discriminate against one particular industry. I realize there are many who say that avertising costs are excessive and add to the flames of inflation. But let us make sure we are not doing the wrong thing by using this measure to solve that particular problem.

I am always suspicious when a minister wants to rush legislation through the house and bypass the committee stage of discussion. When I look at the special report of the committee and read its recommendations I find that the minister has selected only one small recommendation from a whole series of some 23 recommendations. It seems to me that the measure before us represents a panic response on the part of the government to the revolt of the ladies of a year ago, though at that time they appeared to be complaining more about the price of food than anything else. Protest groups sprang up spontaneously right across the country, and the government was under considerable pressure to do something.

• (5:30 p.m.)

This legislation is being rushed through more in an effort to create an impression than to get to the heart of a basic problem. Again referring to the hidden persuaders who operate mysteriously behind the scenes in the home marketing process in Canada, we know what they can do in the field of image creation. With this legislation the minister is attempting to create for himself an image of one fighting the villains of high prices and inflation. He is pushing the legislation through, without referring it to a standing committee, as was recommended on both sides of the chamber, and the result may be that we may end up in a worse state than we were in previously. There is a phrase in the scriptures which says something about the second state being worse than the first state, and by this bill the minister may be creating more problems than he is solving.

Several hon. members have dealt with the safety factor. The minister has assured us that the food and drug directorate will be able to do all the necessary policing, to avoid the difficulties that caused certain drugs to leap into the headlines. Notwithstanding the powers of control, investigation and licensing which the directorate has, errors have been made. If we are going to pile on to the overworked Canadian food and drug directorate the responsibility for policing drugs manufactured outside Canada, then I am afraid our

second state is indeed going to be worse than our first.

From reading the evidence given to the standing committee, I understand that the directorate has admitted it cannot do the necessary inspecting and policing to ensure the safety of drugs. By this bill we are adding another almost impossible task to its responsibilities. However, the minister did point out that in the long run the quality of drugs depends on the integrity of the manufacturers. I agree with him.

We can be assured of the best quality drugs only when we deal with reputable manufacturers. I am sure that by far the greatest number of drug firms operating in Canada are in that category. They are here to serve the public to the best of their ability, to give them the best quality medicine for the treatment of disease and illness. They are not out to exploit the public in any shape or form.

If the situation be otherwise, then as I have already indicated the combines investigation machinery should be put to work; but the minister should not try to create a smokescreen through the sort of legislation we have before us. As one who is concerned about the state of the economy and the prospects for expanding industrial development in all parts of Canada, I am concerned about the suggestions that have been put forward by several hon. members, that if this legislation is arbitrarily imposed upon the Canadian drug industry it will mean a decline in that industry.

This legislation could add to the brain drain. I have received one or two letters—I will not put them on the record—from individuals, specialists in the field of research in Canada, who have written to say that if this legislation is passed they will have no other alternative but to join the brain drain, as we call it, that treks regularly across the border into our neighbour to the south, where opportunities for research are already much more plentiful than they are in Canada.

I think the minister is a responsible person. I know he is seeking even greater responsibility. If he wished to demonstrate to the people of Canada that he is serious in his current ambitions, now that he has refused to send the bill to a standing committee I trust he will seize the initiative and bring forward amendments to the bill which will remove beyond shadow of doubt the possible bad side effects mentioned by several hon. members when they spoke about safety, quality, and the impact of the bill on the drug industry.

Mr. Nowlan: Mr. Chairman, I come from a simple school that goes right back to Plato. Some of these drugs do not go back that far. The school of which I speak asked questions and sought answers, and before saying anything about the details of this bill I would like to ask a few questions of the minister and hope he is able to answer them. Is this bill the first attempt to change section 41 of the Patent Act, which has been in existence since 1952?

Mr. Turner: In answer to the question of the hon. member, Mr. Chairman, an exception was originally made in the Patent Act, so far as it related to food and drugs, in 1923. At that time the machinery for applying for compulsory licensing was introduced. The commissioner of patents has interpreted section 41(3) as it now stands as limiting him to issuing a compulsory licence only for the manufacture of medicines and foods, not for their importation. The purpose of this amendment to the Patent Act is to extend the purview of compulsory licensing from that of mere manufacture to that of the importing of medicines and drugs.

Mr. Nowlan: If I understand the minister correctly the purport of this bill is to change a statute that has been in effect since 1923. Is that correct?

Mr. Turner: Yes, sir.

Mr. Nowlan: Then I come to my second question; but may I say that answer actually is the basis for a full blown speech, in view of some of the remarks made from the opposite side and made by my friends to the left. I do not have any drug firms in my riding. I would like to have some, but if I am to believe some of the things which have been said in this chamber within the last day or so, not too many members are going to have too many drug firms left in their ridings.

The minister's answer leads me to my next question. However, before asking it I would like to interpolate that one of the reasons I was prompted to take an interest in this debate—I was not a member of the standing committee—is because I was incensed by a few remarks made by members yesterday, members who will remain unnamed, and especially by the disposition of my friends to the left. When I say to my left, I mean hon. members sitting to my left, and a number of others opposite me. I think it is time to become interested when they join together.

Indeed it is time Canadians became interested in this unholy alliance between some hon. members opposite and those to my left.

Let us not talk any more about vested interests and about protecting the drug industry. If it is 1923 we are talking about, then members of the party opposite and of this party have formed governments and been in office for X number of years since 1923. The hon. member for St. John's West, whom personally I respect but with whom I politically do not agree, made some unfortunate remarks yesterday to which I take strong exception. He waxed eloquently but most misguidedly about a situation that has existed since 1923. Unfortunately, since 1923 one party has been in power for a long time. Certainly if there is any suggestion of there being a vested interest or a selling of a soul for the price of a drug—and some such suggestions have been made by hon. members opposite—then let us knock out that nonsense.

• (5:40 p.m.)

In view of the fact that there has been no relevant change since 1923 I should like to ask the minister why he has not awaited the report of the Economic Council of Canada in respect of the drug industry which I understand he told several groups, including the chartered accountants, he would wait for before proceeding with Bill C-190. The subject matter of this bill strikes every household in Canada. No one has a monopoly interest about trying to do something to lower the prices of drugs or to ensure their safety. Certainly all members of this house would like to see low prices for drugs. Unfortunately, there has been no change in this legislation since 1923. I should like to ask therefore why we are proceeding with this legislation with haste now, without awaiting, first the report of the Economic Council of Canada or, second, the report of the Medical Research Council on the drug industry in Canada. I understand that both reports are in various stages of preparation.

Mr. Turner: Mr. Chairman, it is true that there is a general reference to the Economic Council of Canada. This was made on July 22, 1966. It has to do with patents, trademarks and copyrights. The reason the government decided to proceed with these amendments was that an exception had always been made in the general patent act with reference to food and drugs. Therefore, this was a particular matter which could be dealt with, without affecting the general patent law. The second reason is that because of the urgent problem concerning drug prices in Canada, the government felt it should not await the report of the Economic Council of Canada, which we do not expect to have until late 1968 or early 1969.

The third reason is that on this particular subject of patents and trade marks, as they affect drugs, there have already been made a number of very profound and serious reviews. In other words, in this particular instance it was not felt that the added review by the Economic Council of Canada would in itself buttress the conclusions already arrived at, first by the combines branch of the Department of Justice in 1958 and next by the report of the Restrictive Trade Practices Commission in 1963 as well as by the report of the Royal Commission on Health Services—the Hall commission—in 1963. In addition to these reports we have the report of the committee under the chairmanship of my friend, the hon. member from Halton, of April last year. Therefore the subject matter under review had, in the government's opinion, been thoroughly digested and buttressed by evidence and argument, and by the opinions of witnesses from all sides of the economic picture.

Mr. Nowlan: I thank the minister for that answer, which leads me to my next question. I appreciate his answer, and I realize that there have been several reviews of the drug industry. I remember the commission under the chairmanship of Mr. Justice Ilsley. This royal commission made its report a few years ago and not very much has been done about it. I wish I had a copy of the minister's speech before me, because I understand he did tell various bodies that there would be no action on this bill until he had the report. Am I wrong?

Mr. Turner: I think the hon. member is wrong. I did say that no general review of the Patent Act would be attempted before we had received the report of the Economic Council of Canada. I do not think I went further than that.

Mr. Dinsdale: Mr. Chairman, would the hon. member permit a question?

Mr. Nowlan: Does the hon. member wish to direct a question to me or to the minister?

Mr. Dinsdale: I should like to direct it to the minister. It has to do with this particular

subject. The minister indicated that the combines investigation branch suggested there was something rotten in Denmark. I should like to ask therefore why the government did not proceed under this act.

Mr. Turner: I should not like the hon. member to confuse the issue. The combines investigation branch was looking at the structure of the Canadian drug industry in 1958, and certain aspects of the economic environment of that industry which related to the high drug prices. It was particularly interested in the monopolistic aspect which resulted from the patent and trade mark protection. I would not want the hon. member at this stage to be confused by believing that there were allegations alleging that there are sinister or collusive practices in the industry. That is not the case at all.

Mr. Dinsdale: This was mentioned several times during the debate.

Mr. Turner: If the hon. member would be good enough to review the opening remarks I made on second reading I believe he will find that I made no allegation that there was anything sinister about the way the drug industry has been conducting itself, and that it merely has been taking advantage of the economic environment. I believe I said that we wished to change that situation in order to induce more competition in a free enterprise system in order to lower prices.

Mr. Dinsdale: Even if the patient dies?

Mr. Turner: Well, now—

Mr. Nowlan: The hon. member should not use the pretext of asking a question in order to enter into a debate with the minister. I should like to ask another question. The minister answered fairly well my two-pronged question. He mentioned the general reference to the Economic Council of Canada.

The second part of my question concerned the particular reference which I understand has been made to the Medical Research Council in respect of the drug industry. Does not that reference concern this whole problem of drugs, which we have been discussing here for the last day or so? If all the necessary reports in respect of the drug industry have been completed, why is the Economic Council of Canada taking so much time to review the drug problem? In particular I should like to ask the minister the purpose of the report of the Medical Research Council, and whether it might not shed some light on the problem covered by this bill.

Mr. Turner: I am advised that the review by the Medical Research Council has to do with medical research. At the moment we are not aware of any particular report affecting the drug industry. In any event we have not received one.

Mr. Nowlan: I must say, Mr. Chairman, that my information is that the drug industry as such is a specific item of the report. The minister has much better advisers than I, and they are closer to him geographically and physically. Therefore I will accept his answer on that.

In view of the minister's answers I should like to come back to what I said as an opener; that is, whenever I see such interest shown by my friends to the left, and of the left, in something proposed by my colleagues opposite I become somewhat suspicious. Despite the red herrings which were drawn across the path by some members opposite, if we take the 1923 base we are all guilty of the things mentioned by some hon. members opposite.

I have been disturbed by this bill. During second reading stage the minister said that its basic framework is an economic one. In answer to me now he has stated that it was the interest in the matter of prices and consumer affairs, as well as all the controversy which has surrounded the high cost of living, which acted as a catalyst in persuading the government to bring in this legislation now. Yet if I understood him correctly, the minister was fair enough in this debate to say that this bill in itself will not bring down prices, and that perhaps some other things will have to be done. I believe that was the purport of his remarks.

• (5:50 p.m.)

This bill will not of itself be the cure. On the other hand, we have heard all the arguments about safety that have been advanced by members on this side of the house and I know their opinion is shared by members on all sides of the house. We then get into an area that one hon. member opposite raised yesterday. It turns out that his was an economic argument. I refer to the concern shown by those now involved and those who will be directly involved when this bill passes, namely those in the drug industry.

We have heard the dispute as to the alleged implications of the bill when it becomes law.

We then get down to an area of economics. If the only premise of the bill is cheaper prices, and the minister himself says that the bill by itself will not create cheaper prices, and there is the argument about the safety issue—which is not perhaps shared by all, but the concern is obviously shared by all—I ask, why cannot we make the same argument about any product manufactured in Canada?

Mrs. MacInnis (Vancouver-Kingsway): Good idea.

Mr. Nowlan: Certainly the hon. member for Oshawa and other members across the way could apply this argument to cars. They are made outside this country a little cheaper than we can make them. I heard an hon. member to my left say "Good idea". Where do they want to stop? Do they want any type of Canada? There is a price to be paid if we are to have a Canada. The Prime Minister, the first man in the land, the minister's political boss and the Prime Minister of all of us, said at the constitutional conference not too long ago that some adjustment and give-and-take must be applied to the question of linguistic rights and the constitutional structure of Canada. He said this was part of the price of being a country.

I do not want to get into the ramifications of free trade, or tariff walls, but when an industry is affected why should they not show their concern to members of parliament when a bill is placed before the house that they think is detrimental to them? Why should they be castigated, criticized unduly, unfairly and misguidedly when they come before parliament and present briefs in respect of matters which affect their livelihood?

The drug industry is concerned about the implications of the bill. The minister has fairly stated that the bill itself will not cut prices, although its general framework was intended to have this result. Then we get the argument on the economic side, the argument on prices. This argument can be made about any product manufactured in Canada. You can apply that argument to cars manufactured in this country. I can see my hon. friends to the left starting to wail, wallow and cry if those people manufacturing cars were put out of work, or if the workers in International Nickel at Sudbury were put out of work. Many of their friends, and the friends of many of us, would be out of work if there were not manufacturing industry in Canada. I do not know the effect of all the implications of this bill as far as the drug industry is concerned; I have not read all the evidence given to the committee. But is the government taking it upon itself to attack an industry which certain members opposite accuse us of supporting because it is a vested industry, because it is a small industry, because it does not have membership in factories, people involved and union members from coast to coast, because it does not have farms from coast to coast?

Wheat is being imported into Canada and is being sold cheaper than our wheat. You can advance the price argument to any product manufactured in this country. This argument applies to any product manufactured here, but we must take into consideration the economic position of Canada vis-à-vis the rest of the world. The argument about price could be used in respect of many of our primary products. If hon. friends to my left say they would like to see this situation in Canada, I would like to know where they will get their political support when a great many of their friends in unions and other places are out of work.

On the one hand we have the concern shown by the industry affected. On the other hand there is the fact that the minister himself says the bill by itself will not bring about cheaper prices. I fail to appreciate fully the need for this bill when the statute has been on the books since 1923. This bill is put forward as being in the interests of all Canadians. Sometimes we perhaps move too quickly. Canadians do become a little exercised about high prices. We all become exercised on this subject. However, I fail to understand why suddenly, out of nowhere, this bill should be presented to parliament and be accepted.

I should now like to refer to the members of the fourth estate. This debate has lasted two days, but the members of the fourth estate have started to criticize hon. members on this side of the house because they are prepared to debate an amendment to an act that has been on the statute books since 1923. Certainly any bill brought before parliament that will affect a material segment of our industry warrants close examination. This applies to any industry, let alone our manufacturing industry. We have in this respect had relatively good law in the past. It must have been relatively good law since 1923, otherwise an attempt would have been made to change it.

Perhaps the minister is extra courageous and is finally bearding the lion in his den, and changing the law. His party has been in government a great deal longer than mine,

unfortunately, and deserves condemnation for having this act on the statute books since 1923, if the situation has been such that amendments should have been made in the past.

You have the fact of this industry saying it will be affected by the provisions of the bill, rightly or wrongly; I do not know, although I have read some of their briefs. On the other hand you have the minister's fair statement that the bill will not reduce prices. Then you have the *bona fide* argument on safety, with respect to which there is a division of opinion. In view of these facts, I fail to understand why the bill was not referred to a parliamentary committee before the minister moved further down the road in respect of legislation in this area.

The argument on lower prices could be made with regard to any goods manufactured in Canada. We can import these goods much cheaper from outside the country. We can import fish cheaper, in most cases, from outside Canada. I would not want to embarrass the Chairman, because he has some interest in fish. You can bring cream, butter and beef into this country cheaper than we can produce it. These are some primary products. You can certainly bring manufactured products into this country at a price lower than that at which they are produced here. This argument applies to every manufactured product. You can bring mattresses and everything else into this country cheaper than we can produce them.

We have the sincere and honest controversy about the safety factor involved in this question. We have the questionable value of the argument advanced in respect of lower prices. The minister himself says that the bill will not create lower prices in the drug industry. You also have an industry that fears it will be severely restricted and perhaps choked off or eliminated. I can see why, in the face of these facts, governments have not moved in respect of the act since 1923.

I only hope that the minister's prognosis as to the implications of the bill will prove to be correct. I hope that the advice he receives from his advisers is correct, and that the industry will not be wiped out. I say this because it appears to me at first blush that a catalyst has been created on the government side under the cloak of concern for the consumer. We all share that concern. It seems to me that this catalyst has started the machinery of government working against a very small segment of industry which really can be so identified, so attacked and so criticized that it cannot defend itself and mobilize Canadian opinion in its favour.

More morally irresponsible than anything said in the house has been the attitude of the fourth estate with regard to this legislation. Members of the fourth estate have criticized us in editorial comment. We are concerned with an industry that has given service in Canada. Members of the fourth estate have referred to vested interests in this matter and have suggested that opposition members have sold their souls in order to prevent a courageous minister establishing a landmark in respect of drug prices in Canada.

It is our duty to examine these matters. We are paid, whether we are here or not, and whether or not the members of the fourth estate are here. Quite frankly, they also are paid whether they are here or not, and they should be here and do a better job in reporting what is happening on the floor of the house. They should be here and earn their money.

One hon. member opposite is a personal friend of mine, but yesterday he was an anathema to me and I to him. He spoke according to his viewpoint but he was not speaking in an objective manner, and he almost admitted this.

• (6:00 p.m.)

Several hon. members should be commended for their objective representations, and for presenting a picture of the other side of this coin. I give due credit to the minister for this courageous move in uncharted waters, and for pointing out the serious concern held by the medical profession and the industry in respect of safety. He also is frankly concerned about the survival of this industry. I too am concerned, as are many Canadians, about the philosophy behind this bill. Hon. members opposite can laugh and chortle, but when we start to fix prices we must remember that the next thing is the fixing of wages. I ask those hon. members in this house who are prepared to fix prices and wages to stand up and be counted.

This bill involves a philosophical argument completely separate from technical practice. One could wax on and on about this measure, but I am sure you, Your Honour, do not intend to stay here indefinitely. Perhaps I should call it six o'clock.

Progress reported.

Business of the House

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to ask the Solicitor General whether he can indicate the work we will undertake tomorrow, Friday and Monday?

Mr. Pennell: Mr. Speaker, it is proposed that we call item 55 on the order paper, house in committee of the whole on Bill C-193, to amend the Income Tax Act, which will be followed by item 57, second reading of Bill C-197, to amend the Unemployment Insurance Act. If by good fortune item 55 is completed tomorrow we will call the supplementary estimates. The estimates of the Department of Finance will be the first called, in order to allow for the debate suggested earlier in the week. If these should not be completed on Friday, I expect, although I am not sure, that Bill C-197 in respect of the Unemployment Insurance Act will be considered. I must enter a caveat in this regard. I expect the government house leader will return tomorrow, at which time I will consult with him.

Mr. Starr: Did I understand the Solicitor General to say that if we did not complete the bill in respect of the Income Tax Act tomorrow we would go on with the Unemployment Insurance Act Bill on Friday? Why should we not carry on until we complete this in order that we may debate the supplementary estimates on Monday?

Mr. Pennell: I understand the Minister of Finance has a long standing engagement and it will not be possible—

Mr. Starr: On government business or in respect of leadership?

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, February 15, 1968

The house met at 2.30 p.m.

FINANCE

TABLING OF REPORT OF TASK FORCE ON STRUCTURE OF CANADIAN INDUSTRY

Hon. Walter Gordon (President of the Privy Council): Mr. Speaker, I should like to table copies, in English and in French of a report to the government of the task force which was set up a year ago to assist the government in examining the structure of Canadian industry with special reference to foreign ownership and control. The government has decided to release the report at this time instead of using it, as originally intended, as the basis for a white paper which would take some months to prepare. Publication of the report now should assist public discussion of this important subject.

The report is being made public as an expression of the views of the members of the task force and not those of the government. The government will undoubtedly find the work done so competently by the task force of great value and assistance as it pursues its own examination of this whole question, but the tabling of the report does not imply that the government concurs in it or has yet taken decisions regarding its specific recommendations. However, the government will be giving serious consideration to the proposals and views of the task force.

It is the intention of the government to refer the report to the standing committee on finance, trade and economic affairs so that witnesses can be called and parliament given the benefit of the views and opinions of the many groups in the country which have an interest in this subject.

Certain of the proposals of the task force deal with subjects which are also under study elsewhere in the government. For instance, the Department of Consumer and Corporate Affairs is considering amendments to the Canada Corporations Act and the Bankruptcy Act, and is examining various aspects of securities regulations. There is also a reference to the Economic Council of Canada on the Combines Act and on patents, copyrights and trade marks.

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Finally, on behalf of the government I should like to thank Professor Watkins, the head of the task force, and his colleagues for their services to the public in the preparation of this report. It will prove to be a valuable contribution to greater public consideration of these complex and many sided issues. I beg leave, Mr. Speaker, to table the report of the task force on the structure of Canadian industry.

Mr. Speaker: Has the minister leave to table this document?

Some hon. Members: Agreed.

Mr. Gordon: By leave, Mr. Speaker, I move:

That the report of the task force on the structure of Canadian industry, laid on the table a moment ago, be referred to the standing committee on finance, trade and economic affairs.

Motion agreed to.

INDUSTRY

TABLING OF LETTER FROM NOVA SCOTIA PREMIER RESPECTING STEEL INDUSTRY

Right Hon. L. B. Pearson (Prime Minister): I should like to table a letter to me from the premier of Nova Scotia dated February 6, concerning the steel industry in Cape Breton.

Mr. Speaker: Has the Prime Minister leave to table this letter?

Some hon. Members: Agreed.

• (2:40 p.m.)

PUBLIC ACCOUNTS

ALLEGED DELAY IN ORGANIZATION OF HOUSE COMMITTEE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister rather than raise what I believe is a question of privilege affecting all members of the house, which is especially timely in view of our serious economic situation and the many undertakings given by the government to exercise restraint.

Inquiries of the Ministry

I wish to ask the Prime Minister or the government house leader to account to the house for the unreasonable delay in calling an organizational meeting of the public accounts committee so this committee can get on with its important work in examining the 1966 report of the Auditor General and scrutinizing government expenditure.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to take up this matter with the house leader when he returns this afternoon, with a view to getting this committee to work at once.

Mr. Stanfield: Mr. Speaker, may I ask the Prime Minister to bear in mind that the minister of health and welfare gave an undertaking to the house some time ago that this would be done, but the undertaking has not been proceeded with.

EXTERNAL AFFAIRS

VIET NAM—HOUSE DISCUSSION AND REPORT FROM MINISTER

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the continuing worsening situation in Viet Nam and the suggestion of U Thant that cessation of bombing for a short while might enable negotiations to take place; and in view of the report of our representative on the control commission on his visit to Hanoi, would the Secretary of State for External Affairs, either personally or with his colleagues, agree to expand, as it were, the area of discussion under the item concerned in the supplementary estimates, so this house may have a debate and a report from him on the situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the government would have no objection to that.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the hon. Minister of Justice.

Are we to believe the news heard yesterday according to which he said in a conference given in English here in Ottawa that all Quebecers speak "lousy French", and just what did the minister mean by this term?

[Mr. Stanfield.]

Mr. Speaker: Order. The hon. member knows that he may not put a question to the minister concerning a statement made outside the house.

Mr. Caouette: Mr. Speaker, I rise on a point of order.

May I ask the hon. minister if he feels that the French-Canadians in Quebec speak "lousy French"?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker—

Mr. Speaker: Order. I do not think that the question of the hon. member is in order.

[*English*]

AGRICULTURE

DAIRY INDUSTRY—REQUEST FOR STATEMENT ON MACKENZIE REPORT

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Agriculture, but perhaps his parliamentary secretary will be able to give an answer. In order to prevent uncertainty in the development of the dairy industry in Canada, will the Department of Agriculture be issuing a statement regarding its views on the report by Dr. William Mackenzie, prepared for the Department of Forestry and Rural Development and issued yesterday?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am sure the hon. member will appreciate that any statement on policy will be made by the Minister of Agriculture in the house.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—INQUIRY AS TO FINAL REPORT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, may I direct a question to the Acting Minister of Labour and ask him whether the government or the Department of Labour have received a final report from the maritime trustees.

Hon. B. S. Mackasey (Acting Minister of Labour): To be very sure about this, Mr. Speaker, I will inquire this afternoon and contact the hon. member.

Mr. Starr: A supplementary question, Mr. Speaker. Would the minister turn the report over or refer it to the standing committee on

labour and employment for consideration, and so the trustees may appear before that committee as witnesses?

Mr. Mackasey: Mr. Speaker, I will be very pleased to give that information to the hon. member at the same time.

NATIONAL DEFENCE

REASON FOR CANADIAN FORCES IN PUERTO RICO

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the minister of defence. What numbers of Canadian forces are or recently have been in the United States territory of Puerto Rico, and what is the purpose of their presence there?

Hon. Léo Cadieux (Minister of National Defence): So far as numbers are concerned I shall have to check, but the purpose of the exercise is to participate in what are called Maple Leaf—I beg your pardon, Maple Spring—exercises.

Mr. Harkness: A supplementary question, Mr. Speaker. Will the minister inform us what is meant by "Maple Leaf" exercises?

Mr. Cadieux (Terrebonne): I corrected myself; I said "Maple Spring".

Mr. Harkness: A further supplementary question, Mr. Speaker. Are Canadian forces carrying out those exercises in the Caribbean on United States territory, instead of on Commonwealth islands, with the idea that their training should be combined with the training of United States forces so that our forces might participate, possibly, with United States forces in Korea, South Viet Nam or elsewhere in the east?

Mr. Cadieux (Terrebonne): There is no such implication, Mr. Speaker. We are only continuing practises that were staged in the past. As the former minister well knows, they are called war games.

FINANCE

REPORT OF TASK FORCE RESPECTING FOREIGN OWNERSHIP IN CANADA

On the orders of the day:

Hon. E. D. Fulton (Kamloops): I wish to ask the President of the Privy Council a question about the report he has just tabled, which I understand is signed by a Mr. Watkins. May I ask the hon. gentleman what is the relationship between the cabinet committee, of which he was the head, and the person or persons who made the report? Also, does the government accept responsibility for the report?

Hon. Walter L. Gordon (President of the Privy Council): I think if the hon. gentleman had heard what I said on motions, he would be satisfied on that matter.

Mr. Starr: Didn't you do any work?

Mr. Fulton: I cannot accept the implications inherent in what the hon. gentleman has said. I find there is no clarity at all to the matter.

Mr. Speaker: Order, please.

Mr. Fulton: I would ask the minister if he could say anything about the meetings, for instance, that he had with Mr. Watkins. Was the relationship—

Mr. Speaker: Order, please. That is a question, I respectfully suggest, which the hon. member should not ask at this time.

Hon. Michael Starr (Ontario): A supplementary question to the President of the Privy Council, Mr. Speaker. Can he tell us whether the special cabinet committee on which he sat did any work at all? Did it hold any meetings?

Mr. Gordon: Yes, it certainly did.

Mr. Speaker: Order, please.

Mr. Starr: A further supplementary question. In view of the minister's answer that "it certainly did", how can he explain the fact that the cabinet committee does not accept any responsibility for this report?

SPORTS

NANCY GREENE—WINNING OF OLYMPIC GOLD MEDAL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure all members of this house were very proud when they learned this morning that Miss Nancy Greene of Rossland, British Columbia—

Some hon. Members: Hear, hear.

Mr. Herridge: —of the Kootenay country had won the Olympic gold medal for Canada in the women's giant slalom, and in so doing had clinched the world combined championship. No doubt the right hon. Prime Minister

would like to give formal expression of the pride and rejoicing of all Canadians in her great achievement.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have already tried to do that in a telegram I sent to Miss Greene this morning. In it I expressed the pride and joy of the government and my own pride and joy in her achievement. All members of the house and all Canadians share in that pride. That pride is increased by the realization that my hon. friend is associated with this champion, as the member for Kootenay East—

Some hon. Members: Oh, oh.

Mr. Pearson: Kootenay West, Mr. Speaker. It is perhaps particularly appropriate that the Canadian flag should have been raised today, in celebration of the winning of this first gold medal at the winter Olympic games, on the third anniversary of the day it was first raised in Canada.

Some hon. Members: Hear, hear.

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON MISSION OF HON. LIONEL CHEVRIER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct my question to the Prime Minister. Can the Prime Minister give the house any details about the reportedly very important mission that is presently being undertaken on behalf of the government by Hon. Lionel Chevrier, the distinguished former high commissioner to the United Kingdom?

Right Hon. L. B. Pearson (Prime Minister): Perhaps the Secretary of State for External Affairs will be able to make a short statement on this tomorrow. It is a mission undertaken by a privy councillor to certain French speaking former colonies in Africa, where we are interested in providing external aid and in maintaining and strengthening good relations.

AIRPORTS

MONTREAL—INQUIRY AS TO CONSTRUCTION PROGRAM

On the orders of the day:

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I should like to put my question to the Minister of Transport in English if he will allow me.

[Mr. Herridge.]

[*English*]

In the light of the minister's announced plan for the expansion of Toronto international airport, could the hon. gentleman assure the house that the needs of the Montreal airport will not be overlooked?

Hon. Paul Hellyer (Minister of Transport): First of all I should like to thank the hon. member for having given me notice of his question.

An hon. Member: Why not speak French?

Mr. Hellyer: I have the answer in both languages; the hon. member can take his choice.

The expansion of the Montreal airport is in no way being overlooked; it is getting just as much attention as the Toronto airport. Approximately $5 million will be expended to accommodate Montreal's immediate requirements, including facilities for the handling of jumbo jets. Studies indicate that in the next 20 years expenditures in excess of $150 million will likely be required for airport facilities at Dorval or in the Montreal area. Toronto will require similar expenditures.

Hon. Michael Starr (Ontario): I should like to ask the Minister of Transport whether the government is considering allowing flights by international air lines to proceed on to Toronto, thus making it a truly international airport.

Mr. Hellyer: This is one of the considerations arising in connection with the 20-year plan. It is inevitable that Toronto should have international traffic as well.

Mr. Starr: In which of the 20 years will this be?

Mr. Hellyer: In one of the earlier years. As a matter of fact the new terminal which is being commenced this year to accommodate the overflow in the Toronto area is essential if there is to be an expansion of international services. It is fundamental to our ability to get on with airstrip development.

Hon. W. G. Dinsdale (Brandon-Souris): Will the minister give similar consideration to Brandon airport, particularly with reference to the new terminal building?

Mr. Hellyer: We have been thinking about that, Mr. Speaker.

Mr. Lloyd R. Crouse (Queens-Lunenburg): In view of the staggering capital costs and

mounting operating expenses of Canada's two major air lines, is the minister planning any meetings between officials of Air Canada and of Canadian Pacific Airlines so they might hold consultations on the sharing of overhaul facilities, crew training and any other improvements which would avoid duplication?

Mr. Hellyer: There have been discussions in connection with some of these areas, and I have no doubt there will be further discussions in the months immediately ahead.

[*Later:*]

Mr. Jack A. Irvine (London): Mr. Speaker, I would like to direct a question to the Minister of Transport that is related to one which was asked earlier today. In the studies which are being made with respect to the Toronto international airport will consideration be given to using London airport as an alternative airport for international and long range flights?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the department has been giving consideration to alternates as part of its long range plans.

Mr. G. L. Chatterton (Esquimalt-Saanich): As a supplementary question, in view of the statement made by the minister in regard to the airports at Montreal and Toronto would he look into the crowded conditions at Victoria international airport, B.C., and make an announcement before April 4?

Mr. Speaker: Order, please. I suggest we have covered enough airports for the moment and should go on to another subject.

THE CANADIAN ECONOMY

PROPOSED PROGRAM OF RESTRAINTS TO CURB INFLATION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Minister of Finance arising out of an undertaking given by him on November 10 and repeated in his mini-budget address on November 30 that the government would initiate discussions with leaders of the labour movement and other main elements of the economy to organize an integrated program of restraint to curb inflation. Will the minister say whether the government has initiated these special discussions?

Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Finance): Yes, Mr. Speaker. Preparations for these discussions are proceeding. We have been making a special inquiry into the kinds of restraint which are being practised in other countries, and we intend to bring forward a program along these lines. I hope that in all these matters, involving expenditure and otherwise, support for restraint will be forthcoming from the opposition.

Mr. Stanfield: Did I understand the minister to indicate that as yet there has been no discussion outside the government?

Mr. Sharp: Yes, Mr. Speaker. We are preparing for these meetings. We feel it is most important that the discussions should be successful, and we wish them to proceed on a sound basis.

Mr. Stanfield: As a supplementary question, can the minister indicate a date by which these discussions will start?

Mr. Sharp: No. I cannot indicate that at the present time, Mr. Speaker, but we will certainly proceed with them just as soon as we feel in a position to put our proposals before both the unions and management. This is a very serious matter, and it is one which I know is of great concern to the hon. gentleman. He has expressed his views on this matter on many occasions and I hope he will understand the most important thing is that they be successful and not be embarked upon before adequate preparations are made.

Mr. Stanfield: Can the minister give us any indication of when this program is likely to be launched?

Mr. Sharp: I have answered that question, Mr. Speaker.

BUSINESS OF THE HOUSE

APPEARANCE OF EXTERNAL AFFAIRS MINISTER AT JOINT COMMITTEE MEETING

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Would he, despite his other preoccupations, discuss with the chairmen of the external affairs and defence committees a suitable date for his promised appearance with the Minister of National Defence to discuss with those committees recent developments in NATO and NORAD?

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): I shall be glad to, Mr. Speaker.

FLOODS

ONTARIO—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, yesterday the hon. member for Middlesex West asked me about a request from the province of Ontario to assist victims of the recent floods in the southwestern part of the province, and I replied that I did not know I had any responsibility. After leaving the chamber yesterday I found a letter had been received from the Ontario minister of municipal affairs, making such a request.

As far as my department is concerned the only agency which might be of some assistance is the Canadian Disaster Relief Fund, for which I have about the same kind of responsibility as I have for the C.B.C., which isn't very much—

Some hon. Members: Oh, oh.

Miss LaMarsh: —particularly since this disaster will be a shared responsibility. Because this is an area with which the Prime Minister and I had personal connections in earlier days—

Some hon. Members: Oh, oh.

Miss LaMarsh: —I was born there and he used to play baseball there—I have asked the disaster relief fund to look into the matter as early as possible. If my hon. friend wishes to pursue the matter further I suggest he be more direct and go right to the right hon. Prime Minister or to the Minister of Finance.

[*Later:*]

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, in view of the statement by the Secretary of State in answer to my question yesterday, has the Prime Minister been informed of the Ontario government's request for federal assistance for flood relief in southwestern Ontario? If so, has a favourable decision concerning such relief been reached?

Right Hon. L. B. Pearson (Prime Minister): I do not recall receiving any such request, Mr. Speaker, but I shall look for it as soon as I get back to my office in case it came in today.

[Mr. Brewin.]

GRAIN

INQUIRY AS TO FINAL PAYMENTS FOR 1966-67 CROPS

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Has he been in communication with the Canadian Wheat Board today and, if so, has he some very important information to relay to the house regarding final payments for the 1966-67 wheat crop?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I met with the wheat board this morning, and I can inform the house that the 1966-67 pool accounts for oats and barley were closed on January 31. The final accounts are being prepared at the present time, and it is expected that final payments for these grains will be mailed to producers commencing early in March.

The board has advised me that the 1966-67 pool account for wheat will be closed on February 29. Cheques will be distributed as soon as the necessary accounting and auditing are completed. It should be possible to mail them to producers commencing toward the end of March. I am unable to anticipate the level of these final payments until the accounting is completed by the wheat board. However, the total amount to be distributed will be quite substantial.

OIL

DISCUSSIONS RESPECTING U.S. IMPORTS FROM CANADA

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct this question to the Minister of Energy, Mines and Resources. Did the minister or other members of the government discuss with the United States government the level of Canadian crude oil imports into the United States for the first seven months of this year; and did they agree with the estimated levels which Mr. Udall, the Secretary of the Interior, has announced as 415,000 barrels a day, which is 25,000 barrels a day less than the actual exports from Canada to the United States during the past year?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, these are figures given out by the Department of the Interior of the United States. I had nothing to do with them. This is their responsibility. I

might underline the fact that the figures given yesterday or the day before were for the first seven months only, so one cannot judge the whole year on the basis of seven months only.

May I repeat that I do not intend to indicate the exact figures we have reached with the United States within the framework of the agreement to which I have already referred on many occasions.

Mr. Harkness: I have a supplementary question, Mr. Speaker. The minister perhaps did not catch the first part of my question concerning whether he had discussed, with Mr. Udall or otherwise, the level of these imports for this present year.

Mr. Pepin: I have already said we have, but not in the context of the publication to which my friend is making reference.

Mr. Eldon M. Woolliams (Bow River): I have a further supplementary question, Mr. Speaker. If the minister had a discussion, and if there were Canadian negotiators in the United States, did they agree to reduce the quota in consideration of obtaining permission to build the interprovincial pipe line from Chicago to Canada?

Mr. Pepin: The building of the interprovincial pipe line was within the framework of the agreement to which I referred two or three weeks ago. I shall be glad to send my hon. friend copies of the answers I made at that time.

Mr. Woolliams: Mr. Speaker, perhaps the minister misunderstood the question. In the agreement or in any negotiations which the government had with the United States did they agree to reduce the quota in consideration for building the interprovincial pipe line to Chicago?

Mr. Pepin: Certainly not.

AIR TRANSPORT

VANCOUVER—INQUIRY INTO C.P.A. PLANE ACCIDENT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, this question is directed to the Minister of Transport. I should like to ask the minister whether as a result of the investigation so far conducted into the crash of the Canadian Pacific Airlines jet liner at Vancouver airport it has been determined whether in fact the emergency exits from the central part of the plane were inoperative at the time. If so, what steps is the department taking to ensure that a similar situation will not exist in any future incident of this kind?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think it would be better if my hon. friend would agree to wait until I have received a full report, at which time I could cover the whole investigation of the accident at one time.

Mr. Barnett: Mr. Speaker, I should like to ask the minister when he expects he will be able to give the house a full report on this accident.

Mr. Hellyer: I cannot say for sure, but I will ask that the report be speeded up, and will make a statement just as quickly as possible.

OLD AGE SECURITY

REPORTED DELAY IN RECEIPT OF SUPPLEMENTAL PAYMENTS

On the orders of the day:

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, earlier this week the hon. member for Chapleau asked a question regarding the guaranteed income supplement. I have a reply which is rather lengthy, and I should like permission to table it for printing in *Hansard*.

Mr. Speaker: Does the parliamentary secretary have permission?

Some hon. Members: Agreed.

[*Editor's note: The answer above referred to is as follows.*]

There are two reasons why the guaranteed supplement was not paid in January 1968 to certain old age security pensioners:

1. The law requires that a new application for the supplement be made each year since the amount of the supplement is based on the income of the pensioner in the preceding year. Accordingly application forms were mailed on January 2, 1968 to pensioners who received a supplement in 1967. In order that payment of the supplement not be interrupted

pending the receipt and processing of the application for any year, provision is made in the legislation that payment may be continued for up to four months in that year provided the pensioner notified the minister by December 31 of the previous year of his intent to apply for the supplement in the succeeding year.

At the beginning of November 1967 a form to be signed and used for such notification was sent to all recipients of a supplement. In December a follow-up letter was sent to the relatively few persons who had not returned the notice of intent. In those cases where the notice was not received by December 31, 1967, no supplement could be paid in January 1968 unless the new application was received and processed before the January cheques were printed, and no supplement can be paid for subsequent months until the new application is received and processed. Retroactive payment may be made at that time.

2. A large number of persons became old age security pensioners for the first time in January 1968 when the eligible age for the pension was reduced from 68 years to 67 years. On January 2, 1968, such persons were sent an application form for the guaranteed income supplement. If that application was not returned and processed prior to the date on which the January pension cheques were printed, the pensioner could not be paid the supplement for that month. Applications in such cases when received, will be processed and, where he is found eligible for the supplement, the pensioner will be paid same effective January 1968 in a subsequent month.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

REPORTED STATEMENT BY PRIME MINISTER RESPECTING AMENDING LEGISLATION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. I am interested in the implication in the remarks he made yesterday to the effect that if the house committee on labour relations holds up Bill C-186, the government will then proceed with it. Is it the government's intention to defy a house order which has committed this bill to the committee?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

[Mr. Speaker.]

HOUSING

MONTREAL—COMPLAINTS TO RENTAL AND HOUSING AUTHORITY

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the President of the Treasury Board in his capacity as the minister reporting to the house in respect of housing matters. Has the minister been informed that the Montreal rental and housing authority is now receiving over 2,000 complaints a day, which constitutes the greatest housing crisis in the city's history?

Hon. E. J. Benson (President of the Treasury Board): No, Mr. Speaker, but I shall be pleased to look into the matter.

Mr. Grafftey: No government supporters have brought this matter to the minister's attention? That is interesting. In view of that—

Mr. Speaker: Order, please.

Mr. Benson: I did not say that.

Mr. Grafftey: I have a supplementary question, Mr. Speaker. In view of the crisis that is affecting the citizens of the island of Montreal, will the minister announce to the house as soon as possible the federal initiatives which will be taken to relieve the situation?

Mr. Benson: Mr. Speaker, this year we will have more than 175,000 housing starts, and the federal government will put substantially more funds than ever before into public housing.

Hon. Michael Starr (Ontario): I have a further supplementary question, Mr. Speaker. If the minister would bring forward the resolution on the order paper as the first item of business today we would be prepared to pass it without debate.

Mr. Benson: Mr. Speaker, I would be very pleased to do that if the house leader will agree.

[*Translation*]

LABOUR RELATIONS

SUGGESTED DELAY IN CONSIDERATION OF APPLICATIONS BEFORE BOARD

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Acting Minister of Labour. Does he intend to

ask the Canada Labour Relations Board to postpone the study of certification applications which could be affected by passage of Bill No. C-186?

[*English*]

Hon. B. S. Mackasey (Acting Minister of Labour): Mr. Speaker, the Canada Labour Relations Board, a body independent of parliament, has an obligation to carry on its function despite what legislation is contemplated in the house. I do not intend to interfere with that autonomous organization. I am sure the hon. member for Lapointe will be pleased to know that the rights of the C.N.T.U. are fully protected in view of the fact that they have been notified by the board of their opportunity and privilege to intervene in these two applications which are now before the board.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to put a supplementary question to the minister.

Since he intends to intervene in this field, could he tell us whether the enactment of the legislation now under consideration in committee will be retroactive, if the legislation is passed and in the event of a decision to the contrary on the part of the Canada Labour Relations Board?

Mr. Speaker: The question as put by the hon. member is hypothetical.

[*English*]

INDUSTRY

SYDNEY, N.S.—ADDITIONAL FEDERAL ASSISTANCE RESPECTING STEEL PLANT

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address my question to the Minister of Industry. In view of the many representations I have received and which I am sure many other members of the house have received from members of the united steel workers union, can the minister say what further steps the government intends to take to assist the Nova Scotia government in respect of the problems facing the Dosco steel plant?

Hon C. M. Drury (Minister of Industry): Mr. Speaker, as I believe the house is aware there is an exchange of correspondence on this subject being conducted between the premier of Nova Scotia and the Prime Minister.

Inquiries of the Ministry

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of figures recently released which indicate that there are half a million unemployed in Canada, can the minister tell the house what steps his department is taking to alleviate this very serious problem?

Mr. Speaker: Order, please. The hon. member is repeating in the same terms the question he asked yesterday. He is asking the minister to make a statement which should be made on motions.

Mr. Skoreyko: Mr. Speaker, I rise on a question of privilege. A matter which deals with the lives of half a million people in Canada is a very serious matter, and I do not intend to be held down by silly house rules.

Some hon. Members: Oh, oh.

Mr. Skoreyko: I have asked this question twice. What is the government doing about this serious problem?

Mr. Speaker: Order, please.

RURAL DEVELOPMENT

MANITOBA—ARDA AGREEMENT RESPECTING INTERLAKE REGION

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. Now that the Minister of Manpower and Immigration has placed a ceiling on capital cost expenditure under the vocational training school program agreements, will he give the assurance that this will not in any way affect the vocational school program covered by the ARDA-FRED comprehensive agreement for the interlake area of Manitoba which was signed in May 1967?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, I will have to investigate this matter, because I do not know whether or not it affects this program.

Inquiries of the Ministry

EXTERNAL AFFAIRS

RESTRICTIONS ON SALE OF CANADIAN URANIUM

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, this question is addressed to the Secretary of State for External Affairs. Can the minister tell the house whether the government is giving consideration to restricting the sale of Canadian uranium to those countries which are willing to sign the non-proliferation treaty?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the policy in the sale of uranium has been previously outlined by the government. Uranium can be sold only for peaceful purposes, and then only with the application of international safeguards.

Mr. MacDonald (Prince): Will the minister now direct himself to the question as to whether certain countries presently receiving Canadian uranium may be cut off as the result of refusal to sign the nuclear non-proliferation treaty?

Mr. Martin (Essex East): Mr. Speaker, I do not think there is any connection between the application of safeguards in respect of uranium for peaceful purposes only and the position any country may take regarding the treaty of non-proliferation. This treaty does not necessarily deal with the supply of fuel, but deals with the undertaking of non-nuclear powers to restrict expansion in the nuclear club by not developing or acquiring nuclear weapons.

ADMINISTRATION OF JUSTICE

POLICY OF DEPARTMENT IN PROSECUTIONS FOR POSSESSION OF MARIJUANA

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Justice whether he now has an answer to the question I asked yesterday, regarding an apparent change in procedures for prosecution of individuals found in possession of marijuana.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I missed the question, but I will read it and try to give an answer to the hon. member.

[Mr. Sauvé.]

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question to the Minister of Justice.

I would like to ask him if he always answers in English because his French is lousy.

TRANSPORT

EXTENSION OF RAILWAY LINE IN NORTH-WESTERN QUEBEC

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, my question is prompted by the urgent need for better means of transportation in northwestern Quebec.

I wish to ask the hon. Minister of Transport whether his department is now considering extension of the Chibougamau railway to the iron ore deposits at lake Albanel; could he also tell us whether other studies are now being made elsewhere in Canada?

Mr. Speaker: I would suggest to the hon. member that he should put his question on the order paper.

[*English*]

AIR CANADA

INQUIRY AS TO DISCUSSIONS RESPECTING WINNIPEG BASE

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I have a question for the Minister of Transport which is not related to the series of airport questions asked earlier. This question arises from a communication I received today from my own provincial government. Is the minister in receipt of a telegram from officials of the Manitoba government urgently requesting clarification of his latest talks with Air Canada on the subject of the Winnipeg air base?

Hon. Paul Hellyer (Minister of Transport): No, Mr. Speaker, not to my knowledge. This may have been received by my office since I have had the opportunity to communicate with my officials.

GRAIN

REPORTED STATEMENT BY AGRICULTURE MINISTER RESPECTING WHEAT BOARD

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I have a question for the Prime Minister which is of utmost importance to

farmers in western Canada. Has the right hon. gentleman checked whether the Minister of Agriculture was advocating government policy when he said publicly that the Canadian Wheat Board should become an agent of the federal government instead of an agent of the farmers?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I rise on a question of privilege. Again I would recommend that the hon. gentleman read my speeches with more care.

Mr. Starr: No copies are available. You make them off the cuff.

Mr. Greene: Copies are available in my office if they are required.

Mr. Watson (Assiniboia): I should like to ask the Minister of Agriculture whether he is aware of the fact that all the newspapers in the west have reported that he has said this in various places in western Canada. The farmers want to know whether this is a fact.

Mr. Greene: Let me suggest again, Mr. Speaker, that if the hon. gentleman will read my speech he will see that I suggested a discussion of this topic. I never recommended this policy, nor did I suggest it as government policy.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, in view of the fact that the Minister of Agriculture suggested to the hon. member for Assiniboia that he should read his speeches more carefully, as he suggested to me, I should like to ask whether he will accept the assurance that we will read his speeches with more care if he will speak with more coherence.

TRADE

WHEAT—INQUIRY AS TO RENEGOTIATION OF AGREEMENT WITH CHINA

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether China has requested or does the wheat board anticipate renegotiation of the present wheat agreement with that country.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the present wheat agreement has another year to run. At the end of that time I hope conditions will be favourable for the negotiation of a new contract.

Mr. Korchinski: I based my question on the report of a statement made by Mr. McNamara. If this should be the case, will the government undertake to see that a greater volume of the grain produced—

Mr. Speaker: Order, please. The hon. member will recognize that his question is hypothetical.

Mr. Korchinski: Mr. Speaker, perhaps I could rephrase my question. In view of the fact that China is taking only a bare minimum under the present wheat agreement, will the government undertake to ascertain whether a greater volume can be sold before negotiations are undertaken during this period of depressed prices?

Mr. Winters: Mr. Speaker, the premise is not correct. China is taking more than a bare minimum.

FLOODS

BRITISH COLUMBIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of National Defence, who I understand has seen a telegram directed to the Minister of Labour from the minister without portfolio of the British Columbia government, whether his department has any plans to put into effect emergency action in the Bella Coola valley as the result of a flood which may take place there at any moment.

Hon. Léo Cadieux (Minister of National Defence): Yes, Mr. Speaker, I am aware of this telegram sent to the Minister of Labour. There was some delay in this regard; the telegram should have come directly to the department from the attorney general of British Columbia, but we have taken action as requested by the minister without portfolio.

NATIONAL HOUSING ACT

AMENDMENT TO INCREASE RATIOS FOR INSURED LOANS

Mr. Pennell: Mr. Speaker, having regard to a question asked earlier this day I should like to ascertain whether it is agreeable to the house to adopt item No. 64 on the order paper without debate.

This is the resolution in respect of an amendment to the National Housing Act.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Hon. E. J. Benson (President of the Treasury Board) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Housing Act, 1954, to increase from $13,000 to $18,000 the loan ratios for insured loans to home owners, builders, and co-operative housing associations for the construction of new housing units.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

Resolution reported and concurred in.

Mr. Benson thereupon moved for leave to introduce Bill No. C-202, to amend the National Housing Act, 1954.

Motion agreed to and bill read the first time.

• (3:20 p.m.)

INCOME TAX ACT

The house in committee on Bill No. C-193, to amend the Income Tax Act—Mr. Sharp—Mr. Batten in the chair.

The Chairman: Order. House in committee of the whole on Bill No. C-193, to amend the Income Tax Act. Clause 1.

On clause 1—*Special table.*

Mr. Lambert: Mr. Chairman, I spoke on the resolution stage and in the budget debate with regard to the income tax proposals generally of the government. I did not speak on second reading of the bill. I do not know whether it will be the practice of the Chair to allow a general discussion on later clauses of the bill. The first clause is highly innocuous and would not normally call for any comment.

My comments are really more directed to clauses 4 and 5 of the bill. I am wondering how Your Honour proposes to conduct the business. I shall have some remarks to make with regard to the surcharge and to the corporate tax. Perhaps the committee would consider whether more general remarks might be made on clause 1 rather than on clauses 4 and 5. I should like guidance from Your Honour in this regard.

Mr. Sharp: Mr. Chairman, it seems to me that clauses 1, 2 and 3 are of a purely technical character and if there are to be remarks of a general nature such as has been suggested by the hon. member for Edmonton West they could quite appropriately be made on clauses 4 and 5. The first three clauses are merely technical in character.

[Mr. Speaker.]

The Chairman: The usual procedure, of course, is to have the general debate on clause 1, assuming that clause 1 is not just a short title. However, if it is the wish of the committee to have a general debate on the bill under clause 4, there is no reason at all why that should not be done. If the general debate is to be on clauses 4 and 5, or either of these clauses, I would ask members of the committee to confine their remarks in connection with clauses 1, 2 and 3 to those actual clauses.

Mr. Lambert: That is fine, Mr. Chairman. I wonder whether I could get a little more clarification in respect of clause 1 than is contained in the explanatory notes. I know the clause has to do with the use of tables on the income tax forms but perhaps the minister, guided by his officials, could tell us briefly what is the real, shall we say, housekeeping change that is being made here.

Mr. Sharp: Mr. Chairman, the amendment contained in clause 1 is to the subsection of the act which authorizes a table for individual tax return forms to assist taxpayers in calculating the amount of tax payable. This table combines the federal, provincial and old age security taxes and permits a taxpayer to ascertain the combined tax payable on an amount of taxable income without having to make separate calculations using the rate schedule, the provincial rates, the old age security tax rate and the special 20 per cent tax reduction for small incomes. It is intended that this table on the 1968 forms will include the new 5 per cent surtax. The proposed changes in the wording of the present subsection are necessary so that it will authorize the table planned for 1968.

Clause agreed to.

On clause 2—"*Tax otherwise payable under this part.*"

Mr. Sharp: Mr. Chairman, perhaps it would assist the committee if I were to make a short explanation of clause 2. This is a technical amendment to clarify the interrelationship of the subsection which authorizes the construction of a table for use on tax return forms described in connection with clause 1 and the definition of "tax otherwise payable under this part". Only subparagraph (i) in the amendment to paragraph (c) is new. Subparagraph (ii) repeats the present definition of the

expression "tax otherwise payable under this part".

Clause agreed to.

On clause 3.

Mr. Lambert: Mr. Chairman, is this a loophole-plugging? Did the administration find that there were cases where it could be argued that there was some doubling-up on the averaging provisions in so far as farmers and fishermen are concerned? Just how equitable is the plugging of the loophole?

Mr. Sharp: This amendment is not prompted by any cases. During the review of the section to determine how the 5 per cent surtax should be applied, the officials decided that the section was not as tightly drafted as it might have been.

Mr. Lambert: In other words, they found a loophole but they plugged it.

Clause agreed to.

On clause 4—*Corporations.*

Mr. Lambert: Mr. Chairman, clause 4 is what might be termed a sleeper clause because its impact was not noticed too much at the time of the budget presentation, the budget debate and the resolution stage. It is purely an acceleration clause in so far as the paying of corporate income tax is concerned. This provision really puts a tight squeeze on corporations, which are now having to pay taxes almost on the same basis as individuals, by monthly instalments, and completely within a very short time after the completion of their taxation year.

• (3:30 p.m.)

As we know, there was a change made about two years ago, if my memory serves me correctly, whereby corporations were required to pay up the balance of their income taxes within three months of the close of the fiscal year, notwithstanding how complicated were their operations. This change was a device adopted by the minister of finance of the day as a one-shot proposition to net him some $250 million, if I remember rightly, in order to hide what had become a rather disreputable deficit for an administration that had come into power priding itself that they would soon put the fiscal house in order. They alleged it was in disorder. On the other hand, we saw them continue the same practices. Therefore if they adopted them, and they were such saintly people, there must have been legitimacy to the practices which had existed.

In any event, the extra $250 million was gathered in order to gild the lily, a one-shot proposition to help in the attempt to balance the budget. I suspect this is a similar operation because, as we can see from the note, the amendment would require corporations to pay their corporation income taxes over a period which commences two months closer to the beginning of their taxation year than is the case at present. As a matter of fact, if my calculations are correct corporations will only be one month away from paying these taxes one month at a time.

Today, corporations are finding it exceedingly difficult to borrow money. There is no doubt that money is tight and getting tighter. As the result of a move by the government and the Bank of Canada to deal with the balance of payments problem the bank rate has gone up to 7 per cent. This is having a negative effect with regard to the domestic economy. It is in part a legacy of arrangements that were made by the minister's predecessor during a disastrous period of office in which Canada was caught by the interest equalization proposals of the United States. Those proposals were, in effect, retaliation for some rather foolhardy proposals put forward by the present government in 1963 and 1964. The ripples from this disaster will come to shore for many years, and this is one more of those ripples.

Corporations are faced with problems of liquidity and working capital. On the one hand the government is saying, it will make it more expensive for you to operate. After all, it was only this week that the banks again, quite naturally in view of the action by the Bank of Canada, moved their prime rate up to 7 per cent. This action was expected to follow as night follows day. If the bank rate should go to 7½ per cent, and there is a suggestion this might happen because the steps the government has taken with regard to the encouragement of foreign investment in Canada are not paying off at the hoped for rate, then one might expect that within the next few days after the event the chartered banks would increase their prime rate. This is the way the economy is tied together at the present time.

After all, the corporations provide the backbone of business activity in this country. I do not have the same views about the word "corporation" as do hon. members to my left. They believe that as soon as two people in

business form a corporation they become big, bad wolves. The word "corporation" covers any company in a business operation, from two or more people to the largest enterprises. They are all corporations. They all pay their income taxes on the same scale. This new section 50 will require the two-man operation, perhaps a husband and wife, to pay their taxes on the same basis as, say, General Motors of Canada, the Canada Cement Corporation or any other large corporation which in most instances has adequate sources of working capital.

The Income Tax Act is now going to make sure that the majority of the medium-sized and smaller incorporated businesses will be right up against the collar of cash requirements all the time. But somehow they will have to find the cash, notwithstanding the fact their working capital may be tied up in inventory or in receivables. The Income Tax Act says they will have to pay one-twelfth of their estimated taxes each month and will have to clean up the balance within three months of the end of the fiscal year. Individuals are allowed four months in which to pay their taxes but corporations will be allowed only three months. The corporation may happen to be a service station operator and his wife who have incorporated the business, or two men operating a trucking service who have incorporated. This is precisely what they are going to have to do.

I suggest that this provision results from the desire of the government for money. It is not anti-inflationary in any way at all. The purpose of the change is to bring in some money quickly in order to cut down the swollen deficit of this administration. Up until this moment I have not been able to ascertain the additional funds the government will get within the next 18 months or two years as a result of this provision, but I would say it is just as nefarious and perhaps even more pernicious in so far as the Canadian economy is concerned than the 5 per cent surcharge on income tax. I will have something to say about the surcharge on personal income tax when we reach clause 5.

• (3:40 p.m.)

This is an acceleration of the payment of income tax by incorporated businesses. It is an attempt to siphon off more money. Is this for an anti-inflationary purpose, Mr. Chairman? I suggest to the minister that it is not. Taxation is used for the purpose of combating inflation, to eliminate funds that are chasing too few goods and services. But would anybody suggest that in this country today there are too few goods or services available? Certainly there are not. If we reduce the demand for goods and services in this country, this will bring about, first of all, unemployment as a result of fewer services and a decline in the production of goods that are produced in Canada for Canadians. This again will lead to further unemployment.

It is all right to impose taxes as a means of combating inflation or inflationary pressure in time of war, when we all know that it is desirable not to produce certain goods and engage in certain services because others have higher priority. But income in the hands of the populace as a whole which is chasing too few or fewer goods and services tends to drive up prices. That is classical economic theory, and we do not need to go into the details of the theory of supply and demand in this debate. In this day and age, however, such theory is not applicable. I suggest that in fact the very converse situation will occur. I am wondering whether this is part and parcel of the minister's expressed intention, on behalf of the government, to bring about a little slackness in certain sectors, a slackness that might be tolerated and even encouraged.

What will be the result of some of these consequences, Mr. Chairman? These consequences flow not only from this acceleration of the payment of corporate income tax, which will make things more difficult for businesses, but also for the surcharge on personal income tax. We realize that the government does face certain problems. There is relatively galloping inflation. For example, there is an increase of 4.5 per cent in the cost of goods and services, according to the consumer price index last month. There may have been a couple of years during the early fifties when higher rates of inflation occurred, and we know what the consequences were of that.

This administration also faces the problem of balance of payments on international account. Recently there was the beginning of a run on the dollar owing to a lack of confidence in the international money market. At that time the government had to take steps to reduce its expenditures, put its own financial house in order and take measures to combat inflation. Since the budget there has been a greater increase of inflationary pressure in that some of the new excise taxes are reflected in the cost of living index. And before long, Mr. Chairman, I suggest to the minister

that the income tax surcharge will also result in a further increase in the cost of living. This will be due to demands for higher wages. After all, Mr. Chairman, practically every individual who is paid a salary or a wage today has income tax deducted at source. What he is interested in is his take-home pay. Even when he is being paid $250 a week, if $75 income tax is deducted, and now the minister proposes to deduct a further $5 or $10, this individual will be interested in maintaining the status quo and will consequently seek to recover that extra $5 or $10. He too wants to hedge his future against inflation, which is quite a natural reaction.

The government also needs more funds to meet its program of expenditure. I think we could suggest that in certain areas this program could be cut back, but let us just look at some of the remedies that the government proposes to take. For example, Mr. Chairman, as a result of pressure the government stated that it would cut back on expenditure, and with the greatest of fanfare introduced estimates a week ago totalling $10.3 billion. The government stated that this was but a 3.6 per cent increase over last year. However, when we compare estimates with estimates it is, as the Leader of the Opposition rightly pointed out the other day, an actual increase over last year of about 8 per cent. This, Mr. Chairman, notwithstanding the protestations of the President of the Treasury Board who said: "Oh, well, you are really not comparing the same things. Since we are now using computers we can guarantee fewer supplementary estimates this year."

Even if we make some adjustment and include some of last year's supplementaries with the main estimates, which would make the situation more comparable according to the President of the Treasury Board, the increase amounts to about 6 per cent. In actual fact I suggest this 3.6 per cent figure was a big sell-out. Unfortunately many of the communications media bought it and we saw big black headlines declaring, almost as though a miracle had occurred, that the government was holding itself to an increase in expenditure of 3.6 per cent. Of course, Mr. Chairman, that is nonsense; there will be further supplementary estimates. It is just as though I were saying to my neighbour, Mr. Chairman, that I owe him $100 but this does not take into account the $25 I lost to him last night at poker and other liabilities that I have.

We know that there is going to be a further item in connection with the Expo deficit. We are not quarrelling with this at the present time but we do say to the government: Do not tell us that you are going to keep your expenditures within 3.6 per cent of last year's. That was an exercise in misleading the public completely. Then for the government to say that the public service would be limited to an increase of only 5,000 persons a year as against the normal increase of 15,000 a year is to camouflage the matter. The increase has been 15,000 a year only since this administration has been in power. We have had a fantastic increase in the numbers of high-priced jobs in the civil service, but that matter may be gone into on another occasion.

• (3:50 p.m.)

Yet there is not a penny in all these estimates to take care of civil servants who retired many years ago and who today, as the result of inflationary pressures and increased taxes, are facing truly difficult times. As a matter of fact one might say that this government espouses increases for the rich and decreases for the poor. That has been one part of this government's policy, especially as it applies to the public service.

It was strongly suggested to the government that it should set aside some of its more expensive programs. I shall not go into the arguments which were advanced the other day by the Leader of the Opposition about the implementation of medicare but I endorse those arguments wholeheartedly.

With regard to the wise counsel which the Minister of Finance gave to the provinces and municipalities to cut back their spending and save money, may I say that I agree with the minister and support him in those pressures that he is putting on the provinces and municipalities. Some provinces and municipalities have taken heed of that counsel. Over the years some of them have become very fat and lax, I think, in the matter of watching their expenses.

Now we come to the options which are open to the minister. I have spoken about what I think is the inequity and wrong usage of the income tax surcharge. It may be anti-inflationary but certainly it hits every wage earner today who comes within a taxable bracket. Surely the minister could have mitigated inflationary pressures by giving private taxpayers the same consideration he gave the corporations some time ago when there was a

refundable surcharge, assuming that there was a necessity for any increase in personal income tax. I do not think there was any such necessity. I do not think the government needed to increase personal income tax and I do not think it should have entered the corporation income tax field either.

I have previously expressed myself about excise taxes and about the relative luxuries of tobacco and liquor. Only now, having allowed the provinces complete liberty in this field, has the government of Canada seen fit to move into it. The provinces had complete liberty so far as liquor was concerned to increase revenue without resorting to their legislatures. They merely ordered an increase in liquor prices. Those remarks do not apply to tobacco since provinces must take legislative action to impose an additional tax on tobacco. In any event, I think the populace generally is prepared to accept taxes on these two important items and might have accepted more. I am certain that the minister might have looked toward an extension of excise taxes on certain services as a result of which there would have perhaps been greater equity. In any event, I feel that the acceleration of the payment of corporation taxes which the minister has proposed is a retrograde step.

I hope that in the estimates and in the budget for the forthcoming year these matters will be considered. I am not sure that the present minister will deliver that budget; that question is in suspense at present. I think he would prefer not to have to deliver it, because if he does his hopes with regard to something else will go by the board. In any event, I think the provision I have mentioned is a retrograde step, and the next provision of the bill is even more repugnant to me. I believe that these two steps with regard to income tax are not necessary in any way.

Mr. Schreyer: Mr. Chairman, at the outset I must say that it is impossible for me to be enthusiastic about this bill for a number of reasons. The first reason is obvious. No one likes higher taxes. Not many, and no doubt this includes the Minister of Finance, can react as philosophically to paying taxes as Oliver Wendell Holmes who said that paying taxes did not bother him since they were simply the way that he helped to pay for civilization.

There are fundamental reasons for condemning this bill which are to be found when we look at the state of our economy and at the state of our tax laws generally. Unlike the minister, I have no professional expertise in the fields of fiscal and monetary management. I have never really participated in any previous debate having to do with a review of the Canadian economy or the budget, the reason being, as I have said, that I have not the expertise that the minister and such hon. members as those representing Nanaimo-Cowichan-The Islands, Waterloo South and Edmonton West have in this field. They have repeatedly taken part in debates of this kind. Like many Canadians, in the field of economic and fiscal matters I am an amateur in the general and original meaning of the word.

I have followed with keen interest the policies of the government and its attempts to manage the Canadian economy fiscally and monetarily. This bill amends some aspects of our tax laws. I am not enthusiastic about it because it seeks to amend a tax law that has been condemned, after long and painstaking study on the part of the Carter commission, as inequitable. There can be no more damning indictment of a taxation system than is contained in the verdict of that single word "inequitable", a verdict arrived at by the Carter commission. Not only has the government failed to give any clear indication of where it stands relative to the main recommendations of the Carter report but it has also failed to indicate whether it will even bring forward a white paper or a position paper setting forth government thinking in connection with these proposals so that hon. members can begin to understand what the government has in mind by way of tax reforms.

• (4:00 p.m.)

This is why many of us approach the bill before us with a negative attitude right from the start. We are continuing to use a tax system riddled with loopholes and anomalies brought about by tax deductions and concessions which discriminate against those who earn their income and favour those who acquire it by way of capital gains. In short, our tax laws continue to be basically inequitable. They allow for the deduction of all kinds of expenses incurred by corporations, including not only such necessary items as office equipment, fuel and so on but also such things as luncheon expenses and the cost of hunting lodges. You name it, and it is likely to be deductible somehow. I am sure the minister is aware that the late President Kennedy made a serious attempt to get the United

States Congress to agree to tax reforms to cut down expense account living which is becoming a way of life among a certain element in society. If I may speak in the Jeffersonian idiom for just a moment, I should like to say that our present tax law in connection with expense account deductions appeals to the baser instincts of man and cultivates such instincts.

Our present tax law is inequitable because it tends to profit a few people greatly while discriminating against the many. This can be seen simply by looking at the way in which certain elements in our society reacted to the recommendations of the Carter commission. Through their briefs and their tax counsel they got their message over very quickly. They were opposed in essence to what the commission recommended. These people and their spokesmen were articulate, influential and powerful. They have succeeded in petrifying the government into inaction even to the extent that it refuses to give any indication of its attitude toward the basic proposals contained in the report.

The really sad thing is that hundreds of thousands of Canadians, the majority, in fact, who would receive more equitable treatment if our tax laws were reformed were led to believe by reason of these submissions and subsequent publicity in the press and elsewhere that they would somehow suffer a disadvantage ultimately if the principal proposals in the Carter report were accepted. I believe a hoax of epic proportions has been perpetrated on the Canadian people by those who submitted briefs almost completely in opposition to the major recommendations of the commission. The result is that the government has been paralysed by fear.

Throughout the past three years private bills have been brought forward seeking changes in the income tax law to allow for the deduction of expenses by men and women who in the ordinary course of their employment must incur expense in order to acquire special clothing or tools necessary to carry out their work. This is a simple proposition and one which is fair in every respect. My hon. friend from Sudbury has spoken eloquently about the need for bringing about a change in our present tax law which would make this possible. If this law is to be around for a few years yet, and it looks as though it will be, let us at least remove from it the more objectionable of its provisions.

Among these must be considered the non-deductibility of the cost of clothing, equipment and tools used by people in the ordinary course of their employment. Up to the present there has been no indication on the part of the government that it is prepared to accept arguments that such expenses should be deductible, and the basic unfairness of the law continues. Deductions in respect of such items as safety boots, hard hats and tools are not allowed, though deductions for entertainment, recreation facilities for clients and so on are allowed. It is hard to imagine how such a situation could be allowed to continue.

Instead of a proposition to remove some of this basic unfairness we have before us now a proposal to levy a miserable 5 per cent surtax on existing income tax. The minister has presumably taken this course because he feels it is an anti-inflationary measure. If it is an anti-inflationary measure it must somehow dampen consumer demands. But when my hon. friend from Nanaimo-Cowichan-The Islands spoke on this subject last November he pointed out that the present inflation syndrome does not have the characteristics of ordinary inflation. The minister said he agreed, and I think both hon. gentlemen are correct. It is not the kind of inflation with which we have been so familiar in the past.

If the bill before us does dampen demand to some extent it will be operating as though we had the kind of inflation which the minister himself has consistently maintained we are not experiencing. Thus it is difficult to see any logical basis for the course the government is taking. There would indeed be some logic attached to it if prices were rising as a result of excessive demand. But it is generally agreed we are not experiencing this kind of inflation. If anything, this is a cost push, a form of inflation with which we have been unfamiliar during the past few years. If anything the tax increase proposed here is ill suited for the purpose of combating it and will simply aggravate the inflationary trend. How can it avoid adding further to the factory cost of goods produced? It will give a further push to the inflationary factors which are at work. Perhaps this bill is simply a way whereby the government can raise revenue, but it has nothing to do with counter-cyclical management of the economy. As I have already tried to say, it will act perversely on the inflation we are facing.

• (4:10 p.m.)

There are many other major problem areas deriving from the government's policies, equivocation and indecision. Obviously rising costs must have some connection with misdirected fiscal policy and with drifting monetary policy. Since I became a member of the house parliament was persuaded to amend the banking legislation and remove the ceiling on interest rates. We were given some very persuasive reasons for taking that course of action but looking back in retrospect, with hindsight, it is quite clear that the reasons we were given were entirely spurious and it was quite wrong for parliament to take that course of action on the recommendation of the government. The government's advice was wrong. One of the main arguments put forward in favour of removing the ceiling on interest rates was that it would help check the growth of near-banks and other undesirable forms of lending institutions. That seemed like a powerful enough argument, but there were other ways to take care of that problem. In the meantime the cure has been shown to be quite disastrous, with a round of increases in the cost of money to all productive sectors of our economy.

The minister now comes before us with a bill that will have the effect of dampening demand. The government is looking on with equanimity as unemployment passes the 4 per cent mark. This measure will not have a remedial effect in any case because a cost-push inflation requires a different kind of surgery from that which the government seems prepared to undertake. Some of the basic economic problems that tend to aggravate the inflation problem require more major surgery than the government is prepared to undertake.

Quite often we are told about the importance of attracting foreign capital to Canada. Yet in recent weeks we have seen the development of a phenomenon in which Canadian investment capital in the form of mutual funds is flowing southward at a rate which shows a ratio of about three to one in investment by those funds in the United States compard with their investment in Canada.

A few days ago the minister was asked a question in the house about this matter, and the posture he adopted was that this was simply part of the ordinary transaction of business, part of the ordinary movement of capital, and the government contemplated no special measures with regard to this development. If Canadian investment moneys are flowing across the border at the rate recorded in recent months the question should be asked, is it simply a case of capital seeking a higher return elsewhere? Is that the main reason? Or could it be due to the relative shortage in this country of stock offerings in Canadian enterprises? Is it the practice of Canadian subsidiaries of foreign parent firms to make available significantly large blocks of shares to Canadian investors or Canadian investment funds? When there is an outflow of investment funds to another country it may well be due to the relative non-availability of equity stock in Canada and is not so much a matter of looking for a higher return. It should certainly be within the power of the government to react to this kind of problem and try to do something about it. My colleague from Waterloo South will have something more substantial to say in a little while about the availability of equity stocks in Canada.

The rising cost of housing has been a persistent problem within our economy. The cost has been surging for the past two years and more. All the time the government has been dithering. I use that word deliberately because while we have heard ministerial statement upon ministerial statement we have heard nothing of substance that would come to grips with the essential part of the problem.

Land speculation in urban centres and on the periphery of urban growth centres is a major part of the problem. This is becoming a social evil and not just an economic problem. I realize and admit quite readily that one course of remedial action does not involve federal power but has to do with provincial and municipal powers. Our provincial and municipal authorities should be showing a little more curiosity about how this problem is being dealt with in other places.

I understand that in the state of New Jersey and in other states within the last two or three years a real property assessment law has been devised that seems to go a long way toward dealing with the problem of land speculation which has caused the escalation of land prices in and around urban centres. Since the matter does not involve federal jurisdiction I hesitate to try to describe the nature of the changes that have been made in New Jersey in its real property law whereby

there is no incentive whatever for speculators to get into the act. Property taxation is based on land use and productivity to resident users. At the time that such land passes from primary production use, or whatever its use, to commercial development it is taxed retroactively for two or three years. As a result those who own land on the periphery of cities are able to retain it without suffering confiscatory penalties. They hold on to it longer and when it is passed on to commercial developers it is likely that the commercial developer will not hold on to it for one or two years before actually developing it. I believe that such a method of approach, which contains an incentive, would prevent a speculator getting in on the act.

• (4:20 p.m.)

The other factor which bears directly on the problem of escalating costs in housing construction is one that relates directly to this government. It is indeed a matter of exclusive federal jurisdiction. I am referring to interest rates, the cost of money and the availability of funds for housing. The response of the government over the past months and last few years has been to act as though, while possessing sovereign powers, it cannot find any means to deal with the problem of high cost money and relative non-availability of mortgage funds.

The National Housing Act interest rate has been increased again in the hope that this will encourage the investment of more money in this field. While on the one hand it may have this effect it also has the effect of pushing up the price to such an extent that housing is simply beyond the reach of the majority of potential home owners. When that point is reached any kind of action that is taken becomes irrational. For the majority of the people in this country who are interested in and need housing the National Housing Act interest rate now is already such that it is of only theoretical concern to them. As we go on from day to day and from week to week we find that the National Housing Act interest rate has increased once again, the bank rate has increased and the prime lending rate has increased.

It is surprising to note the rapidity with which one bank follows another in increasing the prime lending rate. This almost gives one cause to wonder whether it might be of some value to have the anti-combines people look into the operations of the banks when they take concerted action such as this. I realize that the anti-combines legislation was never intended to be used in respect of banking operations or at least the operations of the chartered banks. However, it would be more than just an academic exercise for the anti-combines people if they were to interest themselves in the operations of our banks and study the way in which it just happens that an increase in the prime lending rate by one bank leads so quickly to a similar increase by the others. In a sense I am rather sad that I allowed myself to be persuaded to go along with the legislation last year which eased the limitations governing the banks in respect of interest rates. Since then there has been a chain reaction of escalation always upward.

There is another matter which I should like to discuss very briefly. It has to do with housing and the problems with regard to residential construction. One of the minister's colleagues, the Minister of Transport, on a number of occasions has advocated the concept of the building of satellite cities. I do not have too much to say in that regard except that I believe this sort of thing will have more and more merit in the years ahead. I do not intend to be offensive to the minister but perhaps the fact that this idea is being proposed by one of his rivals for the leadership may tend to make him somewhat less enthusiastic about it. There has been such pressure on the metropolitan areas in terms of land and land prices that I believe any action which can be undertaken by government to reduce this pressure would be beneficial. For example, the Department of Industry now has a program to encourage the decentralization of industry in this country.

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. gentleman but the time allotted to him has now expired.

Mr. Schreyer: Mr. Chairman, I could complete my remarks in a few minutes if I might have permission to continue.

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Schreyer: Mr. Chairman, as I was saying, the Department of Industry has been promoting a program to encourage decentralization of industry in this country. I suppose the prime purpose of that program is to cope with the problem of regional disparity in

income. However, there is also an incidental benefit to be derived from it. To the extent that the program is effective and successful in reducing regional disparity in respect of income it should help at least a little to reduce the trend of the population to move to the bigger metropolitan centres. In this way it would help to reduce the pressure in these centres with regard to land prices, cost of housing and so on.

This government, however, is inconsistent, and this is unfortunate. In the past year there has been quite a move—it cannot be called insignificant in degree—of government offices from towns and smaller cities to the larger cities where they are centralized. This really does not help anybody except perhaps those who form the office staffs. For example, a town of moderate size in my area had three government offices of three government departments. Two of these offices have been moved out of that town into the metropolitan area of Winnipeg. One might ask why these offices have been moved. The move has caused inconvenience to the people whom the offices were intended to serve. It has also meant an increase in the cost to the government and the taxpayers in maintaining these offices. The rental per square foot for office space in the bigger cities is two and a half or three times as great. Who is behind this kind of reversed economic move? I doubt that the minister intends such a move to save rent, but the principle is important.

• (4:30 p.m.)

I object at this time, when everyone is talking about inflationary pressures, the need to cut back on essential public programs and services, and whether or not we are capable of launching and sustaining a national medicare plan, to the determination on the part of the government to build headquarters office space.

The Assistant Deputy Chairman: I regret to interrupt the hon. member but I do not consider his remarks to be relevant to the clause under discussion. I understand that we are considering clause 4.

Mr. Schreyer: Having regard to your suggestion, Mr. Chairman, it is my understanding that at the request of the minister we did not make general comments on clause 1 but are making them on this clause. This obviously was the attitude taken by the hon. member for Edmonton West. With your indulgence I should like to conclude by saying that at this time, when we are talking about the need for economies, it is difficult to understand why we should go ahead with the construction of office buildings in this capital area at a cost of $41 million. Many demands are being made for cut-backs in government programs and services, many of which are expensive but necessary. They are necessary and we must support them, and if economies are to be effected I suggest that the priority should be in respect of government office buildings.

I had intended to make some reference to the efficacy of this cost-push influence and the establishment of a prices review board advocated by my colleagues in past months. I will refrain from doing so at this time, but I should like to point out to the minister that he should prevail on his colleagues in the cabinet to look seriously and closely at the savings of several million dollars which can be made by withdrawing our forces in Europe under the NATO command. I do not wish that comment to be taken as an indication that we are advocating a change in Canada's commitment. At this time, when the United States is lowering its commitment to NATO and Britain is reducing the strength of its armed forces, I think we should have regard to the necessity of maintaining our air squadrons for an indefinite period of time. Tuesday the Canadian Labour Congress presented a brief to the cabinet and yesterday members of the C.N.T.U. made a submission. On one important aspect of policy they were in agreement. They asked the government to cut down favouritism in respect of tax laws. The C.L.C. stated that it has been a long time since a government has shown a propensity to satisfy the wishes of the rich and the powerful equal to that shown by this government. The C.N.T.U. may not have used the same words but the same message was clear. I agree wholeheartedly with both organizations.

Mr. McLean (Charlotte): Mr. Chairman, I should like to ask the last speaker a question. He mentioned that we do not have ordinary inflation. I agree with him. We do have a price-wage spiral. Is it correct that the major surgery he suggests would be similar to what is taking place in the United Kingdom, that is, a ceiling on wages, prices and profits?

Mr. Schreyer: I realize the question is not intended to embarrass me and I will try to answer it. If the government lets things go too far and for too long it may be necessary, in order to cope with a crisis, to impose that type of limitation on prices, wages and

profits. However, when such a crisis is building up it seems logical, since we have review processes through collective bargaining, to maintain a price review. If that is not enough, then the next step obviously must be one of limitations.

Mr. McLean (Charlotte): The hon. member apparently supports the philosophy of the Carter report. He believes that if a man invests $10,000 and receives $800 interest he should be taxed but if he puts $10,000 into a house he should also be taxed to the extent of $800. I do not understand that.

Mr. Schreyer: The hon. member and I have had some very interesting discussions at lunch-time and I am sure we will have more very soon.

Mr. Monteith: Mr. Chairman, I should like to ask the minister one or two questions. As pointed out earlier by the hon. member for Edmonton West, the minister's predecessor brought in a one-shot windfall in respect of corporation taxes. At that time final tax payments had to be made within five months. I understand this period has now been decreased to three months but that the actual tax return must still be filed within six months following the end of the fiscal year.

Mr. Sharp: That is right.

Mr. Monteith: I assume there are always adjustments when the final tax returns are filed six months after the end of a fiscal year. Is there any indication whether those adjustments are refunds or allowances on the next year's taxes or are extra payments made following the final estimated payment? I may not have made myself clear, but as I understand it the final return must be filed within six months after the end of the fiscal year. There would be adjustments in respect of that return despite the fact that the final payment of tax was supposed to be made four months following the end of the fiscal year. Does the minister have any figures as to how many adjustments might have been made, either additional tax paid or refunds allowed?

• (4:40 p.m.)

Mr. Sharp: Mr. Chairman, I do not think the question of adjustment arises very much in the submission of the final return. It is expected that corporations will make the adjustment in the course of paying the final instalments. The purpose of giving time is so they are not in default when carrying through their ordinary accounting practice and filing their returns.

Mr. Monteith: In other words, Mr. Chairman, the minister is indicating that there have been inconsequential adjustments to the final returns that are made six months after the end of the fiscal year?

Mr. Sharp: That is right.

Mr. Monteith: Is it expected that with the moving forward of the final payment to three months following the end of the fiscal year there will be more adjustments, or will there still be comparatively few?

Mr. Sharp: I think it follows, Mr. Chairman, that there is a greater chance of adjustment. But I think the companies will be able to calculate their tax liability pretty closely and adjust it during the instalment period even though that is now shorter.

Mr. Monteith: I have one further question, Mr. Chairman. Does the minister feel that we have now reached the minimum period at which any final tax payment can be expected or is he looking forward on some other occasion to again moving the date forward?

Mr. Sharp: Mr. Chairman, I am not planning to bring forward the date of payment any closer to the end of the fiscal year, but I certainly would not want to give any undertaking that some government would not do it in the future.

Mr. Hales: Mr. Chairman, in view of the minister's answer I should like to ask him a question. Would the minister give consideration to paying sooner to corporations and individuals money that the government owes them so that they in turn may advance their payments?

Mr. Sharp: Mr. Chairman, I think the government of Canada is considered to pay its bills about as rapidly as they are customarily paid in the commercial world.

Mr. Starr: Then why are there so many complaints?

Mr. Germa: Mr. Chairman, Bill No. C-193 is a result of the introduction of the mini-budget by the minister on November 30 last. One of the objects of the mini-budget was stated in the first paragraph of the minister's speech wherein he said:

—first, to restrain the inflationary increases in prices, costs and the cost of living—

I believe it is a well known fact, one that is accepted by the establishment, that when the economy becomes overheated it needs a little grease. The budget indicated that, as in the past, the way in which an economy is greased is by allowing unemployment to rise. This has been the traditional grease on which our private enterprise economy has functioned for many years. This bill seeks to remove from the consumer certain amounts of money which will, in the minister's words, allow a little slack to take place within the economy. We have interpreted this action, and I believe it is a true interpretation, as being designed to create unemployment and ease the supposed overheating of the economy. The minister has failed to realize that prices can be controlled by other means than reducing consumer income.

Since this statement was made by the minister several matters have been raised in the house. Suggestions have been made to which the minister could have applied his mind. One example is the increase in the price of copper which has taken place since the minister introduced this piece of legislation. It was shown that the profits of the copper corporations, Hudson Bay Mining and Smelting Company Limited, Noranda Copper and International Nickel Company, were such that the four cent increase per pound in the price of copper was not necessarily required at this time. I fail to see what could be more inflationary in our economy than this increase of four cents per pound in the price of copper.

There is also the case of Bell Telephone Company which increased its profits beyond what was allowed. The rate of profit of this company was set by the house but when Bell Telephone went beyond what had been dictated by the house the government saw fit to introduce a lot of doubletalk to justify these excess profits. The government did this instead of taking action and demanding that Bell Telephone return to the consumers the moneys Bell had stolen from them over the past few years. I say "stolen" because it made these excess profits in contravention of what had been laid down by this house. But the government did not see fit to take any action in that regard.

In the last few days we have also seen an example of profiteering in Canada that has no equal. I refer to the profits being made by Canadian drug manufacturers. The government seems unwilling or unable to deal with this profiteering. I believe it is in this area that inflationary trends are taking place. Excess profits must be curtailed, I believe, as well as taking extra money from Canadian consumers.

The hon. member for Edmonton West, without any provocation from this quarter of the house, at every opportunity levels criticism against this party. He seems to take a delight in misrepresenting our position with respect to certain items of legislation that we propose or wish to have rejected.

Mr. Sherman: Mr. Chairman, would the hon. member permit a question? With regard to the matter of misrepresentation, would the hon. member not concede that a moment ago he may have misrepresented the position of Bell Telephone by the ill-considered allegation he made against that company in this chamber?

Mr. Orlikow: He was 100 per cent right.

Mr. Sherman: The hon. member has added his voice to that scandalous allegation.

Mr. Orlikow: Mr. Chairman, perhaps I may be permitted to say something since the hon. member for Winnipeg South has brought my name into this matter. I agree completely with every word which the hon. member—

The Assistant Deputy Chairman: Order, please. Is the hon. member rising on a question of privilege?

Mr. Orlikow: Yes, I am, Mr. Chairman. I agree 100 per cent with every word the hon. member for Sudbury has said about the unconscionable profits Bell Telephone has made. The record will show—

Mr. Cantelon: That is not a question of privilege.

Mr. Sherman: Mr. Chairman, that is hardly a question of privilege. I asked the hon. member for Sudbury a question.

The Assistant Deputy Chairman: Order, please. Will the hon. member state his question of privilege.

Mr. Orlikow: My question of privilege is a very simple one. When I made my interjection I think I was stating the fact.

The Assistant Deputy Chairman: The hon. member for Sudbury.

Mr. Germa: Mr. Chairman, I do not know exactly what the hon. member is alluding to

but my information, and I believe it is correct, is that the Bell Telephone Company has consistently exceeded the allowable profit margin as dictated by this house. If it is not stealing when it goes beyond the dictate of this house I do not know what stealing is. The Bell Telephone Company should have been required to refund that portion of profit which it made above that dictated by parliament. If that is not the case I have been misinformed, but to the best of my knowledge that is the situation. It is not the first time Bell Telephone has done this; it has done it consistently over the past ten years. I believe that every year the Bell Telephone Company has exceeded allowable profits but at no time has this government ever demanded that it return that money. The Bell Telephone Company seems to dictate to the government. It goes ahead and does what it wants and then the government passes legislation so it will be protected.

• (4:50 p.m.)

Mr. Sherman: May I ask the hon. gentleman another question? The point of my question was his use of the term "stealing" which I suggest has a scandalous connotation, especially in the way he used it. If he is talking about exceeding certain minimums, perhaps there might be an academic application of the term he has employed. However, when he talks about stealing by a company that is almost totally Canadian owned and operated and which has functioned for the benefit of the people of this country for many years as a good corporate citizen, then I suggest that term should not be allowed to remain on the record.

Mr. Germa: Mr. Chairman, the hon. member is splitting hairs. The government has since legalized the position of the Bell Telephone Company but prior to the legalizing of its position it must have been theft because the company did not fall within the four corners of the legislation enacted by this government. The government has retroactively cleared the company of theft. The government has pulled up the protective blanket of legislation around the company. I do not feel I should withdraw that term merely because the position of the Bell Telephone Company has been legalized or because the company happens to have a large proportion of Canadian shareholders. This still does not give the company permission to steal from the rest of the population of Canada. I care not what the nationality of the thief is. If he is a thief I think he should be called that.

Mr. Allmand: Would the hon. member permit a question? Does the hon. member realize that only a few weeks ago in the transport committee several members of his party agreed to the Bell Telephone bill which permitted the company to do many of the things of which he is accusing it? He is accusing the government of being the only party to this approval, but does he realize that two members of his party approved the Bell Telephone bill?

Mr. Peters: If this is true and you can prove it, we will not pass that bill today.

Mr. Germa: There was never any intention on the part of members of this party to recognize the excess profits of the Bell Telephone Company. In fact, if you would like to know the party position on the Bell Telephone Company we feel that as a public monopoly it should be grabbed by the government. If there is anyone in the house who does not believe the Bell Telephone Company eventually will have to be nationalized, then he is living in a dream world. This company should have been grabbed long ago. It has exploited the population of Ontario and Quebec, with the permission of the government, to a degree unseen anywhere.

Mr. Bell (Carleton): That is utter nonsense.

Mr. Germa: If you want some more I will give it to you. These are all the free enterprisers talking.

Mr. Orlikow: There is no Bell Telephone in other provinces.

Mr. Germa: The telephone companies are government controlled in other provinces but in Ontario and Quebec we have to suffer the Bell Telephone Company which does as it pleases with government protection.

Mr. Bell (Carleton): This is just total rot.

Mr. Germa: I did not intend to get into a long discourse on the Bell Telephone Company, but I hope I have made my position and the position of this party clear.

Mr. Byrne: That is nothing new.

Mr. Germa: Mr. Chairman, I was talking about—

Mr. Nowlan: We like to hear about this. Keep on talking. Let us know your true position.

Mr. Germa: If you people believe in the free enterprise system, come out and say so. We would like to hear it. What about Ontario Hydro? You are getting the cheapest electricity possible and it is a government owned agency.

Mr. Nowlan: What else does the hon. member want to nationalize besides the Bell Telephone Company? I should like to hear your true position.

The Chairman: Order. Perhaps I could ask the hon. member to proceed with his remarks and to confine those remarks to the clause before the committee.

Mr. Germa: I shall try to abide by your ruling, Mr. Chairman. These interjections must not go unanswered, of course, because they would leave wrong impressions on the record. I believe they have to be corrected. I will continue in the vein you have suggested, Mr. Chairman.

Mr. Sherman: I would rather be stuck with our members than yours.

Mr. Germa: There are a few unruly people here, Mr. Chairman, who do not like to hear the truth. They know that their system is falling apart at the seams and when someone makes constructive proposals all they can do is jeer.

The hon. member for Edmonton West took some pains to defend the corporate cause. He said corporations were going to be hurt a little by this legislation because they will have to make their final tax payments by the end of the third month after the close of the year instead of the fifth month. This is certainly a hardship. There will be no increase in the amount of money they will have to pay. This is just an updating of the due date.

Let us compare the situation of a corporation with that of the average individual. The average individual who is paid by the week pays his taxes within seven days of receiving his money, so the corporation still has a 60-day advantage over the individual taxpayer. I cannot see that it is any hardship on the corporation merely because it has to meet its taxes by the end of the third month instead of the fifth. When the act provided for a five month lag in the payment of taxes this amounted to the government lending corporations money without interest.

The hon. member for Edmonton West said that these corporations will now have to go out and borrow operating capital. Certainly they will have to go out and borrow operating capital. Why should they use money which rightly belongs to the citizens of Canada? Why should they be able to use this money interest free? If you believe in the free enterprise system then you have to pay what money is worth. Why should these people be unwilling to pay for the capital they use, just as you and I do when we have to go out and borrow capital to meet our operating needs?

There is no doubt in my mind, Mr. Chairman, and this fact has been documented within the past four years, that the tax system as we know it today is very unjust. I do not believe that merely patching it up with this type of legislation is going to alter the situation. I believe that the morale of the Canadian people is being lowered by the perpetuation of a system which does not bring equity to the people of Canada in their support of the country through the present tax system.

When Mr. Carter was given the job of studying the tax system he had broad terms of reference. I believe he did a very good job. I was sorry that the minister, in his statement on November 30, more or less rejected the Carter commission report on the flimsy ground that the report was written in 1964 and therefore would not necessarily apply to 1969. I am sure that the figures are going to change between 1964 and 1969 but I feel that principles go on forever. If a principle was right in 1964 I feel quite sure it will be right in 1969. If the principles are wrong now, and I believe they are, they are going to be wrong 100 years from now. I believe we have to take steps to correct these inequities so the people of Canada will have faith in this government which, as you are well aware, Mr. Chairman, is losing the support of the people at an alarming rate. I suggest that the government look at some of the objections that have been made to the Carter recommendations. Almost 100 per cent of the objections comes from the elite of the corporate and monopolistic enterprises, the 2 per cent that controls the Canadian economy. If suggested legislation of that kind is bad for them then it must be good for us. After all, I do not think any legislation could be bad for everybody.

• (5:00 p.m.)

In their submission to the government these companies condemn any kind of social spending. They care not for the humanities.

All they want is to maximize their own profits. Industries that are foreign owned show very little concern for the citizens of Canada. Most of the objections that have been made to the revamping of our tax structure should be rejected by the government on the ground that they are put forward by selfish interests that have no concern for Canada or for the citizens within its boundaries.

The person who bears the brunt of taxation change in this country is the wage earner. His sole source of income is easy to tap because his earnings are known to the minister. So far as the minister is concerned, such a person is naked. He cannot take advantage of any legislation to offset part of his income. He is the man whom the minister is more prone to attack; yet he is least able to pay a 5 per cent surcharge in addition to the tax he normally pays.

The Chairman: Order, please. I hesitate to interrupt the hon. member but perhaps I should remind him that the remarks he is now making should be made on clause 5 rather than on clause 4.

Mr. Germa: Mr. Chairman, at the outset of this debate the minister said he would like to see a general debate on both clause 4 and clause 5. If that was not the correct interpretation of the minister's request I should like further guidance.

Mr. Sharp: Mr. Chairman, I should like to confirm that I indicated to the house that I thought a general discussion could take place most appropriately on clauses 4 and 5. As long as these comments are not repeated on clause 5 I do not think any objection should be taken.

The Chairman: May I say that I was in the chair when this agreement was reached. If the committee wishes to have a general debate on a clause other than clause 1 or clause 2, as the case may be, then the Chair would have no objection. However, the Chair does take the view that any comments made by members, even though they may be of a general nature, should relate to clause 4 when clause 4 is before the committee and to clause 5 when clause 5 is being discussed. Perhaps I should invite the hon. member to continue.

Mr. Germa: Thank you for your indulgence, Mr. Chairman. Clause 4 deals with payment of income tax by corporations and the date of commencement of such payments, so I will confine my remarks to this clause as closely as I can. To my mind corporations have enjoyed a privileged position in our tax structure. They have been treated more like human beings than have human beings themselves. Concessions granted to corporations throughout the years have allowed them to become powerful to the extent that they dominate us economically and apparently politically. More and more legislation seems to be designed to favour those who are in this privileged class and they become more and more privileged.

Let us consider the anomalies within our income tax structure in the development of our natural resources by these corporations. I do not think the minister or any Canadian should be inhibited in his demands for a fair share of the wealth extracted from our natural resources by these corporations. As Canadian citizens we own these resources. There is no doubt in my mind that we should have priority over those who perhaps have their names on a paper. Everything in Canada belongs to the citizens of Canada. Every tree in this country, Mr. Chairman, belongs to you and me collectively. So does every ore body in Canada. It is incumbent upon the minister to extract from corporations that are depleting these resources a fair share of their profit.

It has been shown many times in the past that after mining companies have depleted bodies of ore the taxpayers' money has to be spent on alleviating hardship in the area concerned. Mining companies enjoy a three-year tax holiday. As I said a week or so ago, this law is 40 years old and it is time it was updated to meet the present-day techniques of exploration used by mining companies.

Another anomaly in the tax law of the country is the depletion allowance. The law provides that as the value of an ore body is reduced a mining company can reduce its capital cost by a like amount. However, take the case of the miner who has bought a house in the community. As the value of the ore body is depleted so is the value of this man's home; yet he is not allowed a depletion allowance on his home. This is one area where the minister should have introduced legislation to assist people who take the risk of working and living in a mining community. There is no equity in a system that allows a mining company to depreciate its capital cost at the rate the ore body reduces in value but does not allow home owners to depreciate their properties at the same rate.

Income Tax Act

• (5:10 p.m.)

There are several myths in Canada propagated by the press and various business associations to the effect that too much security will kill initiative. This is interpreted by the minister to mean that we must levy a tax on those we have chosen to be the work horses in the community. If we do not keep them a little hungry and lean they will lose their initiative. If the government were to follow this argument to its logical conclusion it would mean that the government would have to levy a 100 per cent tax on inheritances, since one-fifth of our business leaders inherited their positions. And who are we to say that they have lost their initiative? They still have initiative. Therefore this measure involves a contradiction in principles.

Mr. Cantelon: Will the hon. member permit a question? Does he consider that a farm which may have taken a farmer a lifetime of work to acquire should be appropriated by the government through 100 per cent inheritance taxes?

Mr. Germa: To be clear, Mr. Chairman, I did not propose a 100 per cent inheritance tax. I merely pointed out to the committee that if the argument about incentive were taken to its logical conclusion we would have to introduce a 100 per cent inheritance tax in this country because otherwise we would ruin the incentive of so many people. Surely there is an inconsistency in, on the one hand, keeping the workingman's incentive high by keeping him hungry and, on the other hand, allowing others to live off inheritances. Those who live off inheritances do not have the same inducements as those who have no inheritances. I think the hon. member misinterpreted my intention, as is evident from his question.

The Carter commission made various recommendations to the government and, without being solicited, the mining companies presented some abusive briefs which I believe pushed the government into a corner. The government quickly promised the mining companies that not until 1974 would it consider removing the three-year exemption that the mining companies now enjoy. That shows the degree to which this government is controlled by the corporate elite of this country, that 2 per cent of our population who have the rest of us by the throat.

Had the minister really wanted to do something for Canadians, and I think the Minister of Finance is the man who can best control the country and best correct many inequities, he would have raised the income tax exemption for our people. The basic exemption of $1,000 for a single person has been in our tax law for goodness knows how many years; it has been there ever since I have been paying taxes. It is completely out of line with present-day needs. I think the exemption for a single man should immediately be raised to $2,000 and for a married man to $4,000, if it is to come anywhere near meeting today's needs.

The Chairman: Order, please. I must advise the hon. member that the time allotted to him has expired.

Mr. McLean (Charlotte): Would the hon. member permit a question? He spoke about the mines and what would happen to the miners if they were forced to close down. We know that because the price of gold has not been increased for many years, gold mines all over the country have been closing down. Does the hon. member believe that the minister should advocate an increase in the price of gold in order to keep the gold mines open and thus keep the miners from losing their houses?

The Chairman: Order, please. The hon. member would require unanimous consent of the committee to continue.

An hon. Member: No.

The Chairman: Shall clause 4 carry?

[*Translation*]

Mr. Latulippe: Mr. Chairman, I would like to say a few words on this bill.

It is not always pleasant, not always satisfactory, to Canadians to see their income tax being raised. But I feel that, in the present system, the way we raise taxes is patently unjust. The little man is still going to pay for everything. There is no end to the little man's taxes. He is taxed on all sorts of things: on production and on consumer buying. He is also taxed by the federal and provincial governments, the municipalities and the school boards, to such an extent that he is left with nothing to live on.

Our citizens find it very hard to make a living, especially the poor and those belonging to the middle class. The middle class is now in the process of disappearing, because it is overtaxed. Here in this house, we are unable to administer. We cannot do anything

without raising taxes and the rates of interest to financiers.

When the money lords raise their rates, the Minister of Finance (Mr. Sharp) does not blame them. One would think that he is pleased when the financiers come and raise their rates on capital, stocks and debentures. Everywhere, this is accepted with open arms.

Bonds are renewed, thus increasing capitalization from $500 to $700 million or any other amount, each time raising the interest rate. Now, those gentlemen have done nothing to receive much more than their capital, while the individual has to work and reduce his own capital. The person who lends his capital sees his income and his capital increase as a result of various increases, including interest rates.

I have here, Mr. Chairman, a table which could make the minister and the hon. members understand.

It is a comparative table for the years 1944 to 1967.

The gross national product amounted to some $11,400 million in 1944, while it reached $62 billion in 1967.

Consumption and expenditures amounted to only $10,120 million in 1944, compared to $40 billion in 1967.

During the same period, capitalization and profits increased from $1,280 million to $22 billion. This means, therefore, that capitalization and profits have increased 17-fold from 1944 to 1967, while the gross national product increased five-fold and consumption and expenditures, four-fold.

• (5:20 p.m.)

Mr. Chairman, I could also mention the number of cheques in circulation; it went from $60 million in 1944 to $600 million in 1967, that is 10 times more.

Increased capitalization reached, in 1967, $18 billion; yet it seems we do not know where to find the necessary income to finance the various departments and the government administration. Indeed, we do not even touch the capitalization. I am not against capitalization but if, under the present system, capitalization has every right, if it can increase its capital, its rate of interest, I feel the people should have a say. It is imperative to do something for the people, to have a look at their income.

For instance, the banks' assets totalled $6 billion in 1944 and $28 billion in 1967, that is five times more. The stock of 800 large companies was worth $7 billion in 1944 and $102 billion in 1967, that is 14 times more. A Royal Bank share sold for $10 in 1944 and $80 in 1967, that is 8 times more; its dividends amounted to 6 per cent or 60c. in 1944 and to $3 or 30 per cent in 1967, that is five times more.

Everything has increased like that in high finance, in the financial system; while personal income keeps decreasing, that of high finance increases continuously and brings in a hundred times more.

In spite of salary increases, strikes, steps to enable the middle class to live a little better, the opposite always happens; taxes go up and so does the cost of living. There is no end to it; there is no stopping it. High finance always gets the most out of it, because the purchasing power of the citizens is diminished through taxes levied by the federal and the provincial governments, in short by all levels of government.

I feel that the minister should open his eyes and take such a situation into account to avoid an increase in taxes. In the present system, he should take them in capitalization, in the profits on capitalization which are hardly taxed.

It is always the little man that is taxed. Our present system is a system of taxes. If it is impossible to change it, at least let us tax the rich and stop taxing those who have nothing. Let us stop taxing those who do not have enough to live on but let us tax those who have too much. By so doing, everybody will be taxed and everything will turn in circles, everything will come to nothing through too much taxes, the little man will disappear, and when the rich is taxed, he will disappear also. In fact, we will all disappear from earth. With our present system, we will all disappear in the near future. Our system is a system of taxes, increases here and there; in short, it is a system which turns in circles and which, finally, settles nothing, balances nothing. It is a complete, anti-social and anti-human imbalance, and the problem cannot be solved.

We offered you a solution on many occasions; we suggested financing public assets at administration costs, but that has always been refused. We proposed many amendments designed to finance public goods at administration costs, which would have accounted for a savings of $3 billion the first year, but they refused to do that, they closed their eyes and ears, saying: That is a Social Credit theory; we will not consider that.

On the other hand, where does the minister's theory lead us? Where are we going with this complete imbalance, with this outdated system, with this "anti-arithmetic" system? We cannot go forward, we cannot go very far with such a system, and the minister knows that. If he wishes to do something, for want of solutions better than his own, all he has to do is to come and see us, as we could suggest him some. We have often let him know our solutions, but he refuses to consider them, he refuses to apply them. If the present system continues, we shall soon see revolutions, massacres and general discontent, strikes will multiply and we will not be able to settle any problem.

Our economic system is fundamentally wrong and must be reformed. There is no question of destroying everything, breaking everything down, criticizing everything; it is simply a matter of improving what is wrong. We must keep what is good, but what is wrong must be reformed. That is what we have to say and that is what the minister should do, I think, because it seems to me it would be more logical to do that rather than always increase taxes, in short, rather than always taking away the purchasing power of individuals, who do not have enough already, for the people are suffering from a lack of purchasing power. Proof of this assertion is that we have a $18 billion capitalization in 1967, and we may have one of $22 billion in 1968, according to statistics. Mr. Chairman, I believe it is abnormal to capitalize all the time and to deprive citizens of their purchasing power.

[*English*]

Clause agreed to.

On clause 5—*Temporary surtax.*

Mr. Monteith: Before this clause carries I should like to say one or two words about it. The clause has to do with a surcharge on income tax. It imposes an increase in the personal income tax of people who can ill afford any reduction in their incomes.

I understand the minister will be in my constituency on February 24. Of course I would not know the purpose of his visit, but I think he may find some difficulty while he is there in explaining to the people of Perth why he had to impose this increase in the income tax. It is obvious that it goes back some time. On December 6 I pointed out to the house that this government in its first full year in office had increased expenditures by 4.6 per cent, that in the following year, 1965, there was an increase of 5 per cent, in 1966 an increase of 7.1 per cent, in 1967 an increase of 13.7 per cent and in 1968 an increase of something like 12 per cent.

In connection with the estimates presented to the house the other day an attempt was made to tell the people of Canada that the increase in expenditures amounted to only 3.6 per cent. However, a correct comparison made with the estimates presented a year ago would show the real increase to be approximately 8 per cent. The President of the Treasury Board did say that because of the use of computers more accurate estimates could be made and there would be no need to ask the house to approve supplementary estimates. I suggest, however, that a cushion of some kind has been included in the figures presented to us and that the computers have not in fact done a true job in estimating likely expenditure.

As hon. members know, the cost of living has been increasing at the rate of some 4.5 per cent a year during the last two years. This simply indicates that the average person in Canada is no longer able to meet these vast government commitments which make it impossible for him to lead the kind of life he is entitled to lead here in Canada.

The inflationary trend which is developing under this government has been admitted by the minister. Indeed, he has attempted to do something about it by means of this tax increase. It has certainly failed to make any impact up to now, according to the most recent figures issued by the Dominion Bureau of Statistics. This tax was announced on November 30 and came into effect on January 1, 1968. People have been paying this increase since that date but so far it has done nothing to assist in halting inflation.

• (5:30 p.m.)

The minister has to do something about this matter. Either he or a possible successor will have to bring down another budget almost immediately. The other day when answering a question the minister said that no budget would be introduced before the Liberal convention is held. I can understand that, because we are not going to be around here too much longer. Nevertheless, we should have a budget introduced prior to that convention. A budget will have to be introduced immediately after the Liberal convention to let the people of Canada know where we are

going and how we are going to meet the increased estimates which were tabled at the beginning of this week.

The government has been extravagant in the extreme. This has been shown in the way it has disregarded expenditures. It has been shown in the way it has disregarded the people of Canada by increasing taxes. The government has introduced two budgets a year and with each one has taken another bite out of the cherry. I am sure the people of Canada now realize exactly what the government has been doing and how it has been hoodwinking them by claiming they have had prosperous times. Now the whole thing has come home to roost. It is plainly on the government's doorstep. We certainly deplore the imposition of this additional 5 per cent surtax on the income tax of the average Canadian.

[*Translation*]

Mr. Caouette: Mr. Chairman, I only want to say a few words on clause 3 of Bill No. C-193 now under study. It is wished to insert the following heading in that clause:

Temporary surcharge

I wonder why the Minister of Finance (Mr. Sharp) is not more straight-forward with the Canadian people. Has the minister ever imposed a temporary surcharge or any temporary tax that he has subsequently abolished? It is clear that, in view of the present financial situation in Canada, the minister will not be able to abolish that surcharge he is asking us to approve.

He knows very well that the average Canadian citizen is unable to pay more taxes than at present. He is already paying too much. Even though it is provided that a person must now be paying $100 in income tax to be subject to that surcharge, anyone paying $100 in income tax cannot afford to pay that additional surcharge, and the minister knows it.

Instead of taking the money he needs where it is to be found, the minister always asks the little man to make a sacrifice and to give more. Clause 5 indicates clearly the attitude of the minister and of the present government.

The people are never promised increased taxes or new surcharges during election campaigns. Ho no. In 1963, or in 1965, both sides of the house, Liberals and Conservatives, accused each other of raising taxes too high. They said "Give us the power, and we will reduce taxes". But each time we changed government, taxes were increased instead of diminished.

We now face again the very same problem. The Canadian worker is asked to pay higher taxes and is told, for example, that it is only a temporary measure. In a few days, we will be studying supplementary estimates which will ask the Canadian taxpayers for more money still, and we will go and get in their pockets what we refuse to get through the financial means at our disposal. Efforts are being made to help the whole world to make interest-free loans to various countries, but here, in Canada, those who are building the country are asked to pay surtaxes.

Mr. Chairman, I think it is time for the Minister of Finance to be a minister of finance and not the "Chief Tax Collector" in Canada. It is time for him to examine our physical possibilities, the present number of unemployed who could increase our national productivity, and the financial possibilities offered by the Bank of Canada, an all-powerful institution in the field of finance.

I see that the hon. member for Bonaventure—

Mr. Béchard: Mr. Chairman, may I ask the hon. member a question?

Mr. Caouette: Certainly, Mr. Chairman. The parliamentary secretary can ask me ten questions if he wants to.

Mr. Béchard: Who, according to the hon. member for Lapointe, would be an ideal minister of finance?

Mr. Caouette: The hon. member for Lapointe?

Mr. Béchard: I am sorry, Mr. Chairman. I meant the hon. member for Villeneuve. How would the hon. member for Villeneuve see an ideal minister of finance?

Mr. Caouette: My ideal minister of finance, Mr. Chairman, would be somebody who would be a good enough accountant to balance our economy and to maintain a monetary system in keeping with the physical conditions of our country. This is the ideal minister of finance we should have in Canada.

[*English*]

Mr. Sharp: May I ask the hon. member a question? Do I fulfil the qualifications?

Mr. Caouette: I think the minister would be able to fulfil the qualifications if he were a good Social Crediter.

Mr. Lambert: He and the other members of the Liberal party even voted for Social Credit theory once.

[*Translation*]

Mr. Caouette: They have already voted for a Social Credit motion; that is a fact.

Mr. Chairman, the minister knows very well that the difficulties he is facing just now are entirely due to the monetary system, the financial system. The Canadian workers, the farmers or the voters of the electoral district of Bonaventure are not to blame, they have not failed to keep their word or take their responsibilities. The members all know that. What is wrong is that the Minister of Finance is at grips with the financial system. He is the one who is remiss in his duty.

At a time when we have about half a million unemployed in Canada—75,000 in the city of Montreal alone—people who beg leave to earn their own living, the government pays adults to take courses and to make them trained unemployed instead of untrained unemployed. We do not have jobs for them because the restrictions imposed by the government compel industry and even agriculture to slow down, and this at a time when every one must tighten one's belt because of a monetary system which is outdated and inadequate.

The solution the minister has to offer us, a temporary surcharge, is a poultice on a wooden leg. I understand the unemployed will not have to pay that temporary surcharge. I understand too that those who now are paying $100 in income tax will have to pay $105. Now, Mr. Chairman, this is not a solution. This will not solve the economic problems of Canada, this will not help to restart our economy. Not in the least.

Mr. Chairman, we should deal frankly with the Canadian people and not try to fool them with a temporary surcharge, when we know very well that this surcharge, if ever it is abolished, will be replaced by higher taxes or a new tax, and the minister knows it very well.

Can anyone tell me what taxes have been abolished by the present government or by the Tories? They can pass the buck to each other all they like, but this is no solution.

The solution which we propose can be laughed at, of course. It has already been ridiculed in the past and it can still be. But the fact is, Mr. Chairman, we are still struggling with the same problem. To solve it, we are laying down restrictions on construction, not because of a shortage of materials, manpower, engineers, abilities, but due to a shortage of financial means.

If a world war were to break out tomorrow, the Minister of Finance (Mr. Sharp) who is now at his desk, would find the necessary billions to purchase guns and shells, to enlist the Canadian youth, to dress, feed and lodge them properly. There would not be any financial problem then. In peacetime the minister of finance is powerless to develop Canada, to build something in Canada. Only in wartime can our ministers of finance do something.

• (5:40 p.m.)

Therefore, Mr. Chairman, I feel the time has come to think of setting up in our country a financial system which would make possible the economic expansion of our country, the development of our natural resources, the building of roads, schools and hospitals when we need them, in short, a financial system adjusted to our physical possibilities. Then, no more temporary surcharges, as provided in clause 5 of Bill No. C-193, would be introduced.

Mr. Chairman, let us consider logical solutions instead of always listening to those who fleece the people. The individual's income tax is increased by 5 per cent. A few months ago, financiers were authorized to increase their interest rates by 2 and 2½ per cent, and now it is 3 per cent. Such an increase in interest rates was designed to boost the Canadian economy and enable the little man to borrow.

Can the little man borrow more today than six months or a year ago. When we borrow these days, we get deeper into debt and pay interest. The Quebec government is now borrowing millions of dollars at an interest rate of 7½ per cent. Provincial authorities should normally be able to borrow from the Bank of Canada, instead of going to New York on hands and knees in order to be able to build a road, a hospital or schools. But no, they go to New York.

If we borrow a million dollars at 7 per cent, for a 20-year period, the interest will amount to $1,400,000. If, at some point, we were required to reimburse the capital and the interest, I think we would not even be able to pay back the interest. That is where the present situation comes from. It is from this system that everybody suffers in Canada. It is this system that created misunderstanding and disunion in Canada.

Provinces complain to the federal government that they lack money. The federal government replies to them: we do not have any either. They are penniless in Ottawa, in Quebec, in Alberta, everywhere, in all the provinces. We are governed by a clan of penniless people. It is not surprising to see additional taxes and temporary surcharges.

Mr. Chairman, the problem is entirely financial. Instead of solving it, they are making the little man pay again. Let us exploit him even more, that is this government's answer.

We object to this tax increase, because we consider that the Canadian people, the worker, the miner in my area, and the farmer, pay enough taxes; indeed, they are now paying too many taxes.

Taxes are not what the people need at the present time. If we want to start up the Canadian economy, we must increase the purchasing power, through the distribution of a national dividend. Then, stores can sell the goods they have on their shelves, and manufacturers will see to producing more, to fill those shelves.

There would then be less unemployed in Canada. New industries would crop up, because consumers' needs would be met, at least to a great extent. That is the solution to the present problem. It is not by reducing the consumers' purchasing power that a new impetus will be given to the Canadian economy, but rather by increasing it.

We shall then succeed in striking an economic balance which will enable every Canadian to live decently in a country as rich as ours in natural resources.

[*English*]

The Assistant Deputy Chairman: Shall clause 5 carry? The hon. member for Winnipeg South—the hon. member for Broadview.

Mr. Gilbert: Mr. Chairman, I am prepared to allow the hon. member for Winnipeg South to proceed if he so wishes. Otherwise I shall proceed.

Mr. Sherman: Mr. Chairman, I am prepared to allow the hon. member for Broadview to proceed. I shall proceed later.

Mr. Gilbert: This, Mr. Chairman, indicates the degree of courtesy which prevails among members of this house. The first thing I should like to do is move an amendment to clause 5. The amendment reads as follows:

Delete subclause (b) of clause (1) of clause 104A of Income Tax Act.

While copies of the amendment are being distributed I might explain its purpose. It will be noted that in subsection (1)(b) of section 104A the amount set out is $600. This is the income tax ceiling limitation. The tables presented by the Minister of Finance indicate that the top range of income involved is $50,000. Any person earning over $50,000 would not be subject to additional tax in an amount greater than $600. We in the New Democratic party feel that this is unfair and unwarranted in respect of most Canadians. It will be noted also that the minister has imposed the 5 per cent surcharge on people whose tax is above $100. We do not feel it is fair that there should be a limitation of $600 on the surtax and that persons with incomes over $50,000 should have the advantage of this limitation.

• (5:50 p.m.)

It may be that the Minister of Finance feels he is in an awkward spot in having to attempt to get Bill C-193 passed at this time prior to the leadership convention on April 5. He may want the Minister of Justice to bring forward his bill containing amendments to the Criminal Code so that that minister would be placed in an equally embarrassing position. He may want the Secretary of State for External Affairs to call for a full debate on the Viet Nam question so that all leadership candidates will be in the same position in respect of criticism. It is my belief that any leadership aspirant who holds the portfolio of finance has literally the kiss of death on him in respect of his chances of success at any leadership convention. There is no doubt that he still has his friends on Bay street who will give him full financial support during his leadership campaign, but he does not have the support of the rank and file members of his own party. He certainly has no support from the average Canadian for the amendments he is proposing in this bill.

It might be said that the minister is the author of his own misfortune because he has made a gross miscalculation as indicated by his mini-budget of last year. He allowed taxes in the amount of $73 million to be repaid with the hope of curbing inflation and high interest rates. That mini-budget of last June was unsuccessful. We then had the minister coming back in November of last year with

another mini-budget. There certainly is one thing about the Minister of Finance. He does not lack the ability to come forth with mini-budgets which prove to be something other than solutions to Canadian monetary problems. It could also be said that the minister is the author of his own misfortune because he has failed to direct the economy. He has placed reliance on so-called economic tools for fiscal and monetary policies. His sole aim has been to adjust the present-day market economics in the hope of achieving price stability and employment. He has also failed miserably in this regard.

It may also be said that he has failed to give any serious consideration to the implementation of the main recommendations of the Carter commission. He has tried to slough these off with the flimsy reason that the Carter commission report related to revenues in 1964 and has no application in 1969. He is also the author of his own misfortune because of the scare he attempted to create in the minds of many Canadians regarding the implementation of medicare. He pulled a $1 billion figure out of a hat and refused to give any indication as to how he arrived at that figure. He ignored the Minister of National Health and Welfare who said a few months previously that the total cost of medicare in Canada would be $680 million, that Canadians now pay $600 million by way of insurance premiums and other payments and the difference would be $80 million. He completely ignored that statement and will probably continue to ignore it even though, with the increased figures given by the Minister of National Health and Welfare, there remains a difference of only $80 million in respect of a total medicare program for Canadians.

The Minister of Finance recognized in his budget speech on November 30 the two main problems affecting most Canadians today. I refer to inflation and high interest rates. The minister brought forward a traditional remedy by imposing a 5 per cent surtax on Canadian workers, with a base limit of $100 and a ceiling of $600. He has tried to explain this away by saying that out of 6,600,000 workers only 1,300,000 will be affected by the surtax. Surely this indicates how low is the income of many Canadians today. When I came to this house a couple of years ago I was surprised to find that the average annual per capita income in the maritime provinces ranged between $1,300 and $1,600. This lends support to the statement that the basic income of most Canadians is far below a reasonable level.

The minister is imposing a 10 per cent tax on liquor and tobacco and accelerating by two months the payment of income tax instalments by corporations. He tried to offset the latter action by saying that the refundable tax payments to corporations will be accelerated so they can get their 5 per cent repayments within a shorter period of time than under previous legislation. One wonders why Canadian corporations should be given 5 per cent interest on 5 per cent refundable taxes.

The minister has attempted to fight inflation by bringing forward the proposals I have outlined. When one compares inflation now with the inflation which existed last November one realizes that every measure taken by the government has been ineffective. The cost of living has continued to climb and is continuing to affect most Canadians. May I call it six o'clock, Mr. Chairman?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions will be raised at the time of adjournment: the hon. member for New Westminster (Mr. Mather), Health and Welfare—measures to combat problems caused by alcoholism; the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe), Agriculture grants or loans for fairs and exhibitions.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, private bills, public bills. As there are no notices of motions for papers on today's order paper the house will proceed to the consideration of private bills and public bills.

PRIVATE BILLS

THE BELL TELEPHONE COMPANY OF CANADA

The house resumed, from Thursday, February 8, consideration in committee of Bill C-104, respecting the Bell Telephone Company of Canada—Mr. Honey—Mr. Batten in the chair.

The Chairman: When the committee rose on Thursday, February 8, old clause No. 7, renumbered new clause 6, with an amendment proposed by the hon. member for York South, was under consideration. The committee will now consider clause 7 of the original bill, renumbered clause 6.

On clause 7 (renumbered clause 6)—*Power to operate communication system.*

• (6:00 p.m.)

Mr. Honey: Mr. Chairman, when the committee rose last week we were considering, as Your Honour has indicated, old clause 7, new clause 6. At that time there was before the committee an amendment proposed by the hon. member for York South. I have had conversations with the hon. member for York South and other hon. members on the other side of the chamber who have considered with me a form of amendment to this clause that would be acceptable to all hon. members.

I make this suggestion now because I think we may be in something of a procedural difficulty in this connection. I suggest that, provided hon. members agree, the amendment proposed last week by the hon. member for York South might be withdrawn, if we are able to do so—I notice that the hon. member for York South is not in his seat—so that we could then proceed with the consideration of the amendment which I understand is agreeable to all hon. members.

Mr. Barnett: Mr. Chairman, I expect the hon. member for York South to be in the chamber very shortly. He has been attending one of the standing committees all afternoon. I have just come from that committee. If I understand the suggestion correctly it is that the amendment proposed by the hon. member for York South last week be withdrawn in order that it may be replaced by a new and somewhat modified proposal in respect of the whole clause. On that understanding I think the hon. member for York South would agree to this procedure being followed.

Mr. Honey: That is my understanding, Mr. Chairman. When the hon. member for York South is here and is able to withdraw the amendment I will then be prepared to place before the committee an amendment which I understand is agreeable to all hon. members of the house.

The Chairman: Order, please. It is, of course, irregular for an amendment moved by an hon. member to be withdrawn without the consent of the member moving the amendment. If, however, the hon. member for Comox-Alberni is prepared to state that it is the wish of the hon. member for York South to withdraw his amendment and the committee is prepared by unanimous consent to accept such a statement, the Chair would have no objection.

Mr. Barnett: Perhaps we could reach an understanding in this respect, Mr. Chairman. As was suggested, we could leave the matter in abeyance temporarily and let the hon. member for York South formally withdraw his amendment. I thought I should indicate to the committee that my understanding is that he would be quite agreeable to doing that. The hon. member should be here very shortly. Perhaps in the meantime we could consider another aspect of the matter. While we are waiting for the hon. member to take his seat perhaps we could have an informal discussion on the proposed replacement amendment. Then we could clear up the procedural aspect of the matter.

Mr. Honey: Mr. Chairman, I thank the hon. member for Comox-Alberni for his suggestion. I was going to suggest that I place on the record the amendment which I understand has the concurrence of all hon. members in order that the committee might consider it. We might do that on the understanding that when the hon. member for York South is able to take his place in the house and withdraws his amendment we will then have this amendment before the committee for consideration. If I have the concurrence of the committee to do so, I would move, subject to the withdrawal of the amendment of the hon. member for York South:

That all of old clause 7, new clause 6, from and including subclause (4) be deleted and the following substituted therefor:

"(4) For the protection of the subscribers of the company and of the public, any equipment, apparatus, line, circuit or device not provided by the company shall only be attached to, connected or interconnected with, or used in connection with the facilities of the company in conformity with such reasonable requirements as may be prescribed by the company.

(5) The Canadian Transport Commission may determine, as questions of fact, whether or not any requirements prescribed by the company under subsection (4) are reasonable and may disallow any such requirements as it considers unreasonable or contrary to the public interest and may require the company to substitute requirements satisfactory to the Canadian Transport Commission in lieu thereof or prescribe other requirements in lieu of any requirements so disallowed.

(6) Any person who is affected by any requirements prescribed by the company under subsection (4) of this section may apply to the Canadian Transport Commission to determine the reasonableness of such requirement having regard to the public interest and the effect such attachment, connection or interconnection is likely to have on the cost and value of the service to the subscribers.

The decision of the commission is subject to review and appeal pursuant to the Railway Act."

Mr. Lewis: I am sorry, Mr. Chairman. I was attending a parliamentary committee meeting and happened to be questioning the witness. We did not finish until just after six o'clock. I apologize for being late and perhaps causing some inconvenience to the committee. As I understand it, the sponsor of the bill has indicated the amendment that he is now ready to move. In view of this, with the permission of the committee I shall withdraw the amendment that is on the table and which I moved a week ago.

The Chairman: Does the hon. member have the unanimous consent of the committee to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Lewis) withdrawn.

The Chairman: Would the hon. member for Durham request one of his colleagues to move this amendment.

• (6:10 p.m.)

Mr. Macaluso: Mr. Chairman, I move, seconded by the hon. member for Lincoln:

That all of old clause 7, new clause 6, from and including subclause (4) be deleted and the following substituted therefor:

"(4) For the protection of the subscribers of the company and of the public, any equipment, apparatus, line, circuit or device not provided by the company shall only be attached to, connected or interconnected with, or used in connection with the facilities of the company in conformity with such reasonable requirements as may be prescribed by the company.

(5) The Canadian Transport Commission may determine, as questions of fact, whether or not any requirements prescribed by the company under subsection (4) are reasonable and may disallow any such requirements as it considers unreasonable or contrary to the public interest and may require the company to substitute requirements satisfactory to the Canadian Transport Commission in lieu thereof or prescribe other requirements in lieu of any requirements so disallowed.

(6) Any person who is affected by any requirements prescribed by the company under subsection (4) of this section may apply to the Canadian Transport Commission to determine the reasonableness of such requirement having regard to the public interest and the effect such attachment, connection or interconnection is likely to have on the cost and value of the service to the subscribers.

The decision of the commission is subject to review and appeal pursuant to the Railway Act."

Mr. Herridge: Mr. Chairman, this amendment relates to the circumstances I mentioned the last time the bill was under discussion. I realize that to provide efficient service in the field of telephones you have to have a public or private monopoly. The last time the bill was discussed I referred to the fact the British Columbia Telephone Company had failed to recognize the need for service in isolated, rural communities. We had to provide our own service and our own equipment, some of which did not coincide with what the B.C. Telephone Company was using at that time. However, conditions have changed in British Columbia, although we still have the B.C. Telephone Company which is privately owned. In recent years this company has accepted its responsibility to the isolated rural communities to a much greater extent than in the past. In fact, now you only have to communicate with the president of the company and indicate the services that are required. The situation is very much improved over what it was years ago.

I should like the sponsor of the bill to explain the practice in Ontario with regard to the provision of service to isolated, rural communities. Years ago in British Columbia the company was willing to skim the cream off the telephone business and leave the skim milk to the rural telephone companies. My first question of the sponsor is, can he explain to us if these isolated rural communities are receiving service at this time and what the practice of the Bell Telephone Company is in this regard?

I have another matter I should like to mention. We intended to support this bill in the interests of the patrons in Ontario and the employees, or what one might call the general interest. However, this afternoon I was shocked to the very foundations of my being when I heard that this telephone company was guilty of thievery at public expense. We were going to support this bill. When you see the officers of the company you find they look very reasonable, well clad and well fed. They do not look like people who would commit criminal acts. When I heard these charges this afternoon I was really shocked. This is the first time I have heard such a charge made against a company of this type for a good many years, that these responsible looking gentlemen, responsible to this parliament,

are guilty of thievery, roguery and things of that sort.

An hon. Member: Stealing.

Mr. Herridge: Yes, that is right, stealing. This charge really shook some of us. We really cannot support this bill unless the sponsor is willing to give an explanation. We understand that the bill legalizes the roguery and stealing. This is what we were told. How can we honestly support a measure in this house which legalizes criminal acts? We were told these acts had been performed by this company over many years. There may be some misunderstanding, Mr. Chairman. The facts may not be quite as stated. I do hope the sponsor will give a very clear explanation of how this company was allowed to continue stealing over a long period of years. We are now asked to approve a bill that legalizes these criminal acts. I shall look forward to the sponsor's answer.

Mr. Peters: Mr. Chairman, I am not so concerned about that aspect because I think there is a difference of opinion about the terminology. I think the facts are fairly clear. Over the years the company did exceed the permissive level of earnings set by the Canadian Transport Commission. Finally the company was able to persuade the commission, after a number of hearings, to raise the permissive level of earnings. Of course, during the period in which the Bell Telephone Company obtained profits to which they were not entitled there was no penalty imposed on the company so far as I know for having done this. In fact, the company seemed to be very successful in persuading the commission to raise the rate from something like 6.5 per cent to 7.2 per cent.

What shocked me, and I think it must be clarified, was the statement by the hon. member for Notre-Dame-de-Grâce in which he indicated that our members on the committee had agreed with this decision of the Canadian Transport Commission. If that is so, then I draw the conclusion that we were double-crossed, sold down the river, and all the other things connected with that type of arrangement. I have read the reports and I do not gain that impression from them. However, the hon. member is much closer to the telephone company since its headquarters are in his riding, and something may have happened in committee about which I do not know.

The implication is that the transport commission made the change and that our members on the committee were aware of it. Either the hon. member is badly informed or our members are going to have to answer to us after we have a further discussion of this bill. However, the matter may be clarified. Since the hon. member for Notre-Dame-de-Grâce knew we would be discussing this matter I had hoped he would take the opportunity to clarify the situation. However, I would certainly appreciate some guidance from the sponsor of the bill in this regard.

• (6:20 p.m.)

Mr. Honey: Mr. Chairman, I thank the hon. member for Kootenay West and the hon. member for Timiskaming for their remarks on this clause. I shall try to be brief so that I do not take up too much of the time of the committee. I recognize the authority of the hon. member for Kootenay West because he is president, I think, of the Nakusp Telephone Company. It is a company with which I am familiar, I might add, because it serves an area that I visit quite often. It is probably a little more difficult to get in touch with the presidents of some other telephone companies if a line breaks down than it is to get in touch with the president of the Nakusp Telephone Company. He is always readily available to his subscribers. Perhaps it is because they are also his constituents that he wants to give them good service.

I think I am correct in saying that by and large the smaller telephone companies in eastern Canada, so far as their relationships with Bell and the services Bell supplies to them are concerned, at least try to give the sort of service that I am sure is given by the Nakusp Telephone Company and the other small companies in Western Canada to which my hon. friend from Kootenay West referred. They probably try to provide the sort of service that we would reasonably expect from utility companies that are doing their best to serve the public interest.

With regard to the second matter to which the hon. member for Kootenay West referred, I was unfortunately not in the house this afternoon when the subject of the Bell Telephone Company was brought up. Therefore I do not want to attempt to assess the remarks of hon. members on either side of the house in this regard. I think those remarks were made in the context of the debate that was taking place at that time and I do not think they should be transposed into this debate. Whether that be or whether it not be, not

having heard the remarks I do not think I should comment upon them. I believe that by and large hon. members make statements with the conviction of belief and we either accept them or we do not. Certainly I would not want to pass judgment on that. With respect to the comments of the hon. member for Timiskaming I can only repeat that I did not hear the exchange that took place this afternoon and therefore my hon. friend will excuse me from trying to interpret the remarks that were made.

One thing I should like to say is how much I have appreciated the work of the members of the standing committee on this bill, as well as the work of the committee of the whole. There may be other aspects of the bill that other hon. members wish to explore, so for this reason I will leave some time available to them.

Mr. Howard: Mr. Chairman, I do not draw the likeness between the hon. member for Kootenay West and the officials of the Bell Telephone Company that the hon. member for Durham drew. I have met officers of the Bell Telephone Company on a number of occasions and generally they were clothed in that dark blue, silky type of raiment that is so common to the modern boardrooms of today. As anyone can see from a casual look at the hon. member for Kootenay West, he has that down to earth, tweedy, pipe-smoking style that indicates there is a vast difference between his approach to world communications and that of the officials of the Bell Telephone Company. Perhaps it is because of his background, because he classifies himself as a gentleman farmer or something of that sort—

Mr. Herridge: Peasant farmer.

Mr. Howard: I am sorry, peasant farmer—and because of his closeness to the soil and the people that he felt as strongly as he did about the remarks of the hon. member for Notre-Dame-de-Grâce on the income tax bill which the hon. member injected into the debate in the form of a question. It really is a rather serious matter.

The hon. member for Durham indicated that he was appreciative, and knowing him I am sure he is, of the work that all members of the committee put into the development of this bill. However, there is still a large degree of concern that should be expressed about the implications behind the question put by the hon. member for Notre-Dame-de-Grâce. Perhaps the hon. member's question was directed to the party to which I belong and was designed to be embarrassing. Indeed, that was obvious.

However, the fact is that in the broader sense the hon. member for Notre-Dame-de-Grâce has cast a reflection upon the activities of the members of that particular committee, having indicated that their work on the committee was not of that responsible nature required of members of parliament when they serve on committees. Certainly it has put my own party in a particularly awkward light to have it implied that we, in working on that committee, endorsed a particular attitude taken by the Bell Telephone Company so far as its earnings picture is concerned. The hon. member for Hamilton-West shakes his head, I take it in disagreement with what I am saying.

Mr. Macaluso: Mr. Chairman, if I may assist the hon. gentlemen, I shook my head not because of disagreement. As chairman of the standing committee perhaps I can assist the hon. member. Since the hon. member for Durham was not present when the comments of the hon. member for Notre-Dame-de-Grâce were made, perhaps I could indicate that I completely disagreed with the hon. member for Notre-Dame-de-Grâce and I conveyed that disagreement to him. There was no discussion in the committee at any time of the subject of profit, which was brought up by the hon. member for Sudbury. Members of all parties conducted themselves in the committee, as they always do, in the fairest possible way. They brought forward amendments to the bill that were constructive. I just wanted to make that point for the assistance of the committee.

Mr. Howard: That is an extremely kind and generous statement.

Mr. Lewis: Truthful, too.

Mr. Howard: I did not doubt that it would be otherwise, coming as it did from the hon. member from Hamilton. I say that even though I have had some doubt as to his intentions as chairman of the committee in regard to other bills. However, I will deal with that on another occasion.

The fact that the hon. gentleman has voluntarily made this statement indicates that he too came to a conclusion in regard to the implication behind the remarks of the hon. member for Notre-Dame-de-Grâce. Therefore, Mr. Chairman, knowing that the matter had been mentioned to him by one of his colleagues and knowing that the chairman of

the committee had read into his remarks the same sort of implication that we read into them, it seems to me all the more important that the hon. member for Notre-Dame-de-Grâce should have made himself available during this hour. He knew the Bell Telephone bill would be coming forward and that some offence had been taken at what he said. Undoubtedly he could be absent because of a previous commitment—

Mr. Macaluso: Could I help the hon. member again?

Mr. Howard: Yes, I would be glad if you would.

• (6:30 p.m.)

Mr. Macaluso: I advised the hon. member for Notre-Dame-de-Grâce of my views before he left. If anyone is to be chastised for his leaving the house; if anyone is to be blamed for his not being here, that person ought to be myself.

Mr. Howard: Then the hon. member should take all that is coming to him, because I think the hon. member for Notre-Dame-de-Grâce ought to be here. Obviously, he acted on the advice of the hon. member for Hamilton—

Mr. Macaluso: Hamilton West.

Mr. Howard: I am afraid I get lost in Hamilton. As I say, the hon. member obviously acted on the advice given to him by the hon. member for Hamilton West. Usually that advice is sound; in this case it was not sound, with respect. We still do not know what the hon. member for Notre-Dame-de-Grâce meant by his question.

Mr. Macaluso: In heat of debate, Mr. Chairman, we all get a little hot sometimes. No offence was intended.

Mr. Howard: The hon. member for Notre-Dame-de-Grâce is noted to be an extremely kind and gentle member. He, perhaps more than the Leader of the Opposition, is one of those who keep their cool, as the saying goes. I doubt whether his statement, which was introduced by way of a question, was introduced as some "in the heat of the moment" statement. The hon. member for Sudbury, who was speaking immediately before the question, also approaches these matters in a gentle and low key manner. There was nothing provocative or evocative about his remarks.

An hon. Member: You are having a tough time.

Mr. Howard: As the hon. member for Timiskaming said, we wonder whether we should proceed with a particular bill when a doubt with respect to it exists. I know that we cannot ask the Chairman to suspend matters until someone can find the hon. member, so that he might clear the air. The only course available to us is to examine this bill in some detail, until the hon. member for Notre-Dame-de-Grâce returns to the chamber and in a formal and public way indicates what he meant by his statement.

I am not trying to be difficult, Mr. Chairman but this is a matter of some consequence and difficulty to the members of this party. I submit that the question of the hon. member for Notre-Dame-de-Grâce was directed with the specific aim of causing embarrassment. I do not deny him that right, since it is part of the game of politics in the house. Nevertheless the implication, foreseen or unforeseen, that are inherent in his question are too large for us to, sort of, escape them by laughing the matter off as some comment that was made in the heat of debate.

Mr. Herridge: Would the sponsor of the bill kindly explain what is intended by the amendment, beginning with clause 4.

Mr. Honey: Clause 4 provides for the protection of subscribers of the company and has to do with what might be called foreign attachments to Bell Telephone equipment. The Bell Telephone Company may require, with respect to these attachments, that they be used in conformity with the regulations of the Bell Telephone Company, as they may be prescribed by the company.

Clause 5 provides that the Canadian Transport Commission may determine as a question of fact whether the requests of the company are reasonable, considering all circumstances. Clause 6 of the amendment provides for a right of appeal for any person who is affected by the regulations prescribed by the company under clause 4 of this amendment. It provides for the right of appeal to the Canadian Transport Commission in order that the reasonableness of the requirements may be determined, and so on. The last sentence provides that the decision of the commission is subject to review and appeal, pursuant to the Railway Act. The rights of review and appeal are fully set out in that act.

Mr. Herridge: I thank the sponsor for his explanation. What sort of attachments are meant in the clause? What sort of foreign attachments are indicated?

Mr. Honey: I thank the hon. member for Kootenay West for his interest in the matter, because this is of some concern to individuals who like to attach extra, different or extraneous pieces of equipment to the service that is available to them from the Bell Telephone Company. A good example would be an antique type of telephone, which I am sure my hon. friend has seen. Another example is a piece of equipment that is known, I think, as the Ericaphone. It is named after a Swedish engineer, and is of reasonably good design. Any such pieces of equipment might loosely be called foreign or extrinsic to the Bell equipment, and it is with respect to such pieces of equipment that the right of appeal is provided. An application may be made to the Canadian Transport Commission to determine whether Bell's request to the subscriber is reasonable, and to determine whether that request is in the interests of that subscriber or of subscribers generally. That sort of thing is meant by the clause with respect to foreign attachments.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Macaluso) agreed to.

Clause as amended agreed to.

On clause 8 (renumbered clause 7)—*Power to invest.*

Mr. Peters: Mr. Chairman, I do not intend to do anything in particular about this measure, but I wish to point out that this is the clause that has caused us all a great deal of trouble. Certainly, in its dealings with the Canadian Transport Commission the Bell Telephone Company, as a result of similar wording in the legislation, has had a great deal of difficulty. In brief, this clause will limit the power of the company to invest in other companies. That limitation has brought problems to the Bell Telephone Company and to its subsidiary, Northern Electric.

I think that most people look with sympathy at Bell's problem as it relates to its subsidiary, Northern Electric. Everyone, I think, will agree that Northern Electric has done exceptional work in research and development in order to maintain Bell in a position that is envied by other companies across the North American continent. The Canadian Bell company has been able to do things that the United States Bell company has not been able to do, and here I am talking about the various technical systems which are being used in this country. The development of Northern Electric has been helped by the Bell Telephone Company. Northern Electric helps Bell, and Bell helps Northern Electric. They are complementary organizations, so to speak.

One of the problems that faces the government of Canada is the close relationship between Northern Electric and Bell. Since in this country we have private ownership of a public utility and since we have decided that the Canadian Transport Commission shall judge how much the private owner of the public utility shall charge for its services—in short, since there is to be a measure of public control over the public utility—might it not be legitimate to ask Bell to divest itself of Northern Electric? Could not Northern Electric shareholders be given the right to buy all the shares in their company? Surely, it will be only a matter of bookkeeping to establish a separate identity for the company. If the company were independent of Bell there could be no accusation that funds are transferred between the companies or that there is any juggling of any rules or rights.

• (6:40 p.m.)

On the other hand I believe that much could be gained by Bell if it were to divest itself of a third part, namely the manufacturing end of Northern, which is a large producer of cable and wire and of other facilities on the fringe of telephone operations which are not necessarily part of a telephone complex. It seems to me that this large manufacturing section could be sold to employees, or distributed to shareholders on some basis to which the company would agree. If a stockholder had five shares of Bell it could be decided that he would be given so many shares of Bell, so many shares of Northern, and so many shares in the industrial section of Northern, thus making three separate companies.

While clause 8 may be good for the company it may also add to the problem which hon. members who have read reports of the hearings before the transport commission are aware of, namely that decisions by the board are complicated by the number of companies concerned.

I understand that the committee did not go into this matter at any great length, but I raise the problem because I believe it inevitable that some consideration will have to be given to it. As everyone knows, Bell and Northern are a totally integrated operation. Although a financial statement is put out separately for Northern Electric this can be arranged in such a way, and I am not suggesting there is anything dishonest about it, that a greater proportion of expenditures could be made from one pocket than from another, simply because the pockets belong to the same set of shareholders.

In my opinion Bell should seriously consider various methods by which it could divest itself of this type of control, so that its public utility section can be separated from manufacturing and research. If clause 8 as now worded comes into effect Bell's problem will be complicated by any other research it does, or by the acquisition of any other company whose interests do not lie in the telephone field.

If Bell were to buy R.C.A. Victor in order to acquire that company's research facilities, it could end up with a radio and television manufacturing section, and the charge could be made that some of its television production revenue was subsidizing wire which Bell itself uses, R.C.A. Victor then being a totally owned subsidiary of Bell. I do not make an issue of this. I am merely giving advice to the Bell Telephone Company, and saying it will be in trouble with parliament in the future if it does not do something to divest itself of Northern Electric and of any other companies of that type in which it may be interested.

The Chairman: Shall clause 8 carry?

Mr. Lewis: Mr. Chairman, there was an amendment agreed upon in the standing committee that is not before this committee. We certainly will not agree to clause 8, renumbered 7, going through without the amendment agreed upon by the standing committee.

Mr. Macaluso: Mr. Chairman, the hon. member for York South is correct. There is an amendment to clause 8, as presently in the bill. I move, seconded by the hon. member —but Mr. Chairman, I think that procedurally this does not have to be moved. It is before the committee as amended now.

The Chairman: The original clause 8 of Bill C-104, as examined by the standing committee on transport and communications, was amended by that committee and is now presented to the committee of the whole in an amended form. It is, of course, competent for this committee to decide whether to accept that amendment or not, but it is the clause as amended which is now before this committee.

Mr. Bell (Saint John-Albert): We are talking about the amendments which are in *Votes and Proceedings* of February 7. These were the amendments that were duly made in the committee.

The Chairman: Did the hon. member ask where the amendments were?

Mr. Bell (Saint John-Albert): No. I just asked if the amendment now, and the previous amendments, are the ones that were shown in *Votes and Proceedings* of February 7, as being the amendments that came out of the committee.

The Chairman: Yes. The amendment to which the Chair referred, when it referred to clause 8 in the original bill as being amended, is the amendment which is referred to in *Votes and Proceedings* of Wednesday, February 7.

Some hon. Members: Question.

The Chairman: Shall clause 8, renumbered clause 7, as amended, carry?

Mr. Allmand: Mr. Chairman, I would like to rise on a question of privilege because I understand that remarks I made this afternoon were brought into this debate, and I would like to explain to the committee. This afternoon when the hon. member for Sudbury was speaking in debate he made some strong remarks about the Bell Telephone Company. It was my understanding at the time that he accused the government of trying to push a bill through parliament in a way that would prompt the accusation that it was trying to foist something on the Canadian public. I rose in the house and asked him if he realized that when the parliamentary committee on transport and communications had passed this bill at its final sitting, the bill received the consent of all members of the committee, including two members of his party.

• (6:50 p.m.)

I sat down. He answered the question in some way, and then I left. I asked him whether he knew that the bill as it came out of the committee had obtained the consent of all the members of his party—I was referring

to the bill as a whole. I do not know what was discussed here this afternoon, but that was what I meant when I spoke in that debate.

Clause agreed to.

Clause 9 (renumbered clause 8) agreed to.

On clause 10 (renumbered clause 9)—*Director indemnified in suits respecting execution of office*

Mr. Herridge: Can the sponsor give us any information as to the salaries received by the directors of the Bell Telephone Company for their services?

Mr. Honey: I do not have that information available now, but I would undertake, if it is proper to do so, to get that information for the hon. member and convey it to him.

Clause agreed to.

Clause 11 (renumbered clause 10), clause 12, (renumbered clause 11) and clause 13 (renumbered clause 12) agreed to.

On clause 14—*Prospectus*

The Chairman: Shall clause 14 in the original bill be deleted?

Some hon. Members: Agreed.

Clause 15 (renumbered clause 13) and Clause 16 (renumbered clause 14) agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Herridge: Next sitting of the house.

Mr. Barnett: I wonder whether it might not be convenient, now, to say it was seven o'clock and suspend our sitting.

Some hon. Members: Agreed.

Mr. Honey: Before Your Honour calls it seven o'clock and before we leave Bill C-104 could I make a suggestion to hon. members —that if there is any question of this bill losing its place on the list of private bills for third reading I would ask the house to agree to give it priority when it comes before us next week.

Mr. Deputy Speaker: Perhaps I could clear up the hon. member's difficulty by referring him to standing orders 20 and 21. If third reading had been considered in part today, the bill would then go to the bottom of the list. Since third reading is just beginning, the bill retains its place on the order paper.

Mr. Honey: Thank you.

Mr. Deputy Speaker: Perhaps the house would agree to resume the business which was interrupted at six o'clock?

Some hon. Members: Agreed.

INCOME TAX ACT

The house resumed consideration in committee of Bill No. C-193, to amend the Income Tax Act—Mr. Sharp—Mr. Batten in the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order. When the committee rose at six o'clock Bill No. C-193 to amend the Income Tax Act was under consideration. During the dinner hour the amendment proposed by the hon. member for Broadview was studied and found to be unacceptable for the following reasons.

If it were adopted the clause would be unintelligible. In this regard I should like to draw the attention of the house to citation 203(1) of Beauchesne's fourth edition. I should also like to draw the attention of hon. members to citation 269 of Beauchesne's fourth edition which reads as follows:

> No augmentation of a tax or duty asked by the Crown can be proposed to the committee, nor tax imposed, save upon the motion of a Minister of the Crown; nor would an amendment to extend the imposition of a tax to persons enjoying an exemption therefrom be now permitted.

I would also point out to the committee that the proposed amendment exceeds the limits agreed to in the resolution of December 14, 1967.

Shall clause 5 carry?

Mr. Gilbert: Mr. Chairman, I will accept your ruling and reluctantly proceed with the remarks I wish to make. What strikes me particularly is the limitation of $600. It does not seem fair to the Canadian taxpayers that people earning under $50,000 should be subject to the surtax and that people earning over $50,000 should be relieved of any further payment over $600. I would have thought that perhaps the Minister of Finance would have

been inclined to accept this argument, but he probably finds himself in the unfortunate position of representing the establishment, and finding that it is very difficult to appease them.

Prior to the dinner adjournment I had set forth the proposition that the Minister of Finance found himself in the very unhappy situation of approaching the leadership convention, and having to present to the house Bill No. C-193 which contains the amendments to the Income Tax Act. I pointed out that he really is the author of his own misfortune in that he made a gross miscalculation in his mini-budget of June because he failed to direct the economy and placed too much reliance on the so-called economic tools of fiscal and monetary policy.

I also pointed out that the minister had not given any consideration to the recommendations contained in the Carter commission report. I mentioned in particular that he had been highly critical of the medicare scheme which will become law on July 1. Therefore he now finds himself in the position of being much down the line with regard to gaining the leadership of his party. In his November budget he pointed out that the main culprits in causing a serious economic problem were the cost of living, inflation and the high interest rates. I said that he set forth the usual remedies that the Minister of Finance is so capable of, in striking hard at the workingman and treading easily on the corporations of this country.

With regard to the problem of inflation, it is obvious to most Canadians that whatever steps he has taken have not been very successful in coping with the high cost of living. Even though he recognizes the difference between the traditional inflation of too many dollars chasing too few goods, and the type of inflation that we are suffering from now, which is the cost-push inflation, he seems to pay little heed to the necessity of bringing forth any economic measure that would combat the problem. The striking thing is that the type of cost-push inflation from which we are suffering today strikes hardest at the persons in our society who are most unprotected such as our old age pensioners, the veterans, and persons on fixed income who must pay high prices for food, clothing, maintenance, rent and so on. Yet in the mini-budget he brought forward he did nothing for these people.

The second problem is the matter of the high interest rates. I believe I would be safe in saying that we have the highest interest rates in the history of Canada. From reading yesterday's paper it would appear that the chartered banks of Canada have now raised their prime rates to 7 per cent. We all know that the prevailing rate on Central Mortgage and Housing Corporation mortgages under the National Housing Act is 8⅝ per cent. On conventional mortgages you have an interest rate of 9 or 9½ per cent, and it is expected by most Canadians that this interest rate will increase to 10 per cent. That represents the approach taken by this minister regarding high interest rates. When we had the amendments to the Bank Act before us the minister came up with a formula for applying a rate of 1¾ per cent for a quarterly average on short term Canadian bonds. We studied this in the committee on finance, trade and economic affairs. With the help of members of several parties we changed this drastically. We in the New Democratic party now find that prime interest rates are up to 7 per cent.

• (8:10 p.m.)

Not long ago I remember somebody suggesting that an individual who purchased a house for $18,000 with a C.M.H.C. mortgage would eventually pay $42,500 on the basis of an interest rate of 8½ per cent. With an interest rate of 8⅝ per cent this cost will increase. If things continue as they are, an individual will soon be paying $50,000 for a $18,000 home. This is what the chartered banks, finance and insurance companies want to prevail in Canada.

The government has failed to take into account the high interest rates which add to the cost of homes. The greatest contribution it has made to the solution of this problem is the initiation of a housing conference, and the resolution now before us to increase the ratio of mortgage loans. At the time the budget was presented, certain members of my party indicated that the basic reasoning behind the minister's budget could be related to an increased unemployment situation as a result of a slowing down in the economy. We now find that prediction to be accurate. Unemployment figures have reached almost 500,000, with a tremendous disparity in the maritime provinces, Quebec and on the west coast. Several hon. members predicted that this situation was bound to occur, following the minister's budget.

The Minister of Finance has ignored some very basic principles in respect of inflation and high interest rates. He has ignored the

plight of those people who are affected by these rates, and the increased cost of living. Yesterday's newspapers noted that the contribution of the Liberal women of Canada took the form of a recommendation in favour of the rejection of a guaranteed annual income and a negative income tax. That was their best contribution. They also suggested that the tone of parliament should be lifted without giving consideration to the economic problems facing the country today.

The Minister of Finance also ignored other tax resources he could tap to meet certain problems with which we are confronted. He has completely ignored the Carter commission report and the application of its recommendation regarding a capital gains tax. When we talk about capital gains we are not talking about the individual who sells a home for something more than he paid for it, because we know the profit he makes will be absorbed by the price he pays to replace that home. We are talking about those individuals who make vast sums of money on the stock exchange or through major transactions. We think, like Mr. Carter, that these people should be taxed heavily.

The Minister of Finance has also ignored the depletion allowances. As a member who has received a tremendous number of briefs from the resource industries of the country, I am fully aware of the fact that 5 per cent of the population controls this country financially, and that the same 5 per cent are not taxed proportionately as high as the other 95 per cent. This 5 per cent screams the loudest about the Carter commission recommendations, whereas the other 95 per cent would welcome them because they feel a reduction in their taxes would result.

The Minister of Finance has also ignored the life insurance companies so far as taxes are concerned, and has given them preferred treatment, to which they are not entitled. If these companies had been taxed in the ordinary way we would be in a position to more than pay for the medicare scheme going into effect on July 1. Having listened to several speeches of members of the Conservative party, I find it very difficult to distinguish between the philosophy, as presented by their spokesmen, and the philosophy of the Minister of Finance. I listened today to the hon. member for Edmonton West speak on behalf of corporations and the time limitations for payment of corporation taxes. It seems to me that he, along with other members of his party and the Minister of Finance, has totally ignored the economic planning this country needs to solve its economic problems.

For some time we have advocated the establishment of an investment advisory board to direct the economy of the country, and our investments. The minister has totally ignored his opportunity to direct the investment of the savings of Canadians. The most flagrant example we have had in this regard is the minister's failure to act in a positive way in conjunction with the Canada Development Corporation, which would provide an opportunity for Canadians to invest in Canada. The minister has totally ignored the recommendation of this party to establish a review board which would indicate to the Canadian public the government's interest in offsetting high prices. Such a review board could study the situation, just as trade unions do during the complex process of negotiating increases in wages.

• (8:20 p.m.)

It is very obvious to us why we are in a state of economic plight today. This is the result of a lack of imagination on the part of the Minister of Finance in coping with today's economic problems. He wants to represent the establishment and he fails to use the new and exciting economic tools which are necessary to combat today's problems. It may be necessary to bring forth new measures to combat these problems. We in the New Democratic party feel that the Minister of Finance is not able to bring forth the proper solutions to these problems.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would like to deal with clause 5 which provides for a temporary tax.

That beats everything, Mr. Chairman. If I did not know the minister, I would say that he is naive. What a wonderful expression: temporary tax. Temporary but for how many years?

Temporary, Mr. Chairman, that may mean for the next century of confederation.

Mr. Boulanger: It is temporary in order to increase it later.

Mr. Grégoire: The hon. member for Mercier says that it is temporary in order to increase it later.

This is the heading, Mr. Chairman: "Temporary surtax". Some will believe that it will be for a short time only, but I have never

seen a tax already levied that was abolished later. No, once it is levied, it is there to stay.

That is so typical of the present government. They call it temporary to mitigate the blow. Taxes are increased by 5 per cent and that will bring in more revenue to the government, of course.

When I look at the government's estimates for the year ending on March 31, 1969, which the minister tabled not too long ago, I notice items which strike me, among others the interests to be paid by the government on the public debt.

Last year, the interest amounted to $1,273 million.

An hon. Member: That is only temporary.

Mr. Grégoire: And this year, it amounts to $1,406 million, that is an increase of $133 million during one year. The largest increase in government expenses for next year is the interest on the public debt.

I now come to another item, the following one, that is family allowances. It is quite a considerable increase, Mr. Chairman, since the estimates will rise from $614 to $615 million, that is $1 million next year for all the Canadian children compared with a $133 million increase for a few capitalists.

Well, it is precisely to foot that increased interest on the public debt that the government is now compelled to levy a 5 per cent surtax on personal income. If taxes are increased, it is because money is needed, and if more money is needed, it is precisely because the interest on the debt has gone up. I suggest that the yield of the surcharge will be used to try and balance the budget in order to pay the higher interest on the public debt.

When I was elected to this house in 1962, the first thing I did, when I was first given a copy of the blue book, was to look up how much Canada was paying in interest on the public debt. At that time, the interest stood at $780 million. Six years later, it has reached $1,406 million. While the rate of family allowances has not even increased by 8 per cent, the interest on the public debt has almost doubled in the last six years.

We have come to the point where the interest on the public debt is the second highest expenditure of the federal government, amounting to $1,406 million. The two largest expenditures of the federal government are: first, the amount appropriated to national defence, that is $1,800 million; second, the interest on the public debt, in the amount of $1,406 million, which makes a grand total of $3,200 million.

Mr. Chairman, when I look at those astronomical figures representing the amounts spent on national defence and interests on the public debt, I cannot help telling myself that were Quebec independent, it would save a lot of money on such expenditures since it pays yearly $1 billion in taxes for those two items only. The budget of national defence and the interest on the public debt amount to $3,200 million and the share of Quebec in this expenditure, which is about 30 per cent, amounts to $1 billion a year. Should Quebec withdraw from confederation, it would not contribute any more to these expenditures for national defence and it would leave Ottawa to straighten out its war debt.

That means that Quebec would be, overnight, richer by a billion dollars which, at the present time, is collected in income tax and other taxes and spent absolutely uselessly.

Mr. Chairman, I oppose this temporary tax increase because the budget proves this increase in taxes will be used to pay financiers.

The Canadian people will pay 5 per cent more income tax. And why? Because the interest which the federal government will have to pay next year will be increased by $133 million. This increase in income tax will be used to pay the increase in the interest rates. Had it not been for higher rates of interest, the hon. minister would not have been forced to raise the income tax, and he would have $133 million less to pay in interest on the public debt; but as the interest has gone up, he has had to find the amount of $133 million, and that is why income tax has been raised by 5 per cent.

Mr. Chairman, I feel that instead of always digging into the pockets of the low-wage earner for taxes, the hon. minister should revise his system in order to let the little man, the worker, the low-wage earner, keep the money that would enable him to buy Canadian products and benefit a little bit from the wealth of the land.

But the minister prefers to sacrifice the people of Canada to a few financiers who are the only ones to get rich with the new budget and new taxes; these taxes are a tribute to high finance, which has succeeded in obtaining from the minister increases in the interest rates.

The minister would like to govern the country. Since he is the minister of the Department of Finance, he is perhaps the one most responsible for the increases in the cost of living, the inflation we are having now through the raise in interest rates and the continuous increases in taxes. Now, he would like to govern the country. If the Liberal party puts the leadership of the country into the hands of the minister, I say that the Liberal party will be placing the country in a state of depression and crisis, and I hope the Liberal party will save us from such a catastrophe.

Mr. Chairman, I therefore oppose this raise in taxes, because I realize that it will only be used to pay the higher interest rates demanded by financiers.

• (8:30 p.m.)

[*English*]

The Assistant Deputy Chairman: Shall clause 5 carry?

Mr. Saltsman: I have a very straightforward request to make of the minister tonight, and I hope he will accede to it. I should like to ask him why he does not listen to his speech writer. He seems to have an excellent speech writer, and I am referring in particular to the speech given to the luncheon meeting of the Canadian Club at the Royal York Hotel, Toronto, on January 8. There are some excellent statements in that speech, and I should like to quote some of them:

> What can be done? I agree entirely with those who deplore the deliberate creation of unemployment as a means of checking inflation.

Yet, Mr. Chairman, this is what seems to be happening. The budget proposals we have before us seem to be designed to create unemployment. If they were not designed to create unemployment, they seem to be having that effect at any rate. Our rate of unemployment has increased substantially over the past few years, and this is happening at a time when the United States economy is experiencing the lowest level of unemployment within the last five or ten years.

It seems difficult to understand why we should inherit inflation from the United States and yet not inherit the full employment situation as well. In the speech to which I have referred, the minister, or his speech writer, went on to say:

> It unquestionably involves new techniques and new attitudes on the part of those who wield market power, both labour and management. The traditional instruments of fiscal and monetary policy must be employed with courage and skill, but they are no longer sufficient, in my view, to ensure that desirable combination of prosperity and stability which we all seek.

Those are admirable words. I wish the minister had taken some action to back them up.

Mr. Sharp: May I ask the hon. gentleman a question? Does he know who did write those words, both what I uttered and what was written?

Mr. Saltsman: No, I am sorry, I do not know the name of the speech writer, but I would be pleased to learn his name if the minister would care to offer that information.

Mr. Sharp: It was the Minister of Finance.

Mr. Saltsman: In that case, I congratulate the Minister of Finance and simply say to him: Why don't you listen to what you are saying? This was a very good speech, but I think the minister should pay some attention to his words and back them up with some action. This excellent speech writer, whom I admire, then had this to day:

> We must work out a Canadian solution.

I heartily agree with that; this is the very thing we must do. I think perhaps the minister should spend more time looking for a Canadian solution instead of going down to the United States and praying for events there to change. We do need a Canadian solution, and we need it desperately. Up until now we have not had measures proposed that will solve the economic problems of this country. Such measures as have been proposed have involved the old fashioned unproductive bromides. We need new measures. The minister talked about new measures, but we have not seen any of them.

We are faced with a need for increasing our social capital. Even the minister will agree that there is a need for medicare. There is a desperate shortage of housing in this country. We need revenues to correct the disparities between individuals and help raise the level of income. With 20 per cent of our population living in poverty we need to redress the difference between the rich and poor sections of this country. For that purpose we need revenues. However we see no real evidence that the minister understands the problem.

It seems to me a proper course of action for the minister would be to suggest a means of increasing productivity and wealth in this nation. If we did this, we could generate the

revenues required for the kind of society to which we aspire in this country. If we look at our productivity, we realize it is 20 per cent to 30 per cent lower than it need be. Even if we did not close the gap of 20 per cent to 30 per cent, but if we simply increased productivity by 10 per cent we would increase our gross national product by $6 billion. If you calculate that 30 per cent of that increase goes in taxes to the various municipal, federal and provincial governments, there would be another $2 billion available to help the people of this country. This represents a far greater amount than the minister hopes to collect from this 5 per cent surtax.

The minister seems to be making the same mistakes as the previous government made.

Mr. Monteith: Oh no, worse.

Mr. Saltsman: I do not know whether they are any worse, but they are certainly not any better. I should like to quote from the report of the Economic Council of Canada which refers to the year 1960. Someone has said that was a bad year. You are right; it was a bad year. Unfortunately this year is not any better. It does not seem to make any difference in this country which one of the old parties forms the government, we wind up with the same results.

I am quoting from the report of the Economic Council of Canada:

> For the year 1960, the economy was capable of producing over 8 per cent more production and income than actually occurred. The increases in the major federal tax revenues stemming from an attainment of potential output, however, would have been considerably greater than the implied rise in output itself. It has been calculated that personal income tax yields at the given rates would have been 12 per cent, and the corporation income tax yields by more than one third. In the aggregate such calculations indicate that at potential output levels in 1960, federal tax yields at the rates then in effect would have been over 18 per cent higher than the actual collections in that year when the economy was operating substantially below capacity.

The present minister should have been aware of the kind of problem created when there is slack in the economy. I should like to put on the record a further quotation from David W. Slater, "Economic Policy and Economic Research in Canada since 1960":

> But the high unemployment and extremely disappointing productivity experience in this "five year stretch"—

The period referred to is between 1958 and 1962.

> —still stands out as one of the major failures of Canadian post-war economic performance. Canada's gross national product was at least 8 per cent below potentials during these years. The cumulative five year loss of output would sum to $15 billion, or more, in current prices.

This is a sizeable amount. One would have hoped the present Minister of Finance would have learned from experience when the nation is faced with high levels of unemployment. It is bad enough in the central provinces, but it is much worse in those provinces that seem to suffer most under circumstances of this type. I understand that unemployment levels in the maritimes are somewhere around 11 per cent. This is a catastrophic level for that area. Unfortunately the minister seems prepared only to raise taxes and diminish the gross national product. Then, he moralizes about the need to pay as we go.

• (8:40 p.m.)

Earlier today my colleague from Springfield referred to the banking policy of the government and indicated that he reluctantly supported the policy because of the persuasiveness of the Minister of Finance, who offered some excellent reasons for removing the ceiling on interest rates charged by banks. I recall his assuring the country that setting the level of interest rates was the direct responsibility of the Minister of Finance and that he accepted that responsibility.

I think that tonight he must answer for that responsibility. I remember voicing my concern at the time, Mr. Chairman. As reported at page 7320 of *Hansard* for July 7, 1966 I said:

> If the bank rate in this situation is freed from restriction or permitted to increase, I have no hesitation in saying that Canada will face the highest interest rates, the highest cost of money, in all history.

I also recall some rather unpleasant noises that came from the government benches at the imputation that such a thing would happen. Then later, as reported at page 7321, I said:

> To remove the interest ceiling without proper safeguards is to raise the cost of every single thing in this country. It is to put the cost of money in Canada at a height it has never achieved previously, and one that no one at this point can calculate.

I then went on to say that interest rates of 8 and 9 per cent on commercial lending would be possible through this type of

approach, and there were hoots and shouts from government benches, incredulous that interest rates could reach 8 or 9 per cent in this country. That was not very long ago, Mr. Chairman. Now interest rates have not only reached that level, but exceeded it.

The minister has a lot to answer for. He poured oil on the troubled waters. As reported at page 7237 of *Hansard,* he said:

> I should like to re-emphasize the determination of the government that the fresh winds of competition shall permeate our system of banking and finance.

Here I should like to recall to the committee the great aplomb with which the minister on that occasion made this announcement to the nation. He continued:

> We are determined that the system shall operate in the interests of the greatest number of Canadian consumers and businessmen. We are determined, in particular, that the interests of the small borrower and the small businessmen shall be protected and furthered.

Perhaps the minister will tell us whether this has eventuated.

> We believe that the most effective way to achieve these ends is to encourage and to enforce competition. In this view, the government is supported by the royal commission on banking and finance and by the Economic Council of Canada. If there are many competing sources of loan funds and many institutions freely competing for the custom of the consumer, we are convinced that he cannot help but benefit.

I think that the policy of the minister has proven to be a failure. Perhaps no one should blame the Minister of Finance for this because many of us were persuaded at the time that this approach had a good possibility of succeeding. I do not think there was any conspiracy or any malice on the part of the minister when he made that speech. I think he believed at that time that the removal of the interest ceiling would be beneficial.

However, Mr. Chairman, since it has not, I think the minister will have seriously to consider making an admission that his policy has not worked, whatever the reason for it is. Unless he finds other measures to control the rapidly escalating cost of money in this country he will have to reimpose the ceiling on interest rates. I believe that he or one of his officials assured us that it was quite possible that this would be the case if the measure did not work out as anticipated.

I suggest, Mr. Chairman, that the problem that is ailing the economy is not lack of money. Canada has one of the highest rates of saving in the world. I think almost 20 per cent of our gross national product goes into savings. It is not that we do not save enough but that we misuse the savings that are at our disposal. We simply spend them wastefully. I sometimes think there is no other country in the world so wasteful with capital as this country of ours. Perhaps we have acquired capital too easily and therefore have not had to conserve it or invest it as well as we should.

I should like to put on record the situation that exists in many of the industries in this country that are over capitalized. These industries have used far more capital than necessary. This is a bad state of affairs and cannot and should not be allowed to continue. The minister must give consideration to taking measures that ensure that the capital and savings at our disposal are used in better fashion than has been the case in the past.

I should like to quote from an article that appeared in *Time* magazine on February 2, 1968 which carried a statement by Robert Fowler, president of the Canadian Pulp and Paper Association, who warned the annual meeting of that association that "growth is fine but an epidemic of elephantiasis could be serious." The article continues:

> "It is more than clear that Canadians have made a creditable contribution to their own misfortunes," Fowler told the association. Fowler blamed excessive rivalry between companies eager to get the jump on each other, and between provinces only too happy to offer loans and tax inducements. As a result, he said, "there has been a misuse of public and private capital at a time when capital is scarce. There must be better ways to order our affairs."

I should also like to refer to part of an article written by Ron Grant that appeared in the *Gazette* on November 8, 1967:

> Expansion in the pulp and paper industry has created a situation where companies are reaching into every corner of the world market and sometimes coming up empty-handed. It's no longer a seller's market.
>
> New mills coming onstream in Canada, along with similar expansions in other countries, have resulted in excess capacity, increased depreciation, start-up problems—

One would think, Mr. Chairman, that with all this excess capacity and evidence of competition—and, after all, there should be competition if there is excess capacity—prices should come down. But no, prices are not coming down, and will probably have to go up as manufacturers seek higher mark-ups on their volume of production.

I should like to quote from the *Financial Post* for July 17, 1967, which had this to say:

In spite of current softness in the pulp market, there is little indication of a general break in price among B.C. companies. "Most of us think it would be a mistake to reduce prices. It would not get us anywhere," one company's spokesman said.

This comment appeared in the *Globe and Mail* for August 4, 1967:

Despite excess capacity in newsprint, prices have been firm. A $3-a-ton price increase went into effect July 1. Analysts say it is unlikely that the industry will retreat from the new price level, even if mill operating rates decline further.

Therefore, Mr. Chairman, this excess capacity has benefited no one. It has not benefited the pulp companies, it has not benefited the public and it certainly has not benefited the nation.

• (8:50 p.m.)

One of the industries that most glaringly displays a misuse of capital is the oil industry in this country. In Alberta production is rationed out among the various fields, pools and wells. For some years total production was about 45 per cent of capacity but now it has dropped to 37 per cent. At the current rate of production, according to Charles S. Lee, president of the Independent Petroleum Association of Canada, the impact of the Rainbow Lakes discovery could be to reduce this to 25 per cent of capacity. The investment in this industry has been calculated to be somewhere between $7 and $14 billion. We do not know the exact amount because only those in the oil industry can supply the answer. Nevertheless we must again ask how much of this money has been totally wasted? How much of this money, and it is mostly United States capital, have we imported for no good purpose? How much of this money have we brought in simply to pay interest and dividends on unproductive capital? How much better would it have been had the oil industry used the capital it needed, instead of spending the money in this way?

In a recent report by Walter S. Levy, prepared for the Independent Oil Association of Canada, we find this comment:

Nonetheless, there is little doubt but that present relatively low utilization of capacity imposes a heavy cost burden on the Canadian producing industry, which could seriously impinge on exploration incentives if it persists. For Alberta, in particular, production is very much below capacity; the ratio of production to capacity improved from 41 per cent in 1960 to around 47 per cent in 1963 and 1964, but has since declined to under 44 per cent in 1965.

What are we doing with all this oil exploration? Canada now has almost twice the proven reserves of the United States.

Mr. Bower: Would the hon. member permit a question? What is the source of his last statement about proven reserves?

Mr. Saltsman: I shall again read from the report. Referring to Canada it says:

Canada's 1965 ratio of reserves to production of 23 years compares with 12 years in the United States; and

Canada's 1965 ratio of production to productive capacity of 55 per cent compares with 73 per cent in the United States.

In other words, our reserves to production are 23 years, as compared with 12 years in the United States.

Mr. Bower: Would the hon. member kindly talk about this matter in ratios, and not talk about absolute proven reserves?

Mr. Saltsman: The point I am trying to make is that we have explored and created more reserves than we could possibly use in the foreseeable future. There is all kinds of oil lying around that is not being tapped. The tar sands are hardly being touched for fear of what full production from them might do to upset the entire marketing arrangement in Canada.

An hon. Member: Nonsense.

Mr. Pepin: If the ratio were to be 12 years, what would the hon. member say?

Mr. Saltsman: I would not argue with the minister.

Mr. Pepin: Think that one over.

Mr. Saltsman: If the minister assures me that that is the figure, I shall not quarrel with him.

Mr. Pepin: The hon. member indicated that in the United States the life index figure stood at 12 years and he tried to compare that with the 23 year figure in Canada. That was all right. At the same time he intimated that we are not using our reserves well. I would ask him what he would say if the figure were to be only 12 years.

Mr. Saltsman: I should say that 23 years is almost twice as much as 12 years.

Mr. Pepin: I suggest the hon. member would say that the period is too short, that we are short of reserves.

Mr. Saltsman: I am delighted to see the Minister of Energy, Mines and Resources entering this debate. Perhaps he could say something about potash, because it seems that we are doing with potash exactly what we have done with oil.

Mr. Pepin: The hon. member cannot have it both ways.

Mr. Saltsman: A news report of February 10 of this year says that we have overloaded potash production, just as we have oil production. In other words we have spent more money on this commodity than needed to be spent; we have brought about all kinds of improvements in production and we have no place to put the potash. It seems to me that the industry has jumped far ahead of its sales and markets, and that constitutes a gross misallocation of capital.

The Carter commission is concerned about this factor. Members of this party have spoken of the inequity of our present tax system. They have pointed out how Carter has called for equity in our system of tax allocation. But he made another point also. He said that our present tax system bonuses many industries in this country that do not need bonusing. Not only do they not need to be bonused, but they are bonused for the wrong kinds of production. Our system is not neutral; it distorts the capital markets of this country and other countries and puts money into production efforts that should not be bonused. The report says that we should return to a more neutral tax system. If we believe, truly, that capital has a way of going where it is required, then let us do something about that belief. Let us stop bonusing our primary resource industries. Carter was talking not only about our tax system of bonusing but of depletion allowances, forgiveness grants and tax holidays.

We started off admirably in this country with programs such as the designated areas program, which were to bring industries into certain areas. Nobody quarrels with the aims of such programs, except where they have had bad effects, as evidenced by the electrical industry. For example, recently R.C.A. announced that it would open a $25 million tube plant in a certain area. The government contributed $5 million to that. The news report in my hand says:

> The federal Government put up an estimated $5-million toward the cost of the plant under its area development program...
>
> Mr. Drury later saw dozens of automated cradles hanging empty because of a drop in the demand for color T.V.

This plant has a capacity to manufacture 300,000 tubes annually, yet demand in Canada only requires 190,000 tubes annually.

Another news report, dated May 9 of last year, says:

> A Sylvania official said:
>
> "We are quite concerned at the situation, since sales are about 50 per cent below expectations."

The official was talking about his own plant. He continues:

> "Our plant alone could supply the whole of Canada's market at the moment—and there are still the other two manufacturers."

That statement shows that one plant can supply the entire Canadian market. This being so, we must again ask, can we afford to use capital in the way we now use it? Our capital use is tantamount to capital misuse. In the long run we shall derive few benefits. Instead we shall see chaos, which will not be good for our industry, our consumers or our nation.

There is evidence of severe overcapacity in other industries, and particularly in the heavy electrical equipment industry. A news report of February 13 of this year says:

> A recent survey of manufacturers of power transformers and allied equipment showed that some companies have spare capacity as high as 40 per cent for later this year and early next year.

The same situation prevails in companies making furniture and in companies making pipes for pipe lines. It applies to refineries, and I could go on enumerating industries.

I should now like to say to the speech writer who wrote about the need for a new approach to Canada, that he should do something about that new approach. He must realize that we cannot go on as we are, using general fiscal and monetary policies alone to regulate our economy. Desirable though fiscal and monetary policies may be, new instruments of regulation must be found. Perhaps he is thinking of some new instruments; if so, he should tell us about them.

Personally, I think we should establish some form of capital priorities board. I do not know what form such board could take, neither am I unaware of the difficulties in creating such a board. But in the light of the evidence of the misuse we have made of capital, especially imported capital. I think we ought to establish such a board.

• (9:00 p.m.)

I think the minister should consider whether the tax benefits now conferred on holders of equities should not be given to the holders

of government bonds instead. Let us reward those who are contributing their money to public purposes, rather than to private purposes alone. I think this should be considered, especially in the light of the difficulty in financing government expenditure. Public expenditures are valuable and helpful. In the foreseeable future there will be a great deal for public financing. If we are to depart from neutrality in our tax legislation, let us do so in favour of public expenditures rather than private expenditures.

I believe also, as many speakers from this group have said, that we must have a price review board to examine the changes which are taking place in this field and find out what kind of restraint could be exercised by such a board. Unless we can be given some hope that the government is entertaining ideas along these lines it is impossible for anyone to support the entire, useless and damaging measures contained in this bill.

Mr. Sherman: I should like to put on record one or two thoughts I have in connection with this clause, and to say a few things about the subject under debate at the present time. I bring to this no professional, fiscal or economic expertise and I bring to it no volume of statistics or documents. I bring merely a sincere and steadfast opposition to clause 5 and everything it stands for, and a sincere and steadfast feeling of sympathy with the thousands of people who write to hon. members of this chamber every week of the year asking for some relief from the effects of the critical cost-price-tax juggernaut under which they are crushed at the present time.

I ask the Minister of Finance where he thinks the ordinary people of Canada will find the money to pay this surtax which he proposes to levy. I ask where he thinks the elderly people will find the money to pay this tax. They are hard put now, to keep body and soul together, to keep off the blasts of winter and buy the drugs necessary for their health and well-being. I ask him about the retired people, those living on fixed incomes who have been seeking relief ever since this government was elected, and who have sought it in vain. They asked for relief and help, and what did they get? They found themselves poorer than ever. It was an exercise in total frustration.

The Leader of the Opposition made reference this week to the fact that a very large group of pensioners in this country, those living on federal superannuation payments, is still looking to the government for long overdue assistance. My hon. friend the Leader of the Opposition also drew attention to what he felt was the folly of such government programs as medicare, in the light of the needs which beset many categories of people in this country at the present time. The public service pensioners are only one of the classes who are in need. All pensioners come into this category because all of them need help in coping with the cost of living today.

Who will speak for the widows of this country with children to support, or for all who have limited incomes, limited means of livelihood? When the minister proposes to levy a surtax of this sort, I ask him: Who on the government side has given thought to these classes of people? What about the position of those in the lower income groups? What about the position in which great numbers of wage earners find themselves? Those who are fortunate enough to be in the upper income brackets may be able to pay this surtax without too great difficulty; but these are a minority.

I need not remind anyone of the dire economic stress which a great many Canadian families face today. I am sure the mail of every hon. member is filled with pleas for relief, for some form of escape, for some hope of an improvement in the context of the cost-tax-price squeeze felt by most Canadians, particularly by those in the lower and middle income groups, those on fixed incomes, those on pensions, those who are retired and those who are widows with young children to raise, educate and support.

Who on the government side speaks for these Canadians when the proposal is made to impose an additional financial burden upon them? I do not accept the suggestion which may be made from one corner of this chamber that the socialists speak for them, because members of the N.D.P. have demonstrated in some of their utterances today, if they have not done so before, that they approach this problem only in a doctrinaire manner; their hypothetical panacea for these ills is nothing but a series of superficial arguments based on hoary socialist principles which represent a creed outmoded and outworn, a creed which has never delivered anything by way of progress or constructive prosperity in the marketplace of Canada and which has never, fortunately, had an opportunity to do any

damage of a major nature—and I trust it will never have a chance to do so in the future.

The N.D.P. makes a great pretence of speaking for Canadians in difficulty but they have never been called upon to deliver; they speak from a protective segment of the political scene. They have never had to deliver in the context of the practical difficulties attached to running a country or a government. The hon. member for Waterloo South said it did not seem to make much difference which of the two major parties were in power so far as the financial difficulties of the people was concerned. We all know he was referring to the Conservative party and the Liberal party. I suggest to him it would make a tremendous difference if his party were in office. And the Canadian people know it; and that is why his party has never been in office. I would ask the same hon. member, and those of his colleagues who have spoken in the same theoretical, hypothetical vein, what about the situation in Great Britain where finally the people seem to have come to their senses with respect to the panacea of socialism? I would ask him, what about the situation in Denmark where the people not only seem to have come to their senses but have articulated that fact by throwing out a socialist government?

• (9:10 p.m.)

The hon. member for Waterloo South presented a typical, classical socialist argument, but it contained the depth and degree of reasoning, and the strength and substantiality of most socialist arguments, that is to say, it was totally flimsy, and collapsed on examination. That was demonstrated by the fact that he was confused by questions directed to him by the hon. member for Shelburne-Yarmouth-Clare and by the Minister of Energy, Mines and Resources.

That party is not speaking for the people in this country who are in financial difficulty at the present time, and I suggest that the minister through the measure he has introduced is not speaking for them either. I ask who is speaking for people who are in these straits? This is the reason why, without any financial, fiscal or economic expertise I have risen to inject my observations into this debate.

The average wage earner in this country, if he has a family to support, has an extremely difficult time meeting his economic needs. You know that, sir, from your mail, as well as I know it from mine, and as well as anybody in this chamber knows it from his or her mail. With the pressure of taxes, living costs, food costs, all the costs that go to make up the spectrum of survival and existence, the average wage earner has all he can do to keep his head above water. He is asking for some relief, not for an additional burden or penalty such as that exemplified in the measure the minister has introduced.

[Mr. Sherman.]

The difficulties that I refer to do not even begin to take account of the situation with respect to the elderly, the pensioners and all those on fixed incomes. The average wage earner has a difficult enough time, but this does not begin to take account of the extreme hardships of those in the latter three categories I have mentioned, the elderly, the pensioners, and all those on fixed incomes.

This, sir, is a mean and cruel tax. It is hitting at a segment of society already pressed almost to the breaking point. The critical fiscal and financial situation in which these Canadians to whom I refer find themselves, indeed all Canadians find themselves, is not of their own making. They should not be held to account for it, and should not have to find the way to pave the government's avenue of escape out of it. The critical fiscal and financial situation in which the government finds itself is of its own making.

Some 18 months ago the government established a pattern of 30 per cent wage increases when it intervened in three labour disputes and ordered settlements to be made on that basis. That was only one example of fiscal and financial irresponsibility on the part of the government, but it was one of the most graphic. It has continually come back to haunt the government and to hurt Canadians time and time again in the 18 months since then. You cannot go about making outlandish settlements like that without paying the piper, paying the price somewhere down the line. Who is paying the price? It is the average Canadian wage earner, the pensioner, the Canadian in all those categories to which I have referred. He has to meet his grocery bill, his rent bill, his mortgage bill, pay for his children's education, pay for drugs in an effort to stay alive in this economic situation in which all factors seem to be arranged and arrayed against him.

When wage increases of that outrageous size are implemented, and with the rapidity and in the sequence in which they were implemented, they cannot help but have an effect on the marketplace which will militate against the economic well being of all Canadians. They cannot help but have an effect which takes the form of a situation that

ignites a further spiral of costs and prices. These settlements could not help but touch off a new spiral in costs and prices, and could not help but reflect those in the marketplace.

The small wage earner is the man who has suffered. He has had to pay the penalty, and now he is being penalized again with this so-called temporary surtax on his income tax. What I would like to know from the Minister of Finance tonight is where and when these penalties stop? When does it become possible for a man to be rewarded for ambition and energy, rather than penalized? When does it become possible, realistic and practical for a man to be rewarded for being Canadian, for devoting his life's work and energies to the improvement of the state of society in this country, instead of being continually harassed from a financial point of view and subjected to penalties by a professional socialist undertaking?

I would like to move an amendment to clause 5 of the bill, but I understand, sir, it would be ruled out on technical grounds. Therefore I do not intend to move an amendment at this time, but I set myself firmly on record as being in steadfast opposition to this clause, and I am prepared to vote against it.

What we need in this country are tax incentives, not tax penalties as provided by this clause. Tax incentives are necessary as a means of increasing our productivity from coast to coast, both on an individual and on a collective level. Only if we increase our productivity will we find our way out of the morass into which we have stumbled under the present administration and its inept economic policies, policies which seem destined to lead us into fiscal disaster.

It pains me, on the strength of what I have said in the last few minutes and on the strength of my philosophical commitment as a Conservative, to support any measure put forward by the N.D.P., but I must say that I agree with the sentiments behind the amendment proposed earlier today by the hon. member for Broadview when he suggested the elimination of clause 5(1)(b), the requirement stipulating that $600 would be one of the brackets surrounding the new temporary surtax.

I support the sentiments behind that amendment, because I agree with the hon. member's argument that the prescription in the clause as now worded militates most severely against the small wage earner. Actually it militates against all wage earners, but I had admitted in my earlier statements this evening that there are some Canadians to whom the additional surtax would not be so great a financial burden. However, the people with whom I am most concerned are those in the lower and medium income brackets, to whom it would be a great financial burden.

That is why I, despite the philosophical conflict I have to overcome in my own mind, do support the sentiments behind the amendment proposed by the hon. member for Broadview, because he has put his finger on the nub of the difficulty, the nub of the weakness, the flaw and the unfairness of this legislation, namely that it militates most severely against the man who is the backbone of this country, the small and medium sized wage earner, with a home and family that he has to support and children he has to feed and educate. I must say that I found the entire speech of the hon. member for Broadview a refreshing return to sanity, after the remarks made earlier in the afternoon by his colleague, the hon. member for Sudbury.

• (9:20 p.m.)

Like many other members in this chamber I felt that the remarks of the hon. member for Sudbury represented the most outrageous socialistic polemics I have had heard in this house since I came here. I am given to believe that many members, with much greater seniority in this chamber than I, would argue that it was the most outrageous dissertation of an unsupportable nature in the area of socialism and left wing thinking they have ever heard in the years they have been in the house. So, it was extremely gratifying to me to hear a voice of sanity come from that corner of the chamber in the person of the hon. member for Broadview. I reiterate my support for the sentiments contained in his amendment.

In a final reference to the contribution made from that corner of the chamber I should like to say that the remarks delivered by the hon. member for Sudbury represented to me a dredging up of some of the most hoary old chestnuts of socialism and left wing politics. His party could not get anyone to swallow those chestnuts in the past and will not have any success now. The hon. member for Sudbury no doubt is still convinced that it is practical to peddle them, but I doubt that he will have much success in his attempted sale of such outrageous ideas.

It is admitted that the nation is in a fiscal financial situation which requires financial and economic assistance where the federal purse is concerned. But there are many

sources available from which to obtain the money, without going to the oppressive extreme of levying this kind of unsavoury penalty on the middle and low wage earners of Canada who form the majority of the people of this country. There are two areas of public spending to which members from this and other parties have referred in the debate today. I should like to refer to the speech of the hon. member for Perth and also that of the hon. member for Villeneuve. I would also cite the current example of Hon. Lionel Chevrier, who I understand is on a tour of the French speaking nations of Africa, investigating the extent to which we as a nation might participate in external aid to those countries.

I have no quarrel with any exercise in external aid to any countries in the world of any political or ethnic extraction or persuasion. However, I would simply like to ask the Minister of Finance and his colleagues why we expand our contributory function in areas of this type, when on the other hand in order to raise the necessary money to keep the economy turning we must levy additional penalties on the taxpayers of Canada. This has been my experience every year since I came here a little over two years ago. Surely economic charity should begin here at home in Canada. Before we attempt to expand ourselves too far into these other areas of finance and fiscal support we should think of financial fiscal support and relief for our wage earners and taxpayers in Canada. I see no justification for the kind of spending to which I have just referred, and the kind of public spending which is projected for example for the immediate future in the Ottawa area. I see no justification for this, when we turn around and levy additional taxes and penalties on the hard pressed wage earners, pensioners, widows, elderly and retired persons of this country.

In his remarks earlier today the hon. member for Villeneuve spoke with scorn about the terminology used in clause 5. He referred to the words "temporary surtax" and suggested that they were a sham. In the lifetime of this government there is nothing in the field of taxation that is temporary. This is about as temporary as the location of the national capital here in Ottawa. This is a permanent addition to our tax burden, and there should be no attempt to dissemble that fact before the hard pressed wage earners and taxpayers of this country who will have to supply the money this government has run out of.

[Mr. Sherman.]

I have cited some exercises in the general area of public expenditure which I feel are inadvisable in the light of the steps the government is taking here in the form of this income tax surtax. There are two or three other exercises which could be added. One is the expense of the Royal Commission on the Status of Women, which I find in my part of the country, and in other parts of the country which I have visited, has outraged most people who are knowledgeable about the work of the commission and the amount of money it is costing the taxpayers of Canada. This no doubt is a very worth-while study, but is it as worth-while as the stabilization of the financial life of this country would be?

I suggest that expenditures of this type should be deferred or postponed, at this time when public money is so short that the taxpayers are being asked to make up the deficit, until the time arrives when public money is available as a result of the general productivity of the nation. I suggest that this surtax will have precisely the opposite effect on the economy of this country to that which the Minister of Finance hoped to achieve through its implementation. I suggest that it will force people to cut back on their purchases and participate less in the exercise of oiling the machinery of the economy of this country. They will tend to participate less in the general function of keeping the economy moving, alive, energetic, productive and progressive. I suggest further that the effect of this type of slow-down and cut-back will be so serious that I would not attempt to give a prognosis at this time. I believe the effect of that cut-back and slow-down would be serious enough to merit a separate full scale debate in this chamber.

In conclusion, Mr. Chairman, I should like to suggest to the Minister of Finance that he think back to the thirties, when there was a cry from those who were on relief which could be heard across this land. I submit to the Minister of Finance and his colleagues in the government that today across Canada from coast to coast it is not the cry of those who are on relief which can be heard, but the cry of those who seek relief from the oppression of the cost-price-tax squeeze in which they have been caught for the past four years.

Mr. Fawcett: Mr. Chairman, as a member who represents to a very large degree the type of citizen who it has been suggested has been carrying an unfair tax burden for many years, I feel it is incumbent upon me to take

strong exception to this proposal of the Minister of Finance, which would perpetuate and add to the injustices that now prevail in our present tax laws. I should say in passing that I was very happy to hear that the hon. member for Winnipeg South recognizes the voice of sanity in our ranks. It is very evident from the speeches this afternoon that one will not hear a similar voice in the area to our right.

• (9:30 p.m.)

We have been told that there are two things we can be sure of on this earth; death and taxes.

An hon. Member: And Liberals.

Mr. Fawcett: I would be the first to agree that taxes are necessary. If we accept and expect services we must pay for them, and there is only one way to pay—through taxes. The government has a responsibility to see that taxes are levied on an equitable basis. It is in this respect that the government of today and previous governments have failed miserably. I do not pretend to be an expert on economics or monetary and fiscal policy and, like the hon. member for Winnipeg South, I intend to stay away from a discussion of that side of the coin. Some of my colleagues have done an admirable job in presenting our feelings in respect of economic aspects.

Surely no one will contradict me when I say that governments from the municipal level, up, are trying to high heaven to find additional finances. Municipalities in particular are having a very difficult time to finance their operations. I attended a meeting in a mining municipality in northern Ontario not long ago. The paramount concern of this group of people was that not enough revenue from the mining industry was being returned to the municipality to cover the cost of providing municipal services and educational needs. The only suggestion this group could make was that it should pressure the province into providing more financial assistance.

Who would pay for this increased assistance provided for northern municipalities by Queen's Park? This money must come from the same source, the taxpayers. The taxpayer, as has been suggested by the Carter commission and others, has been overburdened through taxes. We can solve nothing until we establish a new tax base. There is no point in transferring tax imposition from one place to another, because in the long run the taxes come from the same source.

I found something else which was of interest when I attended that meeting, namely the minutes of a previous meeting. They had passed a motion opposing the recommendations of the Carter commission dealing with the elimination of withholding tax and depletion allowances regarding mining and oil companies. I can only suggest that the municipality was panicked into taking this stand because of threats on the part of these companies. This is understandable, because these municipalities are totally dependant on the income from the production and primary processing of natural resources or raw materials. I am sure they felt that the adoption of these Carter commission recommendations would result in the destruction of their economies.

Mr. McLean (Charlotte): Would the hon. member permit a question?

Mr. Fawcett: Certainly.

Mr. McLean (Charlotte): Has he read the Carter commission report?

Mr. Fawcett: I have read the summary, sir.

Mr. McLean (Charlotte): Does he believe the recommendations should be implemented in their entirety?

Mr. Fawcett: I know exactly what the hon. member has in mind. If mining companies and insurance companies paid the taxes they should be paying the tax rate for the average individual would be much lower. It would not make much difference to these companies, if these recommendations were implemented.

Mr. McLean (Charlotte): Do you believe that all the recommendations of the report should be implemented?

Mr. Fawcett: I think perhaps there should be some modification in certain areas, but I do not intend to identify those areas. If Kenneth Carter did anything, he emphasized the fact that too many have been getting a free ride for too long. Unless these recommendations are implemented and unless we develop a new tax base, the greater proportion of taxes will still come from that group of people who are now overly tax burdened.

Let me comment briefly on the remarks of the hon. member for Edmonton West in respect of corporation taxes. There is more than one kind of corporation. We have many small corporations, with as many financial

difficulties as have the wage earners. These corporations do not wield any great power. There are other corporations, to which I have alluded, which greatly influence our economy. To a great extent they control economic factors. I suspect that some of these corporations hold our governments in the palms of their hands.

It was interesting to note that immediately after the Carter commission recommendations became public our desks were covered with briefs and submissions from members of that 5 per cent of our population who exercise this control. It is time the voice of the other 95 per cent was heard.

We have often heard from members sitting on the front benches across the way about our high standard of living and our affluent society. I am the first to agree that our wage earners are living in nice, modern homes with all, or most, available appliances. They are living quite comfortably. The thing that has escaped the attention of most people is that this affluent society picture is a myth. Even though these people are living in modern homes, and even though they enjoy comfortable lives with a reasonable amount of security, they live from pay day to pay day. I speak with some authority in this regard because I spent most of my lifetime working among these people. I am not being critical of this situation or the people who live in this way; but it is only because of credit buying that they at this time enjoy a reasonably comfortable life. But the fact still remains that their security begins and ends with the pay cheque. If anything happens to the pay cheque, if a person becomes unemployed, the security finishes, the home is lost and, in many cases, a good portion of what is in the home also disappears.

• (9:40 p.m.)

My colleagues have referred to the discriminatory aspects of tax exemption. They have referred to the need of exemption for tools, clothing, etc., which are a necessity in most cases for these people in their mode of employment. I believe there is another matter to be considered in this respect, namely the question of transportation expenses. In this day and age it is a practical impossibility for any employee to live within a short distance of his place of employment. He is practically forced to live 10, 20, 30 or even 40 miles from where he is employed. This is particularly true of the area from which I come. As a result, transportation costs take a great bite out of the pay cheque of the employee; yet they cannot under any circumstances claim exemption for transportation expenses.

Another example of this was brought to my attention recently. I refer to the situation of professional fire fighters. I believe this matter comes within the jurisdiction of the emergency measures act. These people are compelled by law to be available to go anywhere within reason in case of emergency. Penalties are involved if they do not go to the place of emergency; and if they do not go, they must have a very good excuse for not going.

However, Mr. Chairman, there is no provision for the transportation of these people. In the case of dire emergency they are sometimes required to travel great distances. In some cases, in order not to violate the law they must have transportation, usually by means of a car, and they must keep up the insurance on the automobile, and so on. I believe this is another very glaring example of where tax exemptions should be provided. While wage earners are having this difficulty, we find there are those who claim exemptions for wining and dining and living high on the hog, so to speak. This is one of the things that very much bothers the average working man.

With regard to the tax holidays for mining corporations, as far as I am concerned I do not think they are necessary; in fact I would class them as an evil. But in addition to this, I think the minister should take a long look to see whether there are not abuses of the exemptions already provided. I suggest this is a matter well worth looking into. It appears to me that some of these exemptions go far beyond what should reasonably be considered as applicable.

As far as depletion allowances are concerned, I think it is a sad commentary on our whole economic process when large companies are granted depletion allowances for depleting expendable resources that, after all, are the heritage of every Canadian citizen.

In conclusion, Mr. Chairman, I should like once again to prevail upon the minister to take a serious look at the tax policy of the government and the effect it is having on the average Canadian citizen. I believe the time is long overdue when we should come up with something entirely different in the way of a tax base. It is high time that the 95 per cent of this nation who suffer from our tax policy were given a little consideration.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I should not like this

opportunity to pass without giving the minister the benefit of my advice, which he has never taken in the past. I should also like to refer to some of the minister's statements when he introduced this rather disastrous budget. It may be a little unkind on February 15, 1968, to quote what the minister said on November 30, 1967, as appears at page 4901 of *Hansard*. Here is our Minister of Finance looking in his clear, crystal ball with regard to the future. He has a somewhat different role than I have. Mine is a rather invidious one. I have never got much satisfaction out of being able to say, "I told you so", because Cassandra was never the go-go girl of the party. However, there is a contrast in the views expressed by the minister and those which I expressed a few days later. This is what the minister said when introducing his budget on November 30:

> Looking ahead, in 1968 a somewhat greater increase in production than this year in real terms and a somewhat smaller increase in prices is indicated. This appraisal anticipates a revival in economic activity in the United States and a continuation of growth in production in Europe and Japan, all important markets for us. Consequently, I expect to see a resumption in the growth of our exports. We can certainly expect a continuing increase in the expenditures of Canadian consumers, probably at a greater rate than this year. Housing expenditures can be expected to rise next year. Mortgage funds should be more readily available as a result of the more flexible interest rates on insured mortgages as well as a reduction in the competition for funds and the entry of the banks into the market this year. Already, as hon. members know, there has been a very substantial increase.

Alas—

An hon. Member: Who said that?

Mr. Cameron (Nanaimo-Cowichan-The Islands): Oh, it was a Pollyanna, the Minister of Finance. But perhaps the sun was shining brightly on November 30 and it was not until the middle of February, 1968, that the frost of reality came down.

Mr. Sharp: Mr. Chairman, may I ask the hon. member which of these predictions I made has not been fulfilled.

An hon. Member: All of them.

Mr. Cameron (Nanaimo-Cowichan-The Islands): We will just take the last one, to start with:

> Mortgage funds should be more readily available as a result of the more flexible interest rates on insured mortgages—

Where are the more flexible interest rates?

Mr. Sharp: They certainly are.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Really, Mr. Chairman, I wonder that the minister can sit here and have the effrontery to say this, when we have heard of the great number of people in Canada who are desperately in need of housing. These people require mortgage funds, which are not available. Interest rates are continuing to rise. The other day, when I pointed out the effect of the sharp increase in interest rates, the minister considered that it was a matter of so little consequence that he had not even spoken to the banks or suggested to them, apparently, that this was not in accordance with the prognostications he had made at the time we had the revision of the Bank Act.

I suggest that when he told us there would be a somewhat greater increase in production this year he must have forgotten that in a moment of rashness when he introduced the budget he said there would be a slight decline in production. He told us this was necessary in order that we control inflation. If the minister does not remember that, he had better look at his speech of November 30, when he said he was looking forward to a slight decline in production, regrettably, but because of the economic situation he felt this would take place.

Quite apart from this, Mr. Chairman, I think this bill contains fundamental implications that are much more important than the 5 per cent surtax on income, which we say is merely the revelation of the bankruptcy of this government's policies. This government has several obsessions. One is the necessity of maintaining simultaneously two contradictory and incompatible policies which tie their hands, and have tied their hands steadily for some time. The minister laughs. I can assure him the people of Canada are not laughing. I can assure him, too, that the economists in Canada are not laughing. I am so tired of economists coming to me, as if I were responsible, and saying to me: Is that man Sharp crazy? I say: I do not think so; what is he doing? I have to say I am not a miracle worker, so I cannot unscrew the inscrutable. If the minister thinks the individuals of this nation support him, then I suspect he will find the answer on April 6, because there will be a lot of people telling the delegates to the convention that they have been talking to businessmen who are not in support of the Minister of Finance.

• (9:50 p.m.)

There is only one way in which the minister can reach the objective which he told us he wanted to reach, namely to contain inflation and at the same time expand and develop the growth of our economy. However, he will not take it. He turned a deaf ear to the suggestions we made to him about the incompatibility of his policy of maintaining a fixed exchange rate and at the same time maintaining a ceiling on exchange reserves. This is continually causing him trouble.

Now, Mr. Chairman, there is only one way in which we can reduce interest rates. There is only one way in which we can expand the economy and that is by taking action to do so. When the minister is tied to the necessity of maintaining the dollar at 92.5, when he is tied to the necessity of keeping our exchange reserves below a certain ceiling, then he is unable to expand the economy. Instead of that, he contracts it; and he admits himself he is contracting the economy. The steps he took were designed to contract the economy. The words he used, of course, were the euphemistic ones of allowing a little slack to develop in the economy. This is not a phrase, Mr. Chairman, that will appeal to those who are the victims of that slack, because in order to be effective there must be a decline in employment; there must be a contraction of the economy. There must be an increase in interest rates. Of course this reduction is being deliberately pushed at the present time.

Because of the position of this government, Canada's future depends on a continual inflow of capital from outside. In spite of that fact, Mr. Chairman, more and more informed voices are being raised in Canada expressing great anxiety with regard to the out-flow of capital from Canada. On December 8 I quoted from a release by the Dominion Bureau of Statistics. Apparently the minister did not either read my speech or consult the Dominion Bureau of Statistics, so I will just put it on the record again. The quotation is from a current review of the Dominion Bureau of Statistics, which reads as follows:

> Canada's current account deficit with the United States in the second quarter of 1967 (excluding gold production available for export which is conventionally attributed to the United States account) was $544 million. Net capital movements between the two countries produced an inflow of $58 million as an influx of $239 million of long term capital was in part offset by an outflow on short-term account of $181 million.

Now, again and again in recent months we have been hearing the statements of financial analysts who tell us in effect that we are getting almost nothing in the way of net inflow of capital. It is balanced by the outflows. The minister, however, still persists in going to New York and praying for the stability of United States markets, because he feels that will preserve our economy. He begs them to continue the inflow of capital here which will be offset by what is going out on account of previous inflows. I suggest to the minister that eventually he will have to take some steps to expand the Canadian economy to reverse the trend toward rising unemployment and rising prices, by accepting not my advice but the advice of competent economist after competent economist throughout the country. They say he should seek to return to the floating exchange rate and seek to stem the outflow, to control the inflow of capital from abroad and permit the Canadian economy to develop in the way in which our resources would certainly warrant.

I have wondered, Mr. Chairman, just why the minister took the action he did, because he told us he was going to control inflation. At the same time he told us that he knew quite well the inflation was not the usual, classical, too much money chasing too few goods, and obviously he could not sustain that idea. Nowhere could he point to a shortage of goods. On the other hand, he said it was the cost-push type of inflation. What does he do? He takes the idiotic step, the ineffective step which, if designed to do nothing more than control the classical type of inflation, would be an ineffective one. He puts on his 5 per cent surtax on income, which is a nuisance to a lot of people. This measure according to his own estimate, is only going to bring in $185 million. He increased the tax on liquor and tobacco, which is only going to bring in $95 million. He is going to get corporations to advance their tax payments so he will get them a little sooner than otherwise; but this is a one shot affair.

Then the minister tells us that the total tax yield for 1968-69 will be $9,700 million and expenditures will be $10,300 million, with a deficit of $600 million. In the light of the fact that the other day the President of the Treasury Board uncautiously promised this parliament the government was going to balance the budget next year, I would have thought the minister would have taken more decisive steps if he felt that this type of inflation could be controlled by withdrawing purchasing power from the hands of the people. Instead of that, he does not even withdraw enough

money to make any difference. He takes no steps whatever to control the actual excess of inflation at the present time.

I do not know how long ago it is, Mr. Chairman, but it must be about six weeks ago that we asked the minister if he was going to investigate the rise in the prices of copper and nickel. He assured us he was going to look into it. Subsequently, when we have asked him, he has still been looking into it but he has not done anything about it. We have not heard anything from him about the famous guide lines that were going to prevent these unseemly and completely unjustifiable price increases which of course enter into all other costs and add to the inflationary pressures.

He does not do anything on that side. Instead of that, he takes away a bit of purchasing power, but more important still he creates unemployment. No matter what the minister's brave words of November 30 may have been, or his equally rash, brave words tonight, he has made it almost impossible for people in Canada of medium or even fairly sizeable incomes to build houses today.

May I call it ten o'clock, Mr. Chairman?

Mr. Sharp: I wonder if there is any possibility we might conclude consideration in the committee this evening?

Some hon. Members: Agreed.

Some hon. Members: Ten o'clock.

The Chairman: It being ten o'clock, shall I rise, report progress and ask leave to sit again?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Monteith: Will the house leader tell us what the business will be for tomorrow and Monday under these circumstances?

• (10:00 p.m.)

Mr. Pennell: Mr. Speaker, it is proposed to call item 57 second reading of Bill No. C-197, an act to amend the Unemployment Insurance Act. I cannot be definite about the business for Monday. I had hoped that the Income Tax Act amendments would have been completed, and we did propose to go on with the supplementary estimates. Having regard to the fact that the bill has not been carried I will be unable to advise the house on Monday's business until tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

HEALTH AND WELFARE—MEASURES TO COMBAT PROBLEMS CAUSED BY ALCOHOLISM

Mr. Barry Mather (New Westminster): Mr. Speaker, a few days ago I attempted to raise on the orders of the day the question whether the government was considering doing anything more with regard to the very important health and welfare problem caused by alcoholism in Canada. Mr. Speaker ruled the question out of order, so I have of course availed myself of this evening's late sitting to bring the matter up again. In support of the importance of the matter I hope in a very few minutes to put some facts on the record.

There can be no question at all that alcoholism causes, and has caused for a great many years, grave damage to the health and welfare of individuals, to families and to the state. Also in these days it carries with it modern problems, such as those evidenced by the fact that 50 per cent of fatal automobile collisions are caused by people who have taken alcohol to an extent far beyond the normal. This one instance alone, namely the toll taken by alcoholism in traffic accidents, accounts for hundreds of preventable deaths in Canada every 12 months, thousands of preventable casualties and millions of preventable economic losses.

I have cited this one particular aspect of the toll taken by alcoholism in Canada, but this is only one part of the whole sad story. There are also countless broken homes and marriages both in this city and throughout Canada as a result of alcoholism. We all know this is so. My question is: What is the government, and specifically the Department of National Health and Welfare, doing to help those people, and organizations that are actively engaged in trying to combat this evil?

As some hon. members know, I—and there are other members as well—have for years urged that the federal government and all other governments do something to combat the evils of cigarette addiction. I am pleased to commend the government for having done something to combat smoking. It has not done enough but it has done something to help prevent diseases such as lung cancer, heart trouble, emphysema and so on.

But, Mr. Speaker, what is the government doing about the problem of alcohol, a problem that is growing? The latest figures indicate that while the federal government raised revenue in excess of $275 million in the last fiscal year from the sale of alcoholic beverages, it contributed nothing, or nothing material, to any anti-alcoholism or temperance program in Canada. Why not? Surely this is a field in which there is a national problem of health and welfare. This problem has seen the emergence of different organizations at the provincial level and at the semi-public federal level who devote their efforts to solving the problem of alcohol.

For example, the pamphlet which is put out by the Canadian Federation on Alcohol Problems says that the purposes of the federation are to bring about enlightenment and understanding with regard to alcoholic problems and, generally, to do everything possible to improve the lot of those suffering from this cause. The organization is national and has the support of such organizations as the Anglican Church of Canada, the Canadian Baptist Church, the Pentecostal Church, the Presbyterian Church, the Roman Catholic Church, Seventh-Day Adventists and the United Church of Canada. I think that the government should consider augmenting the work that is done by these bodies.

Since the government derives a revenue of approximately $275 million a year from the sale of alcohol and since excessive use of such alcohol brings about disease, social problems, an increase in crime, increasing traffic accidents, and so on, would the government not consider seriously devoting a small part of its annual multimillion dollar revenue to meeting the problem of alcoholics? I suggest that the government consider allocating one half of one per cent of that revenue every year to aid in the work being undertaken by this federation.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): As stated in this house on January 23, 1968, and as reported in *Hansard* at page 5900, the Department of National Health and Welfare has no specific program on this subject but has assisted provinces in a variety of ways for many years. For the general co-ordination carried out by the Canadian Foundation on Alcoholism, a grant of $15,000 is made annually.

The problems of the alcoholic are indeed matters of real concern to the individual, his or her family, and to all who come in contact with them. Alcoholism is primarily a personal problem, and must be combated at the personal, family and local level. It has however, a relationship to crime, traffic accidents and to costly health and welfare programs that receive public concern.

In recognizing this situation, the Department of National Health and Welfare is at all times ready to consider requests from provinces for assistance with research or services that seek to diminish or prevent the problems of alcohol. In addition to this provincial interest, the department keeps under continuing review the available statistics and other information on this subject, with a view to formulating whatever co-ordinating effort may seem likely to be effective.

AGRICULTURE—GRANTS OR LOANS FOR FAIRS AND EXHIBITIONS

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, earlier this week I asked the Minister of Agriculture a question about possible long term government loans to fair boards and exhibition companies, for the construction of multipurpose buildings and facilities which would be suitable for local fairs. Mr. Speaker ruled that the question was not urgent; yet, with due respect, I do consider that question urgent and therefore I bring it up again at this time. I might explain that by "multipurpose buildings" I meant exhibition buildings that could be used for community purposes all year around.

The urgency of the question arises from this. Plans for summer fairs and exhibitions must be made now and if building loans are to be available this year the minister should announce that immediately.

• (10:10 p.m.)

I wish to put on record why fair boards and exhibition companies have the right to expect loans to be granted. In June, 1965, in answer to my question, the then minister of agriculture, Hon. Harry Hays, stated as reported in *Votes and Proceedings* of June 4, 1965:

> The development of a program of long-term loans to exhibitions for major construction programs is presently under consideration.

On December 14, 1966, the present minister answered a letter I had sent regarding exhibition loans. Here is the last paragraph of his letter:

> The Government, as you indicated, has under consideration a program of long-term loans. I am

hopeful that we can move forward on such a plan within a reasonable period. However, you will appreciate that this will take legislative action and as soon as a decision has been reached an announcement will be made.

During consideration of his departmental estimates on March 2, 1966, in answer to a question about these loans, the minister replied as follows, as will be seen from the report in *Hansard* on page 2077:

When the loan bill is ready it will be presented to the house, but it will show no change in policy. Since I took office there has been no change in policy in regard to long term loans for multi-purposes.

Early in May, 1967, the minister is reported to have said, at a meeting in Lethbridge that long term loans to fair boards may soon be a reality. I have the press report here under a Canadian Press dateline. After reading this report I asked the minister for a comment. Here is the reply he gave me in a note sent across the floor:

I explained to them it was in our platform, and in view of the way house business was proceeding I hope the government will see fit to bring it before the house this session or early in the next.

This was in 1967. I believe the minister recently had a meeting in his office with certain officials of the Canadian Association of Exhibitions. Perhaps he will indicate whether any discussion took place at that meeting with regard to the pressing need for long term loans. If he can assure the house that the loans will be available this spring his statement will be welcomed by fair boards and exhibition companies across Canada.

I have spoken of fairs and exhibitions generally but I speak particularly for the Moose Jaw exhibition, the president of which wrote me last year to say:

We have been endeavouring to raise funds to erect a multipurpose building which will be a credit to the community and which could be used the year round.

It is to meet situations such as this that I am asking the minister to make a clear statement of government policy.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): I wish to thank the hon. member for again bringing forward this important matter. I think the hon. member has not only asked the question but answered it by quoting from the very explicit letter of the minister dated December 14, 1966 when my hon. friend expressed the hope of this government that a program of this type would be brought into being at the earliest possible opportunity.

Perhaps I may review briefly what has happened. We did, of course, have a system of making capital grants to agricultural societies in this country, but this program was discontinued by a former administration of which the hon. member was a supporter. It is probable that if this system had not been discontinued we would still be providing this type of assistance to agricultural societies. It was the intention of a former minister of agriculture to introduce a different type of program, whereby extensive loans would be made available to municipalities for the construction of multipurpose buildings. However, since there was a break in the program, some interruption has resulted.

I should like to refer the hon. member to two quotations, the first of which appears at page 2481 of *Hansard*. In reply to a question asked by the hon. member for Fraser Valley (Mr. Patterson) the Minister of Agriculture said:

There is no intent to bring it in at this session but subject to the economic and financial dictates of the nation it is hoped we can bring it in during the spring session.

I think that is quite clear. The minister has said it will not be brought in this session. He is hopeful that it may be brought in during the spring session, but certainly it will be brought in at the earliest opportunity.

Motion agreed to and the house adjourned at 10.22 p.m.

HOUSE OF COMMONS

Friday, February 16, 1968

The house met at 11 a.m.

[*Translation*]

VACANCY

Mr. J. R. Keays (Gaspé): Mr. Speaker, in conformity with section 10 of the House of Commons Act, I wish to inform the house that a vacancy occurred in the representation in the House of Commons of the electoral district of Matapédia-Matane, in the province of Quebec, following the death of Hon. René Tremblay, the former member for that riding.

[*English*]

NATIONAL AND ROYAL ANTHEMS

FIRST AND FINAL REPORT OF SPECIAL JOINT COMMITTEE

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have the honour to present the first and final report of the special joint committee on the national and royal anthems. In view of the occasion may I repeat my remarks in French.

[*Text*]

Monsieur l'Orateur, j'ai l'honneur de présenter le premier et le dernier rapport du comité mixte spécial sur l'hymne national et l'hymne royal.

[*Editor's note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, on a question of privilege, as a member of the national anthem committee who has attended meetings regularly I should like to state that I received no notice of yesterday's meeting of that committee and consequently did not attend. I subsequently have had an opportunity to read the report, and I concur with its recommendations regarding the official anthems.

Mr. Ryan: Mr. Speaker, on the point of privilege—

Mr. Speaker: Order. This is not a question of privilege. Perhaps the matter might be cleared up between the chairman and the hon. member.

LIBRARY OF PARLIAMENT

CONCURRENCE IN COMMITTEE REPORT RESPECTING SALARY REVISIONS, ETC.

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved:

That the report of the joint committee on the Library of Parliament concerning salary revisions and other matters, presented to the house on Wednesday, February 14, 1968, be concurred in.

Motion agreed to.

NATIONAL CAPITAL

ESTABLISHMENT OF JOINT COMMITTEE TO EXAMINE COMMISSION PROGRESS AND PROGRAMS

On the order: Government notices of motion:

February 14—*The Minister of Public Works*:

That a joint committee of both houses of parliament be appointed to examine the progress and programs of the National Capital Commission in the development, conservation and improvement of the national capital region;

That twelve members to act on behalf of the House of Commons as members of the said committee be designated at a later date;

That the said committee have power to call for persons, papers and records, to sit while the house is sitting, and to report from time to time;

That the said committee have power to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

FINANCE

REQUEST FOR POLICY STATEMENT ON FOREIGN INVESTMENT IN CANADA

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to direct a question to the Acting Prime Minister and ask him whether

it is proper for us to assume, from the statement made by the President of the Privy Council yesterday, that the government has not given active consideration to the formulation of any policy which might arise from the recommendations of the report on foreign investment, as tabled in the house yesterday.

Hon. Walter L. Gordon (President of the Privy Council): Mr. Speaker—

Mr. Starr: The question was directed to the Acting Prime Minister.

Mr. Gordon: So many people are aspiring for that position that perhaps I might as well join them.

Some hon. Members: Oh, oh.

Mr. Gordon: Mr. Speaker, replying to the question, I think I made it clear yesterday that the government is considering the report and will be formulating a policy. It has not arrived at its conclusions yet, and that was the only inference that I wished to be drawn yesterday.

Mr. Stanfield: A supplementary question, Mr. Speaker. May I ask the President of the Privy Council whether he can indicate to the house when the government will be reaching any new policies which may be arising from the report.

Mr. Gordon: I should think at a very early date, Mr. Speaker.

EXTERNAL AFFAIRS

SALE TO U.S. OF ARMS FOR USE IN VIET NAM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to direct my question to the Secretary of State for External Affairs. Has the government asked for written assurance from the government of the United States that none of the Canadian war material being sold to the United States is being used in Viet Nam? If such a request has been made, what was the nature of the reply?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as my hon. friend knows, Canada has a defence sharing agreement with the United States that goes back to 1945. There is no written request, but there have been consultations from time to time with the United States in this matter.

[Mr. Stanfield.]

Mr. Douglas: A supplementary question, Mr. Speaker. Considering the minister's reply, I ask him on what he bases the assurances he has given the Canadian people from time to time that no Canadian war materials are being used in Viet Nam.

Mr. Martin (Essex East): I have said repeatedly that under the policies of the government of Canada no one can buy arms and ship them from Canada to any sensitive area, whether that be Viet Nam or anywhere else.

Mr. Douglas: May I ask the minister to give that assurance with respect to materials which may go indirectly to Viet Nam through the United States?

Mr. Martin (Essex East): I have just said that we have a defence sharing agreement with the United States which goes back to 1945. That was very fairly dealt with, I may say, by my hon. friend's seatmate in a television interview one year ago, in a way that put this matter in perspective and with fairness.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. I wish to ask the Secretary of State for External Affairs whether he means to leave the impression with this house that he has asked the United States not to use in Viet Nam any arms shipped from Canada to the United States under that agreement. Is that the impression he is seeking to leave with the house this morning?

Mr. Martin (Essex East): Yes.

Mr. H. W. Herridge (Kootenay West): Can the Secretary of State for External Affairs assure the house that no Canadian nickel is being used in Viet Nam?

Mr. Martin (Essex East): I am glad the hon. member asked that question, because when we think of how to assist a country the export of nickel, the export of wheat, the export of many other commodities which do not normally constitute what are called armaments may be of great assistance.

Is anyone in the house recommending that Canada should not export nickel?

Mr. Starr: You are not allowed to ask questions.

NATIONAL DEFENCE

INTERCEPTION AND IDENTIFICATION OF RUSSIAN BOMBERS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): May I ask the Secretary of State for External Affairs whether he has any information to give the house on the reported appearance of Soviet bombers over Canadian territory.

Mr. Martin (Essex East): My colleague the Minister of National Defence will deal with that question.

Hon. Léo Cadieux (Minister of National Defence): We are aware that some foreign aircraft have been operating well off our coasts in international air space. We have used these opportunities to exercise our air intercept and identification procedures.

Mr. Patterson: I wonder whether the minister would care to comment on the report that Soviet bombers have been over Newfoundland territory.

Mr. Cadieux (Terrebonne): I have to repeat that according to my information they were well off the coast—I am talking of the foreign aircraft.

Hon. E. D. Fulton (Kamloops): May I ask the Minister of National Defence whether our intercept and identification procedures were successful and, if so, what was the identity of the foreign aircraft in question?

Mr. Cadieux (Terrebonne): The most I can say is that our intercept was successful.

Mr. Fulton: Is the minister unwilling to tell the house the identity of the aircraft?

Mr. Speaker: Order, please. The hon. member has asked a question and received an answer to it.

Mr. Fulton: I was wondering whether the omission was an oversight or whether it was deliberate, and I am giving the minister a chance to rectify it.

Mr. Speaker: Order.

Mr. Fulton: On reflection I wish to press the Secretary of State for External Affairs as to whether he will not tell the house what was the identity of the foreign aircraft intercepted; because I believe in all seriousness that it is unacceptable that parliament and the country should not be given this information.

Mr. Cadieux (Terrebonne): I have no objection to giving the information. They were Russian aircraft, Bear D.

[*Later:*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is supplementary to the question directed to the Minister of National Defence by the hon. member for Kamloops. Because of the serious nature of the incident could the minister inform the house whether the intercepted aircraft was a military aircraft; and if it was intercepted in international air space would he tell us by what right the interception was made? If it was not intercepted in international air space, has the government lodged a protest with the government of the U.S.S.R.?

Mr. Cadieux (Terrebonne): I wonder, Mr. Speaker, whether we are not going a little far afield in respect of this incident. I hope the hon. member understands that if we do intercept we follow our own procedures and perform the same function we are performing all the time. If this is done in international air space we are limited to identifying the aircraft. That is all there was to it.

Mr. Nielsen: Mr. Speaker, this matter is serious enough to warrant the house being given full information. I am asking whether the aircraft which was intercepted and identified was a Russian military aircraft and, if so, was any protest lodged?

Mr. Speaker: Order, please.

Mr. Nielsen: Mr. Speaker, because of the important nature of the subject matter I suggest that the minister should inform the house fully with regard to it.

Mr. Speaker: Even in respect of an important matter the rules are the same. The hon. member has a right to ask the question, and when the minister answers that must be the end of the matter.

Mr. W. B. Nesbitt (Oxford): I should like to ask the Minister of National Defence whether the Canadian aircraft which intercepted the Russian aircraft requested that aircraft to turn back.

Mr. Cadieux (Terrebonne): No, Mr. Speaker. As far as the question of the hon. member for Yukon is concerned, I did identify the aircraft. I said it was a Bear D, which is a military aircraft.

Inquiries of the Ministry

Mr. Nielsen: Mr. Speaker, I should like to direct my supplementary question to the Secretary of State for External Affairs. Has any official protest been lodged with the government of the U.S.S.R.?

Hon. Paul Martin (Secretary of State for External Affairs): As the minister pointed out, some foreign aircraft have been operating well off our coasts in international air space. We have used this situation, as the minister has said, to exercise our air inspection and identification procedures. That is the reply the minister gave a moment ago and that is the situation as it exists at the present time.

Mr. Nielsen: Would the Secretary of State for External Affairs answer the question as to whether the government has lodged any official protest with the government of the U.S.S.R.?

Mr. Speaker: Order, please. The member has asked his question and the minister has answered.

Mr. Neilsen: I have a supplementary question for the Secretary of State for External Affairs. Has the Secretary of State for External Affairs requested an explanation for the presence of the aircraft referred to? If so, will he inform the house what reply he has received to that request?

Mr. Martin (Essex East): Mr. Speaker, only because the matter is of great importance do I repeat what I have already said, and what was said by the Minister of National Defence. Some foreign aircraft have been operating well off our coasts in international air space. Canada has the right to do the same thing, and does.

Mr. Nielsen: Nobody disputes that fact, Mr. Speaker. My question to the minister was, has the government requested any explanation?

Some hon. Members: Order.

Hon. D. S. Harkness (Calgary North): I have a supplementary question for the Secretary of State for External Affairs. Did the operation of these foreign aircraft—I don't know whether there was more than one—interfere with the ordinary flying routes of international air companies between this continent and Europe?

Mr. Cadieux (Terrebonne): I have no way of knowing that, Mr. Speaker.

[Mr. Cadieux (Terrebonne).]

[*Later:*]

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of National Defence with regard to the incident of the foreign aircraft flying off Canada's coast. Is the minister aware of the radio news report of today which said that this incident involved an encounter between United States and Russian planes?

Mr. Cadieux (Terrebonne): No, Mr. Speaker, I am not aware of that.

Mr. Nielsen: A supplementary question, Mr. Speaker, directed to the Secretary of State for External Affairs. I will keep it very simple. Has there been any exchange of communications between this government and the government of the U.S.S.R. relative to this incident?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend knows perfectly well that there could not have been.

[*Translation*]

HOUSING

AVAILABILITY OF FUNDS FOR SINGLE FAMILY DWELLINGS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the hon. President of the Treasury Board who is answerable for the Central Mortgage and Housing Corporation.

We know that increasing pressures are being brought to bear on Central Mortgage and Housing Corporation with a view to having it approve the construction of only high-density residential buildings in Canada. Can the hon. minister assure the house that steps will be taken to continue allowing the construction of single-unit family dwellings?

[*English*]

Hon. E. J. Benson (President of the Treasury Board): Central Mortgage and Housing Corporation are concentrating their funds this year on public housing, limited dividend housing, urban redevelopment and so on. Present forecasts are that adequate funds will be forthcoming from the private sector to take care of single family dwellings to create a total level of about 175,000 housing starts.

EXTERNAL AFFAIRS

STATEMENT ON MISSION OF HON. LIONEL CHEVRIER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, yesterday in reply to a question of mine concerning the mission of Hon. Lionel Chevrier, the Prime Minister indicated that the Secretary of State for External Affairs would reply today. I wonder whether the hon. gentleman is ready to do so.

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker. As the Prime Minister indicated, the former high commissioner for Canada in London is on a visit now on behalf of the government to certain Francophone countries in Africa. For a long time Canada has been giving external aid to certain English speaking countries in Africa. Two years ago the government decided that it was desirable to expand our assistance to the Francophone countries. We now have total external aid of $12 million to Francophone countries, and the former high commissioner is now engaged in consultations, on behalf of the government and the department of external aid, with regard to programs to assist these French speaking countries in Africa.

Mr. Nesbitt: As a supplementary question, during the earlier part of hon. Mr. Chevrier's visit did he have an opportunity to discuss any matters with U Thant in Paris?

Mr. Martin (Essex East): No, Mr. Speaker, he was not instructed to see U Thant.

SHIPPING

BAY OF FUNDY—POSSIBLE CONSTRUCTION OF SUPER PORT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Acting Prime Minister. Could he tell the house whether the government of Canada has participated in, or if it has not participated to what extent it has been kept informed, discussions between the province of New Brunswick and the state of Maine with regard to the construction of a super port in the bay of Fundy area?

Hon. Paul Martin (Secretary of State for External Affairs): I will take that question as notice, Mr. Speaker.

Inquiries of the Ministry

HEALTH AND WELFARE

ACTION TO MEET SHORTAGE OF MEDICAL MANPOWER

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, this is the first time I have had an opportunity to question the Minister of National Health and Welfare. Now that the government has apparently made up its mind as to the future course of medicare, can the minister inform the house whether any federal initiatives are being considered to offset the increasing shortage of doctors facing the country?

Mr. Speaker: Order. I suggest to the hon. member that the information he is seeking now is of a general nature which normally should be given by a minister at the time of the calling of motions.

Mr. Grafftey: May I rephrase my question. Now that the government has reached a decision on medicare—

Mr. Gordon: That was done a year ago.

Mr. Grafftey: —increasing demands on medical personnel, can the minister inform the house what detailed provisions have been made to face this challenge? It is a very serious situation.

Mr. Speaker: I would think that even the rephrased question does not qualify under the rules.

ADMINISTRATION OF JUSTICE

SHERBROOKE, QUE.—REPORTED MISTREATMENT OF ARRESTED PERSON

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of a report in this morning's press that an accused person in Sherbrooke was denied counsel on arrest, and was mistreated by the officers who arrested him, has the minister ordered or will he consider ordering an inquiry into the matter?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, as the hon. member knows, the administration of justice is a matter of internal jurisdiction for a province, and it is not proper for the federal government to interfere in this as a general proposition. Whether in this particular case there was some action under federal authority I do not know, but the administration of justice is something with which we do not interfere.

Inquiries of the Ministry

Mr. Lewis: Mr. Speaker, the minister's answer was not entirely unexpected. As a supplementary question, in view of the fact that the proposed bill of rights to be entrenched in the constitution is now delayed —I hope it is merely delayed—will the minister consider an amendment to the Criminal Code to assure people arrested the right to counsel?

Mr. Trudeau: Mr. Speaker, I thank the hon. member for his support of our proposition for an amendment to the constitution in the form of a bill of rights. As regards this latter proposition, I am prepared to examine it. I must say I am very hopeful with the progress being made in the matter of a charter of human rights. The hon. member will probably agree that that is the proper place to enshrine this kind of protection so it applies to all the law, but if that is not possible I will examine his very valid proposal.

ATLANTIC DEVELOPMENT BOARD

REASON FOR APPARENT REDUCTION IN AVAILABLE FUNDS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare as the minister responsible for the Atlantic Development Board. Is he in a position to inform the house of the reasons for the very substantial reduction in the funds available to that board in the coming fiscal year?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would be very happy to give the details to my hon. friend. The suggestion that there has been any cut-back in the availability of funds to the Atlantic Development Board for the forthcoming fiscal year is totally unfounded. What has been done is an attempt to estimate as accurately as possible the requirements for the board's activities within the next fiscal year. My hon. friend will recall that the estimate last year was much greater than the actual expenditure because of the inability to get ahead with joint shared programs with the provinces. This year we are hoping to estimate accurately and go forward with available projects. If there are further requirements they will be met from the fund.

Mr. Coates: Would the minister indicate that every possible action will be taken to provide initiatives for the board and to see that increased amounts of money are spent in the Atlantic provinces in order to help reduce the substantial economic gap which exists between the people of that area and the people in the rest of Canada.

Mr. MacEachen: Yes, Mr. Speaker; the board will be encouraged in every possible way to carry on with its activities.

Mr. H. Russell MacEwan (Pictou): I have a supplementary question, Mr. Speaker. On December 1, as recorded at page 4929 of *Hansard,* I asked the minister whether there had been any cut-back in the funds to be made available to the Atlantic Development Board for the next fiscal year. At that time the minister said he expected that in the next year there would be considerable resources available to assist the economy of the Atlantic provinces. Is this decrease of $20 million providing considerable resources to the Atlantic provinces under the Atlantic Development Board?

Mr. Speaker: Order, please. I suggest to the hon. member that he is entering into a debate.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, may I ask the minister whether he has yet made appointments to the Atlantic Development Board, or whether he is in a position to announce appointments to replace those whose terms have expired?

Mr. MacEachen: Mr. Speaker, I am not sure whether the governor in council has acted on the recommendations which were made during the past week. Recommendations have been made to the governor in council to fill these vacancies.

FINANCE

REPORTED DECREASE IN PUBLIC MONEY SUPPLY

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question I would have liked to address to the Minister of Finance. I presume there is an acting minister of finance. It is rather difficult these days to find the person to whom to address a question.

Mr. Speaker: The hon. member might ask the question.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the Acting Minister of Finance,

whoever he may be. The question arises from a statement which appears in this morning's paper from the Bank of Canada to the effect that there was a further decline in the public money supply during the seven days ending February 7. Later in the story some of the consequences of this are listed, such as a continuing rise in interest rates in certain categories of loans and shortage of lending funds on the part of the banks. I should like to ask whether this is a result of policy decisions on the part of the Bank of Canada and the government. If so, does the minister consider this to be a desirable development in the Canadian economy at this time.

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, I have not read the article in question, but on behalf of the Minister of Finance I should like to take this question as notice.

[*Translation*]

IMMIGRATION

STATEMENT ON ADMISSION OF ITALIANS FROM SICILY

On the orders of the day:

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, some time ago the hon. member for Hamilton West (Mr. Macaluso) asked whether we might accelerate the processing of applications for immigration from residents of the areas of Sicily affected by the recent earthquakes.

I wish to advise the hon. member and the house that all immigration offices in Canada and our immigration office in Rome have been instructed to give priority to all applications already submitted by, or on behalf of, any resident of Sicily. During the emergency period, we shall also give priority to additional applications submitted by Canadian residents for their relatives in Sicily.

The immigration staff in Italy will be increased in order to implement these priorities.

[*English*]

PUBLIC SERVICE

REQUEST FOR STATEMENT ON MEDICAL INSURANCE PLAN

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I should like to ask the President of the Treasury Board when the government intends to announce the future nature of the public service surgical and medical insurance plan, in light of the fact that on July 1 medicare will not be operative in parts of Canada?

Hon. E. J. Benson (President of the Treasury Board): Mr. Speaker, we will be making an announcement very soon as to the future of the plan.

Mr. Chatterton: Could the minister say at this time whether public servants living in provinces participating in medicare will forfeit their entitlement under the public service surgical and medical insurance plan?

Mr. Benson: No.

Mr. Speaker: Order, please. This question should be placed on the order paper.

CANADA PENSION PLAN

PROVINCIAL REPRESENTATIONS RESPECTING POSSIBLE AMENDMENTS

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I should like to address my question to the Minister of National Health and Welfare. Have representations been received from several provinces pointing out the need for certain amendments to the Canada Pension Plan? If so, are amendments to be proposed during this session?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): It is not proposed to introduce any amendments of this kind at this session, Mr. Speaker.

CRIMINAL CODE

INQUIRY AS TO PRIORITY POSITION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, will the Acting Prime Minister advise the house whether Bill C-195, to amend the Criminal Code, is being considered by the government on its priority list to be dealt with during this session of parliament?

Hon. Paul Martin (Secretary of State for External Affairs): I am not sure whether the Prime Minister dealt with this the other day, but I will look at his statement. If he did not, I am sure he will deal with it next week.

Inquiries of the Ministry

TRADE

WHEAT—INQUIRY AS TO PROMOTION OF FURTHER SALES

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to ask whoever is acting for the Minister of Trade and Commerce, since he has left the chamber, whether in view of his discussions with officials of the Canadian Wheat Board yesterday there has been any improvement in the prospects for wheat sales abroad, the lack of which in the past few months has created widespread concern among western farmers and farm organizations.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Minister of Trade and Commerce has just left the chamber. I will bring this to his attention and perhaps he will make a reply later today.

Mr. Southam: What action is the government taking to increase our hopes in this respect on behalf of the western agricultural community?

BUSINESS OF THE HOUSE

REFERENCE TO COMMITTEE OF REPORT ON ELECTION EXPENSES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare in his capacity as government house leader. In order that important reforms to election laws may be considered and perhaps become effective before another general election, will the government house leader consider bringing before the house at an early date the resolution, which I think is item No. 63 on the order paper, to refer the report of the committee on election expenses to the privileges and elections committee of this house?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker. If there is any disposition to send this resolution to the committee without debate I should be glad to call it at any time.

Hon. Michael Starr (Ontario): Mr. Speaker, if the government would consider bringing this on as the first item of business today we in this party are prepared to pass it without debate.

Mr. David MacDonald (Prince): Mr. Speaker, will the minister assure members of this house that the committee on privileges and elections will be called immediately so it may begin work during this session?

Mr. MacEachen: Yes, Mr. Speaker.

DRUGS

REQUEST FOR INQUIRY INTO STUDENT USE OF HALLUCINOGENICS

On the orders of the day:

Mr. M. L. Klein (Cartier): Mr. Speaker, in view of the anxiety of parents of high school and college students concerning the use of marijuana, l.s.d. and other hallucinogenic drugs, I should like to ask the Minister of National Health and Welfare whether the government will appoint a special parliamentary committee with specific powers to look into this problem, and with authority to adjourn from place to place in Canada for the purpose of hearing evidence and to make appropriate recommendations.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): As my hon. friend knows, Mr. Speaker, there is at this time on the order paper a bill having to do with the control of l.s.d. and similar drugs. This bill has already received consideration in the Senate. The Senate committee on two occasions heard evidence in respect of this matter. When we have an opportunity to consider the bill it may be useful to consider whether an advantage might be gained by referring this matter to a standing committee of the house.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, can the Solicitor General inform the house whether the R.C.M. Police are stepping up activities in order to do everything possible to prevent any proliferation in the use of these drugs in Canadian communities.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I believe an answer to this question can be found in the substantial increase in the number of prosecutions.

MANPOWER

REQUEST FOR CHANGE IN METHOD OF PAYING ALLOWANCES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, because of allegations of hardship for those participating in manpower retraining schemes as the result of rather stringent

accounting procedures which led to certain cheques being withheld last month, will the Minister of Manpower and Immigration assure us that such procedures will stress humanity rather than bookkeeping?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, we have improved this situation considerably through the new program.

Formerly, under old program 5, allowances were only paid at the end of three weeks. Now we make the first payment during the first week, and then every 15 days.

On occasion, because of absence, we have had to make an adjustment. This happened during the holidays, and I think that was a very bad period. However, I think that the people undergoing training will be satisfied in future.

[*English*]

NATIONAL DEFENCE

REPORTED EARLIER RETIREMENT OF MEMBERS OF NAVAL FORCES

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I should like to ask the Minister of National Defence whether the government has now decided to retire those serving in the sea environment of the Canadian armed forces five years earlier than those serving in other environments and, if so, for what reason.

Mr. Speaker: Order, please. I think this question could be placed on the order paper.

DRUGS

REQUEST FOR TABLING OF REPORT FROM MEDICAL RESEARCH COUNCIL

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, my question is directed to the Minister of Industry, and I have given the minister notice. In view of the concern of the drug industry over Bill C-190, could the minister advise whether he has received a report from the Medical Research Council on research in the pharmaceutical industry? If so, will he undertake to table the report before the debate resumes on Bill C-190?

Mr. Speaker: Order, please. I wonder whether this question should not be asked when the house is actually considering the bill.

Mr. Nowlan: I thought the question might be asked at this time, Mr. Speaker. The minister was in the chamber the other day for part of the debate in committee, but he may not be in the chamber when the debate resumes and—

Mr. Speaker: The Minister of Industry.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the Medical Research Council has undertaken a very extensive survey of all medical research facilities and potentialities in Canada. This has been done in connection with the government laboratories, the Department of National Health and Welfare, the universities and the Canadian pharmaceutical industry. The results will not be available for about another month, at which time I would hope to make them public. But I can assure the hon. member that the aspects relating to the pharmaceutical industry will constitute only a very small part of the conclusions.

Mr. Nowlan: A supplementary question, Mr. Speaker. The answer was not unexpected. I appreciate that the survey is in the whole medical research field. I am informed, and would ask the minister to check with his officials about this, that the report on research in the drug industry has been completed and is available.

Mr. Speaker: Order, please. The hon. member has made his representations.

Mr. Nowlan: On a question of privilege, Mr. Speaker—and I very rarely rise on a question of privilege—from an opposition point of view or from a back bencher point of view, at the best of times it is very difficult to get reports on technical and involved subjects. There have been so many confusing and conflicting points raised about the research value of the drug industry in Canada that I believe a government report would certainly clarify the situation.

Mr. Speaker: Order, please. I suggest to the hon. member that there will be ample opportunity later to clarify what he considers to be a very important matter. This should not be done during the question period.

Mr. Nowlan: Mr. Speaker, without pressing the point too far but just a little further—

Some hon. Members: Oh, oh.

Mr. Nowlan: —I do not think there is much disagreement between the minister and myself. The point is that this debate could

start again on Monday, and I am advised that the report pertaining to the drug industry is now complete and will shed a fantastic new light on the question of research, which is part of the very heart of Bill C-190. Certainly as a backbencher in the opposition, and this applies to some backbenchers on the government side of the house, we would like to have a government report, an independent report, on this subject.

Mr. Speaker: Order, please. The hon. member has made his point, as I said a moment ago.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a supplementary question for the Minister of Industry. Will the minister examine the material to see whether it is possible to segregate and table promptly an interim report having to do with drug research?

Mr. Drury: I would be glad to do that, Mr. Speaker, on the understanding that the interest of the house is particularly in research related to the pharmaceutical industry. I would take this occasion to indicate that in co-operation with the Canadian pharmaceutical industry a survey, which is rather more quantitative than qualitative of the efforts being made by the members of the Pharmaceutical Manufacturers Association of Canada was carried out. The information was provided on a confidential basis. If it would interest the house, I would be glad to ask the Canadian Pharmaceutical Association whether they would have any objection to making public, in global terms, the results of this quantitative survey.

Mr. Nowlan: A further supplementary question, Mr. Speaker. I thank the minister for that information, because that was going to be the subject of a supplementary question. There are two different reports. I understand that the minister is prepared to table the joint report if he has the permission of the pharmaceutical association, which I think he will be able to get pretty easily.

[*Translation*]

ADMINISTRATION OF JUSTICE

POLICY OF DEPARTMENT IN PROSECUTIONS FOR POSSESSION OF MARIJUANA

On the orders of the day:

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, a question was put a while ago concerning marijuana. It gives me the opportunity of replying to the question put two days ago by the hon. member for Winnipeg North concerning the policy of the government and the officials of the Department of Justice in this regard. The best answer can be found in a few lines concerning government policy as stated by the crown attorneys in Toronto:

[*English*]

Department of Justice drug prosecutors in Toronto will henceforth ordinarily suggest jail terms for young persons without criminal records convicted of the possession of marijuana when asked for their views as to sentence by local judges and magistrates.

The communiqué goes on to say there has been an increase in the use of marijuana. It indicates that judges of the superior courts have recently increased sentences, and that we are guided and inspired by those sentences.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. I am not sure whether I fully comprehended the reply of the Minister of Justice. Do we understand from what the minister has said that in all cases advice will be given by the representatives of the crown against a suspended sentence being imposed where marijuana is involved?

Mr. Trudeau: No, Mr. Speaker; only when asked, and in view of the circumstances of the particular case, as the statement says. The crown prosecutor will recommend that the court follow the precedents set by the higher courts across the country in recent judgments.

PRIVILEGES AND ELECTIONS

REFERENCE TO COMMITTEE OF REPORT ON ELECTION EXPENSES

Hon. Allan J. MacEachen (for the Secretary of State) moved:

That the report of the committee on election expenses, tabled on October 11, 1966, be referred to the standing committee on privileges and elections.

Motion agreed to.

UNEMPLOYMENT INSURANCE ACT

MEASURE TO BROADEN COVERAGE

Hon. Allan J. MacEachen (for the Minister of Labour) moved the second reading of Bill No. C-197, to amend the Unemployment Insurance Act.

He said: Mr. Speaker, I regret that the Acting Minister of Labour (Mr. Mackasey) is not in his seat this morning in order to open

the discussion on second reading of this bill. I hope he will be able to return to the house later in the day.

I believe there is a general awareness of the important and very significant changes that have occurred in the economic environment in Canada since our Unemployment Insurance Act came into effect in 1941. There have been periodic amendments to the act and regulations for good and sufficient reasons, but undoubtedly there is a need to consider an up to date plan of unemployment insurance in Canada as a result of our experience with the present legislation and in terms of new and progressive ideas.

It may be of interest to state in passing that serious thought has been and will continue to be given in the months ahead to the merits, and indeed to the possibility, of a greater degree of administrative co-operation in the various segments of social security in Canada, a process which has been followed with no small success in other countries. With our changing times and circumstances there has been some overlapping of resources, and it is quite within the bounds of possibility that the concept of an integrated scheme might be drawn up in the future which could serve as a frame of reference for the revision of the unemployment insurance program.

• (11:50 a.m.)

I might say also that another valid reason for an updating, indeed for a new act, lies in a need for the modernization of administrative procedures to take advantage of the new and more sophisticated business methods in vogue today. A co-ordination of collection, for example, would be of great benefit to employers as well as for the insured population.

Perhaps it might also be well for me to mention that of late members of the public have been expressing their concern more and more frequently about alleged or suspected abuses of the unemployment insurance system, fraudulent abuses. Unfortunately, as in most if not all social security programs, there have been abuses. One very significant area of fraud has been, and still is, failure while drawing benfits to declare earnings in excess of the amount allowed by law. Under the act a person drawing unemployment insurance may earn up to one half the maximum weekly benefit without deductions being made from the benefit he is receiving. The commission is greatly concerned with this area of abuse, as is the general public.

The matter of alleged abuses and known abuses has been discussed frequently between the Minister of Labour and the new chief commissioner. The new chief commissioner has given assurance that utmost efforts will be made to control these abuses. A stepped up program to meet all forms of fraudulent behaviour has already begun with very significant results. In the last fiscal year the enforcement division of the Unemployment Insurance Commission uncovered no less than 24,486 detected cases of fraud and illegal withdrawal from the fund. These represented a total of $1,114,816 in overpayment of benefits. These figures, Mr. Speaker, speak for themselves. They provide full justification for strong measures, and these the commission intends to pursue. Every possible step will be taken to ensure that the funds which the people and government of Canada have invested in unemployment insurance shall be put to the proper and effective use that the Unemployment Insurance Act provides.

I might also say that when the general revision of the act comes before this house, changes will be put forward directed toward eliminating or at least correcting possible abuses. It should be mentioned here, however, that while the commission is taking new and stronger measures to control abuses, this is not to suggest that there is any intention of interfering with the inherent rights of insured Canadians to receive benefits as and when they are entitled. The appeal process, which is an essential part of the Unemployment Insurance Commission's machinery, will continue to serve its purpose, protecting the insured wherever there is an element of doubt.

But while a comprehensive revision of the act is a matter of deep concern, and one which should be followed as soon as practicable, nevertheless the updating of the existing program cannot be postponed. There is an immediate need for a change in the ceiling and for an upward adjustment of the rates of benefit and contribution. It is proposed in the bill, Mr. Speaker, that the coverage ceiling be raised from $5,460, the established figure since the last amendment was made in 1959, to $7,800. The purpose of this is to bring back under the umbrella of coverage large numbers of Canadians who were included originally but who, because of sharply rising incomes in recent years, have gradually become excluded from the scope and benefit of the plan.

Indeed, because of the marked rise in the level of salaries in recent years, a trend of which we are all aware, many who were formerly insured under the act have not had any unemployment insurance protection in recent years. This figure now represents such an appreciable proportion of the labour force, estimated at upwards of 400,000, that the urgency of raising the ceiling is clear. The last amendments to the Unemployment Insurance Act were made in 1959, and as hon. members are aware there has been a very sharp rise since that time in the level of the industrial composite average weekly wage. Indeed, our booming economy has seen this weekly average wage increase from approximately $73 to approximately $103 a week. As a result the $5,460 ceiling and the schedule of benefits, which has invariably been established on the basis of 50 per cent of a claimant's average weekly wage, have lost their proper proportion. In fairness and in equity it needs to be adjusted to meet present circumstances.

To explain why the ceiling for insurance coverage has been raised to the figure of $7,800, I should like to point out that from the onset it has been the established principle to set the ceiling at one and a half times the industrial composite weekly average wage. In accordance with this principle, and in view of the rise of the composite weekly average wage to $103, it is only fair and reasonable that the ceiling be adjusted to the higher figure.

In this amending bill, Mr. Speaker, we are proposing also in clause 4 a new schedule of rates of benefit. As I have pointed out, the rates of benefit in the past have been established at approximately 50 per cent of the normal earnings of a claimant with one or more dependants, and 37 per cent of the earnings of a claimant without dependants, subject in both cases to a maximum. Since 1959 the rates of benefit have been $36 and $27 respectively at the maximum levels, though the average weekly wage in Canada in 1959 of $73.47, on which these rates were based, has now climbed to more than $103. Hence the proposed new maximum rates of benefit, using the same criteria, of $53 for a claimant with dependant and $42 for a claimant without dependant.

The immediate purpose of the amendment in clause 5 of the bill is to restore the benefits to earnings ratio of 50 per cent or more for all those whose wages are not above the current composite weekly average wage. You will note that the scale of benefits schedule in the clause has been amended in accordance with current earning levels, and thus conforms to the percentage relationship of the earnings of claimants which was set when the act was passed and has been reaffirmed in previous amendments, the last of which was in 1959. The principle has been to maintain the 50 per cent standard established by past legislation for claimants in higher income ranges, although it is interesting to note in passing that the ratio of benefits to earnings in the lower ranges of the table is higher because of the obvious need of this group. Incidentally, the number of benefit classes will be fewer than at present and this will also simplify administration.

This recommendation also includes $10 earnings ranges to reduce the multiplicity of contribution stamps. The addition of further $6 earnings or classes, as used now in the act, would have greatly increased the administrative burden for employers.

Concurrently we are proposing in clause 2 of the bill a proportionate increase in the schedule of contributions to the unemployment insurance fund by the government, by the employers and by those who will be benefiting under the act. The reason for this proportionate increase in contributions is to maintain the stability of the fund in the face of the more substantial weekly benefits payable. It is good business to keep the Unemployment Insurance Commission fund in balance and on a sound actuarial basis. It is the government's responsibility to see that the fund will be able to meet all eventualities which may arise.

In considering clause 2, hon. members will note that in computing the number of contribution weeks and the average of weekly contributions for any purpose under the act, a contribution week during which the earnings of an insured person are less than $20 shall be counted as one half a week. The purpose of this provision is to reduce the effect on the fund from claimants whose earnings in a week are minimal compared with the average composite weekly wage level. It is in accordance with the principle now in the act and merely adjusts the minimum earnings level from $9 to $20.

• (12 noon)

Finally we are proposing, Mr. Speaker, to substitute a new schedule of allowable earnings based on the criterion of the last amendment in 1959. Anyone receiving unemployment insurance benefits may earn up to 50

per cent of benefits payable in a week without a reduction.

As hon. members may recall, since the idea was incorporated in the act in 1955 experience has shown that the amount of allowable earnings should be high enough to encourage claimants to take casual work. The proposal, then, is to allow a claimant to earn one-half of his weekly benefit rate, rounded out to the nearest dollar, without a reduction of his benefit. By doing this, two desirable results will be achieved. In addition to creating a greater incentive among claimants to accept casual work there will be less temptation, particularly with increased benefits, to withhold advice of earnings, an area which constitutes the largest source of fraudulent withdrawal from the fund. The change with respect to allowable earnings preserves these principles.

In general, the purpose of the amendments covered by the bill is to fill the immediate need of adjusting upward the rates of benefit and contribution to place them in the current context of the considerably higher Canadian average of normal weekly earnings.

As has been stated on more than one occasion during recent months, the government is convinced of the need for the changes proposed. We believe that this adjustment will be very timely in its effects. The unemployment insurance fund has contributed immensely over the years to the stability of the Canadian economy, particularly in times of recession, and will continue to do so in the future. The purpose of these amendments is to bring the contributions and benefits in line with current wage conditions.

Mr. Robert McCleave (Halifax): Mr. Speaker, I had hoped to commence my remarks with some general pleasantries directed to the newest appointment to the cabinet. I wanted to wish the Minister without Portfolio (Mr. Mackasey), who I thought would be piloting the measure before us, a short but happy tenure of office. However, the presence of the Minister of National Health and Welfare (Mr. MacEachen) as the acting sponsor gives me and others an opportunity to say hello to him during his visit to the house. He has been away in London on government business and in other places in the country on his own business. We welcome him back, however short his visit today and perhaps next week.

In his speech the minister referred briefly to the actuarial basis of the fund but did not deal with how the fund will fare in a country with over 500,000 people out of work. I found this passing strange especially since the minister, like myself, is a maritimer and comes from an area where one person in every nine is out of work. The minister did not deal with the closure of unemployment insurance commission offices across Canada at a time when there will be greater demands for service by those who have been thrown out of work. I found this passing strange as well. Other members of this party will elaborate on this theme in their contributions to the debate.

Neither did the minister mention the Gill report which was issued in November, 1962, though he did concede that a general overhaul of the Unemployment Insurance Act should be made at some time. Five and a half years ago a thoughtful report was presented to the government; yet five and a half years later no action has been taken on it with the exception of some of the Gill recommendations regarding manpower training and retraining.

I will get around to saying something about the Gill report in a moment, but first of all I should like to deal with an obvious weakness in the amendments that have been presented to us. When we go into committee I shall seek to find out how anyone can justify on an actuarial basis giving an even worse deal to people with dependants than what they now receive. This is precisely what the measure will do, Mr. Speaker.

I took the trouble to examine the weekly rate of benefits under the 1959 measure and compared the ratio between benefits paid to a person without dependants and those paid to a person with dependants. Generally I think the ratio was 1.33 to 1. That is to say, for every $1 received by a person without dependants, a person with dependants in the same general category would receive $1.33.

In the schedule that is before us as set forth in clause 4 of this measure the ratio varies, but it does discriminate against the person with dependants. For example, if we start at the top of the table we see that the weekly benefit rate for a person without dependants is $13 and for a person with dependants it is $17. The ratio between these two figures is 1.30 to 1. In other words, the person with dependants would receive $1.30 compared with $1 received by the person without dependants. If we move to the bottom of the table the two figures are $42 and $53, which produces a ratio of 1.26 to 1.

So it will be seen that in the measure the government is seeking to repeal the married

man had the benefit of a ratio of 1.33 to 1 over a single man whereas in the proposal now presented by the government the ratio is from 1.30 down to 1.26 to 1. In my opinion this is a definite indication of discrimination against people who, by and large, need greater help than persons who have no obligations to others. When the minister closes the debate I hope he will give some reason for this rather unusual approach on the part of the government which in effect discriminates against married workers. If this matter is not dealt with adequately in the reply of the minister, then it will certainly be dealt with when we move into committee study of the bill because to me this is a shocking discrimination.

• (12:10 p.m.)

I made mention of the Gill report that was commissioned on July 17, 1961 and completed with the volume issued in November, 1962. Perhaps it is a good idea to refresh our minds on some of the points made by that report. However, before I do so may I say that the minister has given some reasons for bringing a more comprehensive measure before us at this time. For example, there are the 24,000 plus cases of fraud. That example, with others, shows the dilatoriness of this government in coming to grips with a contentious public issue. I think the government might have introduced the amendments which have been suggested to it. The measures which have been introduced are tantamount to a confession by the government that inflation is rampant in this country. The government could have made this measure more palatable to the public had the competent and conscientious suggestions of the Gill committee on the Unemployment Insurance Act been heeded. At page 103 the Gill report says:

> A plan of unemployment insurance should therefore confine itself to payment of indemnity for wages lost by reason of the failure to obtain employment where the person concerned could, in the light of his previous employment record, reasonably expect to have obtained it.
>
> It is another general insurance principle that the event insured against must be outside of the control of the insured person or, if it is within his control, it must be undesired so that there is no inducement for him to bring about the event of his own volition. Unemployment insurance suffers particular difficulties in this regard because the event insured against—unemployment—is not always undesired by the insured person. He may bring it about personally (voluntary quitting) or, once unemployed, he may prefer that state to employment. Thus it is important to see to it that the amount of indemnity is not so large in relation to wages as to encourage insured persons to prefer unemployment to employment. On the other hand, from the viewpoint of the social effectiveness of the plan, it is desirable to have the indemnity as nearly as possible equal to the lost wages.

[Mr. McCleave.]

On page 105 of the report the following point is made:

> The present unemployment insurance plan, although satisfactory enough in its basic structure, has by reason of amendments over the years departed unduly from insurance principles appropriate to such a plan. Undoubtedly each such amendment appeared justifiable at the time in terms of the social problem that the amendment was designed to meet, but as such amendments have accumulated, the insurance concept has been pushed more and more into the background. The existing situation is one where, in attempting to assess the validity of any proposed amendment, it is impossible to determine any consistent set of principles by which the amendment can be judged. The plan is neither a valid insurance plan in its present form nor is it a socially desirable type of income supplement, since in many cases the income supplement goes where it is not needed and fails to go where such supplement should go.

In his report Mr. Gill and his confreres dealt with what may be the most vexatious problem in the field of unemployment insurance, the matter of seasonal unemployment and seasonal benefits. I read from page 129 of the report:

> The benefits are "seasonal" in that they are confined to a certain season of the year and no doubt they are availed of to a very considerable extent by persons who are in seasonal occupations and who find themselves unemployed in a regular pattern during the winter months of each year. The payment of seasonal benefit is not, however, confined to persons who are occupied in seasonal employments in the normal sense in which that term is used. It might be more appropriate, therefore, if this program were referred to as a program of "winter benefit" rather than "seasonal benefit".
>
> Under the program that we recommend, seasonal benefit in its present form would disappear. It would be replaced to a substantial extent by the plan of extended benefits to be described subsequently, and the existing unemployment assistance plan.

In that paragraph there is reference to a later part of the Gill report. I continue reading:

> We may say that the existing seasonal benefit was the subject of more criticisms in briefs that we received than perhaps any other single feature of the existing plan. It appeared to us that the criticism rested on two points. The first was that to a substantial extent the recipients of seasonal benefit are persons who are engaged in seasonal employment and expect to become unemployed during the winter months of each year as a regular pattern. Thus the critics complained that the benefit is not an "insurance" benefit at all but is, instead, a subsidy to persons who are engaged in insured employment for only part of the year as a regular pattern. The objection was not so much that persons who work in insured employment only part of the year receive a subsidy during the off season, but rather that the subsidy is drawn from the insurance plan and is financed by insurance contributions.

In other words, Gill is saying that in its dealings with seasonal or winter unemployment there is a departure in the act from the ordinary insurance principle, which strikes at the actuarial soundness of the unemployment insurance fund.

Another major criticism that is made in the report is about the qualification for seasonal benefit. Near the bottom of the page is found this comment:

> Many persons seemed to feel that the payment of seasonal benefit would perhaps not be objectionable in itself if it were financed by the general taxpayer rather than by those who were contributing to an insurance plan.

The next point to be dealt with in the Gill report has to do with abuses. I shall read the entire paragraph under the heading "Abuses" which appears on page 133 of the report:

> The principal classes of alleged abuse that were drawn to our attention in representations made to us, apart from the question of payment of benefit to seasonal workers during their off season as just discussed, related to (a) the drawing of benefit by married women who are not in fact seeking employment; (b) the drawing of benefit by persons who have retired on pension and who are not in fact seeking employment; (c) the taking of too narrow a view by claimants and possibly by the administration as to the types of employment that constitute "suitable employment" in any individual case; (d) the failure by some claimants to disclose earnings during weeks of partial unemployment; (e) the failure by some claimants to disclose the true facts concerning their availability for employment; and (f) collusion between employers and employees in failing to give adequate information respecting the reasons for termination.

The report makes a strong case for an overhaul of the Unemployment Insurance Act. The public would be in sympathy with such action. But instead of doing any such thing the government has presented a measure which seeks, as I have said, to atone late in the day for the increase in inflation which this country has suffered since the current schedule of benefits was enacted by parliament. This has been done by increasing the salary level below which a person is eligible to pay for unemployment insurance and by increasing contributions and increasing benefits. Because of the social good that will flow from increased benefits I think the attempt is reasonable and worth while. Nevertheless, it is an attempt by the government to atone late in the day for the inflation it has unleashed on the country during the last number of years.

• (12:20 p.m.)

It fails to come to grips with several important things. It fails to come to grips with the insurance principle which should lie at the heart of unemployment insurance, and it certainly discriminates against the married worker, the man with obligations. I hope the minister and his advisers will at least look at the schedule in clause 4 to see whether a better arrangement can be made for persons with dependants so they may enjoy at least the same ratio of benefit as those who do not bear the awesome responsibility of dependants. I hope the minister and his advisers will make a quick check on this point and correct what in my view is a most obvious injustice in this measure.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to join with the hon. member for Halifax (Mr. McCleave) in welcoming back to the house the former minister of labour. His absence has been so noticeable that we wonder—

Mr. Speaker: Order. The hon. member will permit me to say at this time that it is against the usage of this house for hon. members to comment on the presence or absence of other members. It seems to me this is a practice which is creeping into our debates. Last week we heard members of the government side referring to the absence of members on the opposition side. Today we heard similar comments from the opposition. I suggest to hon. members that it is not a good practice.

Mr. Barnett: Thank you, Mr. Speaker. In spite of the somewhat unusual circumstances which prevail at the present time I will defer to your wishes in this regard. One of the points I had in mind was that I wished to indicate that the minister now in charge of this bill is a former minister of labour and this being the case we can assume he has sufficient knowledge and experience to deal with points raised in relation to unemployment insurance as this measure proceeds through the house.

In his opening statement the minister referred both to matters dealt with in the bill and to matters related to the operation of the Unemployment Insurance Act which perhaps lie outside the scope of the bill. I find it much easier to deal with what is contained in the bill rather than with what is omitted. As I understand it, this measure is simply a repeat performance of a bill which was brought into the house by way of an amendment to the act in 1959. To this extent it underlines two points, one of which the minister has referred to. First, the current levels of contributions

and benefits have become outdated and, second, the main body of legislation dealing with unemployment insurance has not been touched since 1959. Indeed, one will find upon checking the legislation that it has not been touched to any noticeable extent since 1955 when some of us, including the Minister of National Health and Welfare (Mr. MacEachen), sat on a committee of this house that gave detailed consideration to the act.

The changes proposed in the levels of benefits and contributions and in the ratio between the two could perhaps be better analysed and discussed in detail in committee. The minister indicated that according to his estimate the ratio between wages and benefits payable will be roughly 50 per cent in the higher brackets and perhaps a little more in the lower brackets. The bill maintains a somewhat weighted formula in respect of lower wage earners. This is true of the act as amended in 1955 and I believe it is a principle which was incorporated in the act which preceded the 1955 version.

Consideration of what has happened to wage levels and their relationship to real income does, of course, raise a wide area of debate and covers a field far beyond the immediate scope of this bill. It is a subject which has attracted considerable attention in other debates in this house recently. I shall not enter into such consideration so far as the principle of the bill before us is concerned. I shall merely repeat the expressions of concern which have been forthcoming from many of my hon. friends about the drift that now seems to be evident with regard to the whole matter of the relationship between wages and real income, and between unemployment insurance benefits and the decreasing purchasing value of the dollar.

As we see it, in this important area about all the government is prepared to do directly is attempt from time to time to bring benefits into some rough relationship with what is happening in the economy. The unfortunate result of such an approach is that over a period such as has elapsed since 1959 a great many people have been receiving benefits obviously out of line with current wage levels or the purchasing power of the dollars they receive. This is really not a satisfactory method of coping with the situation, especially if the general drift in the economy to which many members in this group have referred is allowed to continue. Perhaps there should be greater flexibility within the act itself.

I realize that the ratio of benefits to contributions involves an important matter of public policy, but I certainly feel this house should consider whether or not, instead of a haphazard and spasmodic attempt to readjust this relationship, a more satisfactory way of achieving this result ought to be sought. Bearing in mind the needs of the people who are to receive unemployment insurance benefits, should not some mechanism be written into the act whereby necessary adjustments would take place more automatically?

I should like the minister to tell us, if he can, what the effect of these proposed changes is likely to be upon the fund itself. I do not think this aspect was covered in his opening remarks. This leads, of course, to the question of what is likely to happen to the level of employment in the economy. As I read the last annual report of the fund for the fiscal year ended March 31, 1966—I believe this is the last report available; at least it is the last I was able to find—it showed an excess of receipts over disbursements amounting to over $100 million. As a result the balance in the fund increased fairly substantially that year.

• (12:30 p.m.)

When the minister closes the debate on second reading I hope he will be able to give us more recent statistics concerning the present status of the fund, and related to them should be his projection of what is going to happen to the fund. That projection should be based not only on the present level of applicants but also on what might happen to the fund if some of the policies which the Minister of Finance (Mr. Sharp) has been putting forward continue to be the policies of the government.

The question of what happens to the fund when even a fairly modest increase takes place in the percentage ratio of unemployed is something about which we have to be concerned when we are considering the establishment of a new schedule of contribution rates and benefits. I am sure the minister recalls the days when the fund had a comfortable balance of close to $1 billion and what happened to that balance very quickly. I realize that development with respect to the fund's assets did not occur when he was a member of the government, but I suggest to him that if the present course of action of this government continues there could easily be a repeat performance and parliament could be called upon, as in the past, to replenish the fund out of consolidated revenues.

The hon. member for Halifax (Mr. McCleave) made fairly extensive reference to the Gill commission report which, as we all know, was tabled in 1962. I must admit it has been quite some time since I really looked at that now rather hoary document, but I notice that my copy appears to be fairly well worn and therefore at some point I must have spent some time looking through it. If I have not looked at it recently it is because it has now become such a hoary document that one wonders whether it is worth looking at. One wonders whether we may have another commission of inquiry into unemployment insurance which will completely negate the recommendations of the Gill commission. In any event, for a long period we have had no indication from the government of what it is prepared to do about the Gill commission recommendations, and so it seems hardly worth while bringing the name of that commission into the debate on a bill amending the Unemployment Insurance Act.

The Minister of National Health and Welfare referred to a general revision of the act. Some of us are getting a bit sick and tired of hearing references to a general revision of the Unemployment Insurance Act when year after year goes by and nothing even remotely related to such a revision appears on the order paper. One thing we should take into account is that while there has been no general revision of the act some rather radical changes have been made in recent times in the manner in which unemployment insurance is administered. These have been made without any real reference to parliament and have resulted from reorganization by the minister. Undoubtedly they created problems across the country in the application of the act.

The problems that have arisen in providing benefits must be taken into consideration. The minister made reference to the uncovering of abuses in drawing from the funds provided under the act. More than once I have stated to gatherings of working people that the unemployment insurance fund belongs to the working people of Canada and anybody who draws money from it to which he is not rightly entitled is in exactly the same position as a person who reaches into the pocket of the man sitting beside him and removes money from that pocket.

In his references to a stepped-up program to track down and eliminate abuses it seems to me that in effect the minister was admitting that many people in Canada have become so disgusted with the delay in making changes in the arrangements under the act that they have become accustomed to regard it as a form of welfare payment to which they have entitlement if in need, whether or not they meet its technical requirements. Enough of them have encountered frustrations in trying to secure what they thought was rightfully theirs under the act that they have been encouraged to short circuit some of the administrative procedures, rules and regulations. I cannot recall exactly the figure which the minister gave as the amount of money garnered from the fund illegally, but the responsibility for that must not be placed solely on the people who have been successful in getting it. Rather it should be attributed to the general state of mind which has been allowed to develop toward the fund and its purposes, caused by government inactivity in bringing about real, useful and meaningful changes in the unemployment insurance program.

When the minister referred to a general revision of the act he said this was a matter of great concern and that a proposal would be introduced as soon as practicable. That was a statesmanlike phrase in the great Liberal tradition. In fact I could not help but think that perhaps in the light of certain developments within his own party the minister was trying to wrap the cloak of Mackenzie King around himself and express the kind of concept developed by the Liberal party which is sometimes said to have begun in 1919. I suggest to the minister that in the light of 1968 that kind of cloak is becoming a bit hoary and that even among the members of his own party there are those who are not too satisfied with this slow and measured pace toward the millenium.

• (12:40 p.m.)

I suppose I could attempt to incite the minister into indicating when he thinks it will be practicable to introduce a general revision of the act, but quite frankly I do not know whether it would be worth while. I realize that unless the minister has something in his mind different from the language he used when introducing the bill the answer I would get would be evasive. In any event the question of when it will be practicable to bring in a general revision of the act has become an academic exercise at best as long as the present government remains in office because it always seems to be a question this year, next year, some time, never, proposition. One

merely has to hold up the antiquated, well-thumbed report of the Gill Commission in order to emphasize the point I am trying to make. Without going too far beyond the scope of the bill I believe I have indicated the general dissatisfaction some of us have about the manner in which the government has been approaching this particular aspect of our social life. After all, this administration has been in office since 1963.

In closing I should like to deal with one other point which may be discussed in greater detail by one or two of my colleagues. I have in mind the administrative change which has resulted in the closing of many local offices of the Unemployment Insurance Commission. We have seen the development of a hodgepodge of miscellaneous programs with which the Minister of National Health and Welfare is familiar, such as the supplementary benefit, the Canada Assistance Plan and so on. Coupled with these we have the other plans which come under the provincial sphere of jurisdiction such as unemployment assistance, social welfare and others. We have now reached a point where an increasing number of people just do not know where to go in order to ascertain the benefits to which they are entitled.

I believe some sort of functional administration should be established so that some person would be available who could advise people, for instance, that while they are not entitled under the rules to unemployment insurance they may be entitled to something else. This person would then advise them to what assistance they might be entitled. In this way we might be able to reduce some of the attempts to abuse the fund. When people are unemployed, ill or in need of funds with which to purchase groceries it is not unnatural that they should want to have those funds available. The very existence of the unemployment insurance fund, as well as the publicity about the Canada Assistance Plan and a guaranteed floor under which the income of no Canadian will fall, is an indication that there is some governmental responsibility in this regard. Therefore it is not surprising that many people believe they are entitled to benefits from this fund. It is a public fund in any event, whatever its source.

The division of services between the Unemployment Insurance Commission and the manpower branch of the Department of Manpower and Immigration, whereby the employment office function and unemployment insurance have been separated, means that in many communities there is no place to which a person can go in order to discuss his unemployment insurance with someone who is officially charged with the responsibility of providing such information. He must obtain such information by letter, long distance telephone or by driving 50, 100 or 150 miles. He will have access to an office of the manpower administration but is unlikely to find anyone there who can give him information concerning unemployment insurance. A recent letter I have received would seem to indicate that in the opinion of the Minister of Labour (Mr. Nicholson) and the commission it is not considered necessary to have even an agent at such offices who could assist in the preparation of application forms.

I appreciate any efforts which are made to reduce the administrative costs in respect of any of these plans. I suggest, however, it is not proper that people should be left sitting high and dry in increasing numbers and then have to write to their members of parliament to ask where they should go in order to make application for unemployment insurance or for assistance under the Canada Assistance Plan. I believe the idea of having someone located in a district who could give advice in respect of these various plans should be seriously considered because they have grown up more or less like Topsy. By this means we would be able to reduce the administrative overhead not only in respect of unemployment insurance but also in respect of a great number of other plans. While I realize that this point may not be directly related to the principle of the bill I believe it is a matter of importance in respect of the operation of the unemployment insurance scheme, the collection of contributions and the determination of whether or not these contributions are collected properly by an employer, as well as establishing that the application is in order to determine whether or not a person is qualified.

When the minister closes the debate I hope he will comment on whether or not such an idea has occurred to him or has been considered by the government in discussions with the provincial administrations. The basic changes in the concept of unemployment insurance have been such that they have created a good deal of confusion. One may ask whether it is merely a transitional confusion or a confusion which is inherent in the situation that is being developed at the administrative level. I believe this is an important question and one on which the minister might make some comment before this debate concludes.

• (12:50 p.m.)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I welcome the additional assistance which Bill No. C-197 will give to the great number of unemployed in our country. However, I think that this bill will bring about no improvement for Canadians as a whole because, once again, our manufacturers, our industrialists, in short, all our employers and workers will have to spend more money.

You will recall the increase in the sales tax on building materials which led many businesses to bankruptcy and caused a decline in the rate of construction.

It is obvious that an increase in the unemployment insurance contributions paid by workers and employers will cause serious difficulties. It is unfortunate that they will be called upon, once again, to pay the price of automation since, on the whole, the problem we face is due to automation, the consequence of many centuries of efforts and experience.

New inventions and technological progress should make it possible to reduce the working hours of Canadians who could have longer hours of leisure and use them for their own development. It is true that the blue or white collar workers depend a lot on all kinds of machines, from small motors to electronic computers and heavy machinery operated by oil, electricity or electrons. The results in that field are wonderful but, at the same time, the worker feels a growing uneasiness.

The worker who should be happy about those satisfactory results, who should be proud of the methods he has developed to earn his living, is worried and his happiness is replaced by fear. In his work, he depends on the machine, but he is afraid of being displaced by it. Workers have never been so worried. Our unemployed fall in two clearly defined groups: Some who would willingly do anything to keep their jobs and others who are desperately seeking work.

The present act is a mere palliative, in that it only enables workers to earn a bare living. Both groups are handicapped. Those who keep their jobs must pay more and those who lose them must manage with $30 or $35 a week to support their families decently, when under normal conditions, they could be earning from $100 to $125 a week.

The officials who have to administer the Unemployment Insurance Act are also faced with serious problems, because they are caught, on the one hand, between a limited amount of contributions and, on the other hand, an unlimited number of unemployed. A large number of citizens are also cornered by rules requiring a certain number of weeks in a given period to be eligible for benefits.

The problem grows more rapidly than the legislation improves. The bill now under study was thought out two years ago, or last year, and it will be obsolete when it becomes law, because it will have been overtaken by the higher cost of living. I also maintain that the present legislation is incomplete, since it does not cover all workers, all Canadians. Thousands of people are unemployed and go to the welfare bureau; thousands of people who have not had a chance to work regularly in the last year or so are forced to go to welfare bureau. Thousands of young people who are 19, 20, 21 years of age and who left school last year or this year with grade 6 or 7 diplomas, or trade certificates, are up against the same problem because, all in all, the act does not protect them.

These men did not work long enough and did not contribute enough to be eligible for benefits or for the training program. They do not have the right to register for the so-called retraining courses, simply because they have not contributed quite enough. Unless they have been unemployed or seeking work for three years, they cannot obtain help to improve their lot.

Unemployment insurance, which is financed jointly by the federal and provincial governments, is therefore financed through indirect and hidden taxes. In short, the unemployed finance themselves with their own assistance through the taxes they pay on all the products they consume.

Too many people are forced to resort to unemployment insurance, which is paid only after investigations have been made, and the officials responsible for them are overworked. Since the unemployed increase in numbers from week to week, one must often wait—regrettably—two or three months before obtaining anything.

Nevertheless, I shall take this opportunity to congratulate the department; we may not like to admit it, but there are, in the manpower centres, honest and respectable employees, people who truly work and are sincere, who want progress and try to help their fellow-men, people with good understanding. However, these people are human and they may have different ways of interpreting the law.

Mr. Speaker, may I remind you that it is one o'clock.

[*English*]

Mr. Deputy Speaker: It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

[*Translation*]

The Acting Speaker (Mr. Tardif): The hon. member for Portneuf.

Mr. Godin: Mr. Speaker, when the house rose at one o'clock, I was extending congratulations.

This morning, I brought to the attention of the minister who is sponsoring the bill, that the employees of the manpower centres were working seriously, conscientiously and intelligently. But there are a few who, because they are human beings, may interpret the law in different ways, and even though these are isolated cases, I can say that some individuals who present themselves to some of these centres may be wronged.

I have before me the file of one of these unemployed and I take it upon myself to bring it to the attention of the minister. He is the head of a family, 57 years of age, who has always worked and who applies at the manpower centre. He draws benefits during 15 days. Afterwards, the centre writes to him as follows:

The amount of benefits has been reduced on account of the days where you stated that you were unavailable and where we considered you to be unavailable.

Our man returns to the centre and he gets a letter a few days later.

We have reconsidered your application for benefits. On the strength of information obtained, you are excluded from obtaining benefits for the following reasons: You have not proven that you were in a position and available to work, as prescribed under section 54(2)(a) of the Unemployment Insurance Act.

Then, the man asks to be heard by the referees of the commission at the regional office. After the hearing, he is informed that:

The claimant, invited to appear at the hearing of his case before the board of referees, was present—

I will spare you the rest.

The claimant has brought forward no new evidence which would have allowed the members of the board of referees to change the decisions already taken. Therefore, the board of referees unanimously confirms the two decisions taken by the insurance officer and rejects the appeal made by the claimant.

This is rather strange. "The claimant has brought forward no new evidence which would have allowed the board of referees to change the decisions already taken". I suggest that this short sentence is quite important, Mr. Speaker. It is quite obvious that the man could not come up with something new, being a worker and not a lawyer. He is unable to invent new evidence. He has always argued his case and exposed the facts in all sincerity. Since he does not belong to any association or union, he is a little uncomfortable. He decides to meet his member of parliament, who asks the authorization to appeal to the regional office of the commission, as he is allowed to according to a commission rule which reads as follows:

RIGHT TO APPEAL

The act provides that an appeal from the decision of the board of referees can be submitted to the referee in Ottawa:

(1) by the insurance officer in any circumstances;

(2) by an association of employees of which the claimant was a member during his last period of employment preceding his application, and of which he remained a member until the date on which the appeal was made;

(3) by the claimant, if the decision of the board of referees is not unanimous;

(4) by a claimant whom the chairman of the board authorizes to make an appeal.

This paragraph gave the member the right to make his request to the referee in Ottawa.

All appeals to the referee must be filed with the office of the Unemployment Insurance Commission.

All these requirements had been met.

• (2:40 p.m.)

The answer goes on like this:

Following your letter—

That is the office of the commission which advises the member that a form has been sent to the claimant.

Following your letter in which you ask for the authorization which will enable you to take the case of the above mentioned to the Canadian referee in Ottawa, we must tell you that we have sent that gentleman a form he must complete and return to us as soon as possible.

Upon reception of that form, we will send his request to the chairman of the board of referees for study.

And the file includes the answer to all that, and I quote:

Following your letter about the above-mentioned, we must tell you that the chairman of the board

of referees does not grant the authorization to appeal to the arbitrator. He feels that his case does not include any essential factor or any special circumstance which would warrant the authorization to appeal.

The case of a man unemployed for five or six months seems insignificant, but that is not the main point. It is not an unusual occurrence either, but that chap is waiting for his money. This does not count so much. All this because the man, a worker on the labour market, is totally unprotected, that is, outside the scope of arbitration boards or labour unions.

Since the implementation of the Unemployment Insurance Act, he has paid his contributions but has never withdrawn any benefits. It was the first time he has ever applied to the manpower centre. He always had a job and his last one required him to work thirteen hours a day. Therefore, due to his advanced age, being 57, he was forced to stop working. I think it is rather hard for a man of 57 to be working 13 hours a day. He told the official at the manpower centre that he was no longer able to work thirteen hours a day, but that he was willing to work eight hours a day, like everybody else.

Now, I claim a man has the right to be tired without being considered an outlaw. We have proof of that in the correspondence exchanged between the right hon. Prime Minister and the hon. minister of transport. That correspondence can be found on page 2472 of the *Hansard* for September 25, 1967. Allow me to quote a few excerpts because they are really amusing.

September 5, 1967

The Rt. Hon. L. B. Pearson, M.P.
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mike:

Some time ago, I discussed my possible retirement from public life with you and you were good enough to assure me that if I wished to be president of the Canadian Transport Commission when the time came to set it up, you would recommend my appointment.

—after a good deal of reflection, I have come to the conclusion that, if you are still of the same mind, I would like to become president of the commission... While a demanding and responsible position, it would not involve the same pressures as there are upon a minister of the crown. Though my general health seems to be excellent, I have, as you know, found these pressures very great in the past three years.

—I feel that I should accept the opportunity for somewhat less strenuous public service offered by the presidency of the Canadian Transport Commission and, if you agree, ask you to accept my resignation as Minister of Transport as soon as it is convenient for you to have the commission established.

And it is signed by the Minister of Transport Mr. J. W. Pickersgill.

We know the results. It did not take long. All the minister, exhausted by a $35,000 a year job, had to do was to send a simple letter to find himself a $45,000 a year job. But, for the ordinary guy, who has worked all his life for a small salary, who has paid unemployment insurance for many a year, who has struggled along, and spared no effort for 45 years, I would consider that it means destitution. Because that builder said he was tired, he is considered an outlaw. On the simple decision of a civil servant at the manpower centre, he is treated like a mangy dog.

Now, that man will not go without food, will not die of hunger either, because we have many welfare laws in our country. He need only apply for help. He has the right to go to the manpower centre. We know unemployment insurance helps the man who is out of work, but only after an investigation. If a worker manages, in spite of a small salary, to save a few dollars during his years of work, the civil servants at the manpower centre first advises him to spend those savings and, then to come back again. There again, the simple decision of an employee of the manpower centre will force a fellow to spend the $1,000 or $2,000 he has managed to save during his 45 years of work before he becomes entitled to receiving a few cents from unemployment insurance.

I regret to say those things to the minister, the sponsor of the bill. He is not abreast of the situation, and it is too bad that the one actually responsible is not here today. In the case I mentioned, I am convinced he should not be forced to spend all his savings. It is a simple matter of honesty, justice and common sense.

If a minister is entitled to be tired and rest at $45,000 a year, I suppose a worker should have the right to withdraw what he is entitled to and expects. He has earned unemployment insurance benefits by paying thousands of dollars in dues throughout his life, and if he found a job first thing tomorrow morning, the government would find a way of catching up with him, and every week he would have to pay his unemployment insurance dues. He has been classified as "no good" to enable him to receive benefits, but he is totally unqualified to pay his dues. Yet, he simply said that he did not want to work thirteen hours a day but just eight.

Unemployment Insurance Act

Mr. Speaker, I would like to draw the attention of the house to a somewhat similar case. This concerns a married woman, a widow with three children aged eight to fifteen. She had earned $85 a week for 4 years as the manager of a firm. Following a change in administration, she was fired. So she went to a manpower centre. After waiting a month, she was offered work at $35 a week. Try as she might to explain that she cannot think for a second of making both ends meet on $35 a week, that she could not possibly take that job, she is outlawed, she no longer receives unemployment insurance benefits. She goes before the board, which again rules against her. She tries to appeal to Ottawa and there again, the district office denies her permission to appeal.

That is nonsense to me and I should like the responsible department to deal with problems such as this one. I maintain that it should be easy enough to settle it, as the Unemployment Insurance Commission has all the personnel it needs. I believe it could be solved by appointing to the pay office the employees who are good collectors and to the collection office, the ones who pay badly. The whole problem would be solved overnight.

Now, all decisions of that kind are not always made in a natural way. I believe some officials of the Unemployment Insurance Commission come to decisions for fear of being short of money. They realize there is not much left in the Unemployment Insurance Fund. A mere look at the Montreal area would convince anybody of that. When we consider that there were 67,771 unemployed in January 1968, it is obvious that this is disheartening for the workers, for those who are waiting for their benefits. It is also disheartening for the commission employees. They are overburdened with work and it is difficult for them to answer everyone, for they are unable to do all that work from one week to the other. It is only natural that unfair decisions should be made in some cases.

• (2:50 p.m.)

There is the case of another person in the Montreal region, a Canadian citizen who had been working for two years in an ironworks plant. One can imagine what happened there. As soon as road construction slowed down, this man was fired. That happened on January 6. A few days later, he received a letter which said:

> We have examined your benefit application. According to the information obtained, you are ineligible for benefits under sections 146 to 148 of the unemployment insurance regulations, and payments will therefore be suspended as from January 7, 1968.

It was easy to suspend payments since he had never received any. This worker was fired on the morning of the 6th; he went to the manpower centre in the afternoon of the same day. His case had already been examined on January 7, and he had been struck off the list. It was done quite quickly and easily. He has come to the manpower centre every week since then. We are now in the middle of February, and he has not yet touched a penny. In my opinion, this is very unjust, because a person who is unemployed needs that money.

I notice that when public servants want to be pleasant, they can. For example, the members who are paid $18,000 a year were supposed to get their mid-December pay on the last day of the month, the 31st, but they received it ten days earlier, on the 21st. We, members of the house, who get $18,000 a year, are paid a week and a half in advance, but those who lose their jobs have to wait month and a half to get a scanty $30 a week.

Mr. Speaker, I would like such matters to be taken into consideration. I understand that the problem nowadays is one of automation, but we are moving in a vicious circle. We are taking money out of the pockets of those who are lucky enough to still have a job, in order to give it to those who are unlucky and do not have a job any more, but both, the working man and the unemployed, have less and less money to spend in stores. Therefore, stocks are building up in warehouses, manufacturers are laying off more employees. We are moving in a vicious circle and we do not seem to be willing to find a way out of it. From one day to the next, the gap grows wider between the purchasing power and the large supply of goods for sale.

If there are so many unemployed while stores are chock full of goods, it is because production plays its role very well, and with fewer employees at that. It is obvious that everyone should be able to do his share of work in the national production. The whole system must be restructured, first of all by reducing the hours of work. The industrialist who now has three shifts working eight hours a day, for a continuous 24-hour production, should consider, it seems to me, hiring a fourth shift and have everyone work six hours a day. That alone would mean that 50 per cent of all the unemployed in the land would be rehired in one fell swoop.

If that procedure were established, it is obvious that even tomorrow morning, the industrialist would play his part. The state would then have to play its own role. As fewer hours of work would give less money to the worker, the state would compensate for this reduced income by increasing family allowances, and granting a substantial subsidy to mothers who have to stay at home to take care of their family.

I should like the cabinet to study those questions, because unemployment figures prove that the present government has failed. Moreover, the government should study the possibility of making necessary improvements.

I am sorry that I have to direct some blame to the new minister, whether the regular minister or the new minister appointed last week. They are two hon. members whom I should not like to blame in the least. Let us take the hon. Minister of National Health and Welfare (Mr. MacEachen) except for blaming him because he has accomplished little in the field of family allowances, we owe him nothing but congratulations. It is unfortunate that he had to replace today the one who is absent, but, in any event, it is a *fait accompli*. Today's situation is due to the minister's absence, just like other situations are due to mass resignations. We are living through a period of resignations. The Prime Minister (Mr. Pearson) has resigned. The Minister of Trade and Commerce (Mr. Winters) is considering his resignation. The Minister of Industry (Mr. Drury) is thinking about leaving politics. In order to resign, Mr. Speaker, I presume it is necessary to have well-lined pockets.

Nevertheless in spite of all those departures, I hope there will be enough goodwill left in the cabinet to look after those who have empty pockets indeed and lack the necessities of life.

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to make a few remarks in connection with this bill to amend the Unemployment Insurance Act. This is one more of a series of bills that are confessions of failure on the part of the government to tackle inflation adequately. Amounts of money that seemed sufficient a few years ago to provide for the temporary needs of people are now grossly inadequate because of the spiral of inflation, and it seems unfortunate that as each of these confessions comes along it has a tendency to add to this spiralling effect.

We in Social Credit have for a long time advocated various changes and reforms in monetary policy. We have advocated various moves which would lower interest rates in this country but have always been subjected to a great deal of criticism as a result. It has been said that the system now in operation is the best of all possible systems, that everything will work out all right in the end and it cannot be tampered with. Yet, Mr. Speaker, over and over again we see that the present system is not adequate to meet the problems of the day and that parliament is constantly called upon to patch up, to amend, to provide a stopgap or fill-in in an effort to try to do something to ameliorate the situation. Parliament attempts to do these things without any guarantee or assurance that the government is really moving to solve the basic economic problems that confront the country.

We have had no assurance even that the whole Unemployment Insurance Act will shortly be reviewed or, much more important than the review of a single piece of legislation, that the act will be reviewed in the light of the Income Tax Act as well as a whole host of proposals for taxation reform. I speak not just of the Carter report but of the reactions to the report, some of which have produced extremely constructive proposals that merit a great deal of study on the part of the government. They are proposals that should be studied along with the policy in relation to welfare payments, pension payments and the whole vast network that has been built up piece by piece through the years, each piece having been added without relation to the rest of the system.

Let me mention the minimum wage laws we have today. Even now members of the house are advocating that the minimum wage provided for be increased considerably. Just because such a move is advocated does not mean it will necessarily be put into practice. Nevertheless that suggestion has been made. We realize, of course, that the minimum wage legislation tends to increase the pool of unemployed, of whom we have a great many in Canada, because we have failed to develop our educational facilities. We have never had any adequate proposals in relation to providing the necessary finances for this kind of non-profit, public institution. We have lacked any sound system of public financing through the years.

Unemployment Insurance Act

• (3:00 p.m.)

We hear criticisms about seasonal labour and the impact that seasonal labour has upon the unemployment insurance fund. Any abuses in this regard should be taken care of. However, to those who criticize seasonal labour I direct this simple question: How would they like to change places with the people who must rely on seasonal labour? From the labour point of view a season in Canada can be extremely short, often extending merely from early to late summer or early fall. This means that people who depend on seasonal labour face a long winter without income, which is a serious consideration indeed. The Unemployment Insurance Act functions at the present time in a way that aids and assists these people. Whether it should function that way is another question. Until there is a major review of the entire system and until some other way is found to put a floor under such people and to provide the type of economy that will reduce that pool to a minimum, the present plan is the next best thing.

The Carter commission speaks well of unemployment insurance, saying that unemployment insurance gives us a method of injecting money into the economy when it is slowing down. Though Carter had high praise for unemployment insurance one wonders whether, instead of being an insurance scheme, it is not a scheme to redistribute income. So long as its function is to redistribute income and so long as it is sold to the people of Canada as an insurance scheme—here we see two incompatible elements of the scheme—we are bound to have difficulties in administering the scheme and in making its purpose effective. Such a scheme will hinder the adequate development of a more comprehensive system of providing a guaranteed income to Canadians.

I could cite examples of what I mean. One example involves a gentleman who is not quite eligible for the old age security pension and whose wife suffered a severe stroke some years ago. She is almost completely incapacitated. By making heroic efforts they have managed between them to maintain a home and to function as normally as they possibly could. Because of his wife's disability the man had to give up a job which paid an adequate income. He devotes a great deal of time to taking care of her. Of course he could have abandoned her completely, I suppose, to the arms of welfare assistance by disappearing. But he did not do that. He did not choose the easy way but chose instead to keep his family together and to take the high road of duty and consideration.

He thought that his wife obviously would qualify for assistance, and after all we heard about the Canada Assistance Plan one would think he would have had no problems in securing assistance after that plan came into effect. His inadequate income from his seasonal employment is supplemented by unemployment insurance payments. The welfare people do not consider these payments as insurance payments; they regard them as income. His fluctuating income from work, added to what he receives by way of unemployment insurance payments, brings his income to the point where the welfare people, who must dutifully follow their regulations, frequently cut off the assistance that is granted to his wife.

And so this game goes on. He is involved with three possible sources of income. To those three possible sources has now been added a fourth source. His wife has become eligible for old age security income and she now gets $75 a month, the result being that the extra assistance has disappeared. At the same time she was also sent a form which asked her to apply for the guaranteed annual income supplement. We know, of course, that this is not a true guaranteed income to her since the husband's income must be considered at the same time. This highlights a basic fault in the guaranteed supplement program that drives many to despair. The husband's and wife's incomes are considered together, whereas they ought to have a choice of lumping their incomes together or treating them separately according to which course of action will give greater advantage to each of them as individuals. The over-all amounts would not be too great, even when one considers the kind of pennypinching that goes on.

Yet another factor must be considered. The wife wonders whether she should apply for the guaranteed income supplement. She may be eligible for it when her husband is not working but she wonders whether she will be eligible for any part of the extra $30 a month when he is working. The difficulty is that he cannot estimate his income for the coming year as there is always the possibility that it may be greater than the amount which will make her eligible for the extra supplement. Should he earn more than he anticipated, will

this couple have to repay their so-called overpayments? It would take one who is conversant with higher mathematics or is an accountant to determine whether his unreliable income from work, when lumped together with government payments, would bar her from applying for the guaranteed income supplement.

These remarks illustrate what I mean when I say that these programs ought to be completely and totally reviewed. Couples ought not to be placed in the baffling predicament of not being able to determine by themselves the course of action to take. Our welfare officers ought not to be restricted by regulations whose application they themselves describe as harsh. Our welfare officers would much rather not have to write to people and demand repayment in whole or in part of any moneys that have been paid out. I think the answer in part is to simplify procedures under the Unemployment Insurance Act.

Instead of thinking of unemployment insurance payments as income, as our welfare people seem to do, they ought to be considered as true insurance payments and should not be considered as income. After all, an insurance payment is paid for a loss; it does not constitute a gain. If you insure your house against fire and it burns down you have not gained. You have lost something, and when you are indemnified you receive only partial payment for what is lost. Similarly if a person becomes unemployed he has lost his job and the insurance payment he receives is only a partial payment to compensate him for the full salary he has lost. Even if the amendment is passed and the new figures are introduced the unemployment insurance payment will still constitute only a partial payment of what most individuals would have earned had they not lost their jobs. I wish that federal and provincial welfare authorities would look at these payments in that light. Also, I wish that those responsible would see to it that current practices carried out under the unemployment insurance legislation are simplified.

• (3:10 p.m.)

We should also bear in mind the situation faced by those who have no pension plan and are still working. Though they may have reached pensionable age they cannot quit of their own accord because the old age pension would be so much lower than what they could make if they continued to work. If they did quit, no unemployment insurance benefit would be available to them. It would be withheld because they would have left their jobs of their own accord. But if they were employed by a company which had a pension plan they would be eligible for unemployment insurance benefits over a period of time because they would have been laid off or retired by the company concerned. I suggest we could improve the act by writing into it a system whereby persons who have paid into the fund over a certain number of years would have a right to benefit in such circumstances.

Our attention has also been called to the situation of older people who lose out partly because they have never learned the ropes so far as the unemployment insurance administration is concerned. They have been too busy working steadily throughout the years until they have to quit through no fault of their own. The hon. member for Portneuf (Mr. Godin) gave an example of the kind of case I have in mind. I have had such cases brought to my attention on a number of occasions. All possibility of collecting at any time in the future is lost. Yet it seems to me that if this scheme is to function as an insurance scheme a person who has paid into it over a long period of time and never drawn anything out should have the right to benefit. If any private insurance company in Canada functioned like this plan does it would be quickly run out of business by government inspectors. It could not get away with collecting money for a long period and then refusing to pay anything back in the end.

I should like to refer now to a point raised by the hon. member for Comox-Alberni (Mr. Barnett) concerning the consolidation of the offices and the inconvenience suffered by Canadians who find themselves many miles away from the nearest office. I used to receive numerous letters bringing this and other matters to my attention before the consolidation of the offices. The nearest one has now been moved well outside my constituency and in the last few months I have not received a single specific complaint. I would like to think this means everything is going well, that the consolidation has worked well and that people do not have any more problems. I suspect, however, that the office is now so far away that people who might otherwise write to me despair of finding any redress for their complaints. They are hesitant to spend money on a trip to the office if they lose their jobs and they hesitate to hire someone else to do it for them because that would cost even more. When their savings are dwindling and there is no prospect of another job they hold on to what they have as long as they can.

I hope the greatest care is given in this consolidation of offices to seeing that people who live at a distance receive the utmost consideration. I agree entirely with the suggestion that we should appoint people whose task would be to investigate special cases. I am afraid that far from everything being marvelous at the moment, very real problems still exist.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this afternoon we are dealing with a measure to amend the Unemployment Insurance Act so as to increase the benefits payable to the unemployed and extend coverage to new groups of persons.

While generally I support these principles I have a few reservations I should like to bring to the attention of the house which I believe disturbed many Canadians when they heard this bill was to be brought forward. I refer mainly to people who are to be included in the plan for the first time and who feel they will never have an opportunity of benefiting from the program though they will be obliged to pay into the fund. Their feeling is that the scheme is riddled with abuses and that their payments will only permit those abuses to continue. I do not agree with these criticisms but I feel they should be dealt with.

In general the criticisms we receive from our constituencies can be classified in four categories. First, there are those who disapprove of any unemployment insurance whatsoever. Second, there are those who while accepting such a program feel that abuses have been too widespread and that we should correct these abuses before extending coverage or benefits. Third, there are those who merely disagree with the proposal to pay increased benefits at this time and, last, there are others who disagree with the proposal to extend coverage.

I should like to deal with the first objection, the contention that unemployment insurance is unnecessary. When unemployment insurance was first introduced the intention was to provide income for those who were really out of work and who honestly could not find employment. To this extent it was certainly most worth while and useful. There was another important reason for introducing it. It was brought in so as to maintain purchasing power during periods of unemployment and recession with a view to limiting the extension of that recession. Again, this was a most valuable objective and one which in my opinion was justified. During the great depression men were laid off and once they were laid off and deprived of purchasing power the effect of their unemployment spread to the merchants who would normally sell them goods and services.

• (3:20 p.m.)

Unemployment insurance is in many respects like other insurance. Just as we insure ourselves against fire or automobile accidents we insure against the risk of losses resulting from unemployment. Just as we pay premiums for other types of insurance we pay premiums for unemployment insurance coverage. There are some people who believe that because they pay unemployment insurance premiums they have the right to collect at some time in their life. I find that this feeling is rather widespread, but it is hard to understand. People who hold other types of insurance do not think this way. Many of us pay high premiums for automobile insurance—I think much too high—but we do not expect or want to collect on that insurance. We take it out to protect us against costly, unforeseen automobile accidents, and we certainly do not look forward to the day when we have to collect on it. The same attitude should be adopted toward unemployment insurance. We pay it merely to protect ourselves against the possibility that we will be out of work against our will and cannot honestly find new employment. I think it is worth while to put forward these arguments from time to time because I believe there are a certain number of people in Canada who dispute the need for unemployment insurance. It is a very necessary program, for the two very important reasons I have mentioned.

I now wish to deal with the abuses that have been mentioned by other hon. members and that are referred to in more detail in the Gill commission report. Some of the more flagrant ones involve people who draw unemployment insurance while having part time jobs or other income, and people who draw unemployment benefits but are not honestly looking for work and who use those benefits to subsidize their laziness. Then there are married women whose husbands are making rather good incomes but who draw unemployment benefits when they are pregnant. There are people who are retired on good pensions and have no intention of going back to work but also draw unemployment insurance benefits. There is also the problem of seasonal workers, and the large group of people I have mentioned who feel they have a right to draw

on this fund just because they have paid into it.

When the bill was introduced I had intended not to support it until I received a commitment from the government that it would do something concrete to correct these abuses and bring the act completely up to date. This afternoon I was pleased to hear the minister say that some steps have already been taken to correct these abuses and that others are in the works. However, I would like to have more detail on these measures to correct the abuses, and I would like a definite commitment from the government that it will soon bring the act completely up to date. When the minister is summing up on second reading perhaps he will give us more detailed information on what the department is doing to correct the abuses, and let us know what other measures will be introduced soon.

Some hon. members have referred to the fact that certain economists say that unemployment insurance encourages unemployment. I think this is a false argument. I do not believe that the small benefits we give to our unemployed encourage unemployment among those who are healthy and able to work. The vast majority of Canadians want to work. They enjoy working and only fall back on unemployment insurance benefits when they are honestly unemployed.

Speaking of the two specific matters dealt with in this bill I wish to say there is no doubt, if unemployment insurance is a good thing, that the benefits must be reasonable and must be sufficient to maintain a man and his family when he is unemployed. The present rates were introduced several years ago when incomes, rents and the standard of living were much lower than they are today. All these things have gone up. Nobody denies that they have gone up in recent years, and we must increase the benefits to make the unemployment insurance program reasonable and workable.

With respect to the provision in the bill extending coverage upward to include some people in the higher income groups, some people in these groups argue that they are in areas of employment, are receiving incomes, and are at stages in their lives when they are most unlikely to be unemployed. All I can say is that the statistics show that this is not so. Many people in the groups covered by this bill have been let go at advanced stages in their lives, men in their forties and fifties who had supervisory positions or who worked in clerical positions. This has been due to automation and technical innovation in Canada, factors which will progress more rapidly in the future. People in this category must also guard against the eventuality that they may become unemployed. It is not something we want but, just as we insure ourselves against fire, theft and automobile accidents, since statistics show that men in this category could be displaced by technological change and automation they should be included in this program in order to protect their incomes against unemployment.

During consideration of this bill to amend the Unemployment Insurance Act we must ask the question, how does unemployment insurance and a revision of unemployment insurance relate to the new concept of a guaranteed minimum income? Many people have suggested that there should be one comprehensive program to maintain incomes in the nation, to provide a minimum income to people who either cannot work or are unable to find work, to people who are blind, to the crippled and the elderly. There are a great many arguments in favour of this concept. I would hope the government will plan an over-all review of unemployment insurance and other social welfare programs. It seems to me that there might be very real benefit, and a saving through efficiency, if these programs were co-ordinated so that they would provide income to people who are honestly unemployed and honestly unable to work.

I conclude by saying that this measure is certainly needed. The rates of benefit must be brought up to date to correspond with today's cost of living. We must protect those people who are likely to be unemployed. I think it is worth while that we do so and that we pass this bill. However, I repeat that I want a statement from the minister when he closes the debate on second reading, giving a commitment that something will be done about the rampant abuses with regard to unemployment insurance which disturb many Canadians. If that is done this bill will be accepted by the Canadian people in good spirit and with good support.

Mr. J. R. Keays (Gaspé): Mr. Speaker, we welcome the amendments in this bill because, as has been mentioned previously, it is time they were made. We are also grateful that certain amendments will be made to the regulations in order to clarify some of the anomalies in the Unemployment Insurance Act. I hope that the minister who is piloting this bill through the house will be like a good judge

sitting in his first court and will look favourably and leniently upon the proposals I intend to make.

• (3:30 p.m.)

Having listened to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), we know there is much scope for abuses of the benefits which can be derived from the Unemployment Insurance Act. However, as is the case in respect of most legislation I believe there are people who become expert at finding and taking advantage of loopholes. Therefore I hope that the mere fact that there are loopholes will not justify anyone taking a stand against this bill. I too welcome a measure which will put some teeth into the regulations so that the act may be administered properly either in Ottawa or in the field. I should like to repeat, however, that many of the persons who apply for these benefits are neither scholars nor college graduates and sometimes do make mistakes which are not intentional.

I should like to be assured that the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) would not vote against this legislation because he lives in the affluent society of Montreal. I would hope that he would think of the fishermen in some areas of the country who practice a very dangerous trade and who live with uncertainty because they can neither see the crop grow nor see it deplete. The area in which they must search for their product is such that their trade is an uncertain one. They work as hard as many others who are employed in other industries and I believe should be rewarded for their efforts. I am sure the hon. member would agree that if these fishermen are able to build up sufficient benefits they deserve to draw from the fund.

The hon. member for Halifax (Mr. McCleave) has drawn our attention to many of the problems involved in the administration of the act. I will limit myself to a reference to one of the most important of these problems. I have in mind the closing down of unemployment insurance offices across the country. I have been assured that this was done after serious study and concern in respect of those who are involved either in paying contributions to or receiving benefits from the fund. However, it would seem to me that a great amount of poor judgment has been exercised in these deliberations. I believe that those who have made these decisions certainly have not been in contact with the persons who must do business with the unemployment insurance offices. I am sure the correspondence which has been received by members of parliament recently from their constituents establishes the fact that the act is not being administered as well as it was in the past before the closing down of these offices. The recent increase in unemployment may cause more problems in this regard in the future.

I should like to ask the minister to take another look at the situation which has arisen as a result of offices having been closed down across the country. I would hope he would do this in order to determine whether or not the decisions which have been taken were justified. There is always the danger, of course, that we are becoming too much involved in computerizing and centralizing the offices across the country. This no doubt is done for the purpose of bringing about efficiency. However, from the experience of the provincial governments and other agencies I am sure we realize that computer systems have not yet reached the stage where they are completely reliable, especially when it is important to make sure that those who need their unemployment insurance benefits on a certain date receive them on that date.

One of the greatest problems seems to be that we have lost contact with the people. As I said before, we must realize that we are dealing with all classes of people not all of whom are able to understand all the implications contained in this bill and in other legislation. The people who are entitled to these benefits should have offices close to them so they would be in a position to have a personal contact. I was very surprised to hear that the nearest unemployment insurance office to Whitehorse is 1,300 miles away at Prince George. When there are 20,000 people in the labour force in an area this would seem to be a rather long distance away for the nearest unemployment insurance office to be. It sometimes takes eight or ten days for a letter to go back and forth and sometimes four or five months before the benefits are received. It seems to me that in this instance the administration has gone a little too far.

In my region, which is a peninsula, two offices were closed down. The two most distant ones were closed down and the central one was retained. This has meant that the people must in some cases travel 250 miles in order to have personal contact with the office. Because of the mail situation during the past winter owing to storms and weather conditions generally the people in this area who are entitled to benefits sometimes have had to

wait two, three or four weeks before receiving them. I am sure the minister realizes that the recipients of these benefits cannot afford to wait that long when it is necessary that they have this money in order to be able to purchase their groceries.

• (3:40 p.m.)

As I said before, this bill which amends the rates of contributions and benefits is very welcome. There is no doubt that the actuarial studies of this insurance plan have been seriously considered. I have reservations, however, about the ceiling of $7,800. I believe we have gone beyond the original intention of the bill by extending the ceiling to $7,800 a year. I believe that the majority of the people earning over $6,000 are never unemployed and yet they will now be required to pay into the fund. These people have college degrees, technical training or are employed in a trade and because there are plenty of jobs available to them they are not likely to be unemployed. This is very much like an individual insuring his house in case of fire, when he knows for a fact that the house will not burn. Surely such a man would not insure his house under those circumstances. I am sure this bill goes beyond the wishes of the people when it includes those who earn over $6,000. There is nothing in the bill about the new categories of individuals to be included, and I wonder whether this will be covered by the regulations or subsequent amendments. I hope people such as teachers and nurses will never be included in this category in relation to this unemployment insurance scheme.

Two months ago I spoke about fishermen. I would not dare suggest that fishermen should not receive unemployment insurance benefits, but perhaps we should look at the act to see whether there is another method to assure an appropriate income in relation to their labours. These people are not rewarded according to their efforts. We should set up some kind of study of this sector of our economy in order to understand properly how to convince the people in some parts of Canada that others are proportionately unrewarded for their hours of labour. I would certainly welcome a study of this kind.

I have a great deal of praise for the officers of the unemployment insurance commission, because I have always received courteous replies and attention to my requests. It is obvious from their letters they make an endeavour to get to the bottom of my problems. This helps me to answer queries posed by my constituents.

In 1966 I drew the minister's attention to what I thought was an anomaly. Workers in the forestry or lumbering industry are not allowed to contribute an amount to the unemployment insurance scheme equivalent to that contributed by other labourers. Let me give an example. Before certain amendments were brought forward to this act, workers in the lumbering industry were not allowed to contribute more than 78 cents on an income of $69 per week. Such individual was also limited in respect of the benefits he may receive. I suggest there should be some equalization in this regard, so that the contributions he makes are directly related to the benefits he receives. There should be some method of relating the payments made by individuals working in the forestry industry to those working in the general labour field. At this time there is an artificial ceiling on the benefits to which these people are entitled.

At the request of the forestry industry in my area I took this matter up with the minister. I also discussed this with officials of the unemployment insurance commission. As a result I discovered that the regulations were changed in July of 1966. Not being actively engaged in the lumbering industry I am not sure whether they have been applied since that time. I suggest to the minister that amendments should be made to allow those engaged in the lumbering industry to benefit on an equal basis with those engaged in other labour. They should be allowed to make proportionately higher contributions, and certainly higher than the maximum now allowed.

Let me refer to an individual who owns one truck, which he may use in the forestry, mining or fishing industry. This individual may be working for someone else. He should have the same advantage as an individual who owns a mechanical saw. I am not referring to someone who owns a number of trucks, because under these circumstances, having regard to the Unemployment Insurance Act, such person is an employer. These people who own one truck and operate it themselves should be entitled to the full benefits of the act. Their allowable contributions should be related to their incomes on the same basis contributions are calculated for other labourers.

The study to which I referred earlier should also take into consideration the situation regarding persons working in the forestry industry, particularly those who own equipment which they operate on forestry or

construction jobs. These people should be entitled to the same benefits as others. They should be in the position to draw benefits if and when they become unemployed.

There are several other points I should like to raise in relation to this legislation, but I think I should wait until we reach the consideration of the bill at the committee stage.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I welcome the opportunity to speak about these proposed changes to the Unemployment Insurance Act. I am pleased to note that in the absence of the Minister of Labour (Mr. Nicholson) a fellow maritimer has stepped into the breach. I refer of course to the hon. Minister of National Health and Welfare (Mr. MacEachen), who has taken over the sponsorship of this bill.

I listened very carefully to his remarks this morning regarding the changes to the Unemployment Insurance Act. According to his remarks the ceiling in respect of contributions is to be raised from $5,460 to $7,800. Anyone making $7,800 or less will be required to make contributions. I understand that employers' contributions are to be increased proportionately, to the extent of $1.40 per week for those earning $100 per week and over. The former ceiling on employers' contributions was 94 cents on earnings up to a maximum of $69 and over.

• (3:50 p.m.)

Employees' contributions are increased. They range up to a maximum level of $1.33 per week, compared to the former level of 90 cents. Allowable earnings are raised to $27.00, so that a maximum income of $80 per week is permitted: that is, the $53 plus the $27 allowable earnings. The act comes into effect on June 30, 1968.

I realize that these changes are required, and I support them; but surely it is a fact that it is the incompetence of this government that has made the changes necessary. How are these changes to be considered? The Minister of Labour (Mr. Nicholson)—I regret that he is not in his seat at the present time because I intend to refer to him, although not in an uncharitable way—stated in his speech at Kingston in July that the reason for the increase was inflation. The sad fact is that inflation has already eaten away the increase that is proposed. It hardly does more than compensate for the rise in prices since the last increase in 1959.

Speaking of inflation, who can live on $53 a week when meat is selling at $1.30 a pound?

[Mr. Keays.]

Second, I believe the increase itself will create still further inflation. A third point—and this was covered quite well by the hon. member for Halifax (Mr. McCleave) when he spoke today—is that although the Gill commission brought in its report on the Unemployment Insurance Act on December 21, 1962, nothing has been done by this government, in the almost five years it has been in office, to implement the recommendations of that commission.

The major proposals of the Gill commission were as follows: benefits for fully insured eligible unemployed to be fully financed by contributions from employers and employees; second, benefits for long term unemployed and seasonally unemployed to be financed from general tax revenues, and these people were to be removed from the fund; third, those who are unemployable or largely outside the labour force to be regarded as social welfare cases.

If the Gill commission recommendations were implemented, the effect would be to remove freeloaders from the fund and remove from wage earners the burden of paying for those individuals who are in reality welfare cases. This bill adopts none of these proposals and continues to operate the fund as a welfare proposal, with employed workers largely paying for those who are not employed or even employable.

The philosophy behind this bill is quite obvious. To find the answers, one has only to look at the speeches made by the Minister of Labour, and especially his speech at Kingston last July. The most authoritative declaration in this regard was made by the minister at Kingston—and again I apologize for referring to him in his absence, but I was unaware when I prepared these notes that he would not be in the house today—at a conference of unemployment insurance officials in July, 1967.

In his speech at that meeting the minister advanced the concepts of universality and integration, and although he later tried to back away and water down his statements there is no doubt that they represent an accurate reflection of government intentions. Basically, the minister made it very plain in his speech at Kingston that this government was abandoning, or had already abandoned, the insurance concept and the concept of actuarial soundness, and was now in the process of turning unemployment insurance into a straight welfare scheme.

The Minister of Labour described the major objective of unemployment insurance as "an economic stabilizer or, if you like, a flywheel". It seems to me, in view of the present approach, that the flywheel under this government has got out of control. The government's economic policies are going to burn out the motor, strip the gears, bust up the crankshaft and throw the propellor out of alignment.

After the flywheel approach, the minister's next major objective was universality. I want to quote exactly what he said when talking to unemployment insurance officials at Kingston on July 17, 1967. I quote from the official text distributed by the minister's office:

> I have already touched briefly on what I believe to be the second major objective of present day unemployment insurance policy: that is, universality.

Nobody in this party has any objection to covering as many people as can possibly be covered, in line with the capacity of the program to support such coverage. Unfortunately, the bill—and this can be determined when we get into committee—does not completely define the new classifications that may be covered. Speaking as a member from the Atlantic region, I would say that we are happy with the coverage that has been provided to fishermen and agricultural workers.

However, we must be very careful before we in parliament undertake any action that will destroy the actuarial soundness of the unemployment insurance scheme. I want to say very bluntly that if we are going to turn it into another massive welfare program under this government, we will be playing false to the millions of workers who, over the years have invested their hard earned money and that of their employers in this program.

If unemployment insurance—which up to now has been an insurance program based upon actuarial considerations—is to become another welfare program, we must face the fact that the taxpayer and the economy will be called on to provide more millions of dollars to finance non-productive programs, adding to inflation, higher prices, rising costs and the continual depreciation of our dollar.

The whole capitalistic system is built upon faith in our dollar as a unit of exchange. If this government persists in implementing policies that destroy the faith of Canadians and foreign investors in the value of our dollar, it will bring about the economic destruction of our nation.

The Minister of Labour is fully aware, I am sure, of the effects of the principles and programs he is putting forward. Speaking at Kingston—and this must have been one of his days for speaking frankly—he said:

> The rates have not been changed for several years and inflation has made them woefully inadequate in many cases.

We can all agree with that. Let me say that never have I been in more wholehearted agreement with any statement made by any minister of this government than when the minister said that inflation has eaten away the benefits. Let us face the fact that since this government took office, which in my view was a black day for Canada, there has been an unbidden and uninvited guest at every Canadian table. That uninvited guest has been inflation. And that guest was invited into Canadian homes as a parasitical boarder by this government and its policies. Inflation reminds me of a lamprey eel: It sucks onto its victim, first draining the victim of its blood, then its vitality and finally its life.

Canadians have been paying, in indirect taxation levied by inflation, for the follies and incompetence of this government's policies. Since the government took office prices have risen over a wide range that is almost impossible to compute, but the general level of the increase has varied between 10 per cent and 15 per cent right across the board. This is the indirect tax that Canadians are paying for policies that are non-productive, that do not contribute to the economy or its expansion. The only effect has been to reduce drastically the purchasing power of our dollar.

A certain degree of inflation, say 2 per cent a year, is tolerable; it is not desirable, but it is tolerable in a highly industrialized economy. This was the figure when the Conservative party was in power, led by Right Hon. John G. Diefenbaker. Under this government, prices have ranged and are still ranging, two to three times the 2 per cent figure. The minister is aware of this and the government is aware of this. The labour minister has said we must raise rates because of inflation. Does he not stop to think, or does the government not stop to think what has brought that inflation into being?

• (4:00 p.m.)

I am not in a position to give, nor do I want to give the government or the Minister of Labour (Mr. Nicholson) or even the Minister of National Health and Welfare (Mr.

MacEachen), who is piloting the bill through the house, a lesson in economics. I have to tell the minister the policies of his government have worked greater hardship on the working men and women of this country than have the policies of any government in our history. Some may say that is an exaggerated statement, but what has happened? Since this government took office, Canadians are paying 15 to 20 per cent more for necessities—not luxuries, but for food, lodging, houses, gasoline, clothing and so on. Medical supplies and drugs are costing a great deal more. The cost of automobile insurance has gone up, as has the cost of building materials and supplies.

The cost of every single thing that the ordinary Canadian needs to live and support his family has gone up, and away up, since this government came into power. According to the Dominion Bureau of Statistics, there have been ten price increases in the food and lodging category in the last ten months. The price change from only one year ago amounts to 4.5 per cent, which indicates there is no slackening of inflation facing consumers. The rise in prices in Canada during the past three years has been considerably higher than in the United States. I should like to point out that we are not fighting a war in Viet Nam; we are not fighting the race in space with the Soviets. We are not supporting a massive anti-poverty program. In fact it is difficult to see where Canadians have received any benefit from the enormous amounts this government has spent.

Now we come to unemployment insurance. Canadians are paying a 4 per cent payroll tax for old age pensions. They are paying enormous income tax deductions. They are paying unemployment insurance deductions, and these are now going to increase. Does the minister and this government not realize that each time payroll deductions are increased for the employer and the employee, two things happen. The first thing that happens when the employee loses 10 per cent from his pay cheque in added tax deductions is that he immediately requests a salary increase in order to catch up. Surely the government has not forgotten the number of wage demands that took place following the introduction of the Canada Pension Plan and the deductions that were made in January, 1966. In quick succession we had the seaway workers, the dock workers, the railroad employees, and I don't know how many others, asking for salary increases.

Some comment was made by the new Minister without Portfolio (Mr. Mackasey), and I am glad to see him in the house. As a matter of fact, I thought he would be piloting this bill. I wish him a happy, and short, term in his new office.

[Mr. Crouse.]

Apparently the government has not learned the lesson that what you take away from people they will immediately try to get back. The second thing that happens as soon as you impose matching contributions, which simply amount to a reduction in buying power, is that the companies pass on their contributions to the public in the form of increased prices. Who does the government think pays for this? Certainly it is the worker who pays for it. The company contribution is passed on in the form of increased prices, but never the exact amount, it is always a little bit more. The same worker who has been subjected to yet another payroll deduction reducing his buying power, is also subjected to another price increase, thus further reducing his buying power. In the next few months, the government comes along with a tax increase, always on the little people, and buying power is further reduced. The immediate consequence is yet another demand for wage increases. If that demand is granted, then that too is passed on in the form of increased prices, as it has to be, and once again the same worker pays the shot.

Neither the minister nor the government can understand how we can have such inflation. This government, deliberately or otherwise, has created inflation right across this country in every field of economic activity. They have moved in and stripped away the prosperity of Canadians. Today Canadians are running faster than ever before, just to stay where they are. Of course ministers are now so busy shining up their images that they do not have time to worry about what is happening to ordinary folk. Like the wicked stepmother in Snow White, all that comes out of ministerial offices these days is the refrain: "Mirror, mirror on the wall, who is the fairest of us all?" We will soon know the answer to that.

In the meantime, what is happening in Canada? This government is not helping the working men and women of this country by introducing measures that bring about higher prices in costs and reduce the purchasing power of the dollar. The best thing it could do at this time, and Britain has proved this, would be to declare a holiday on government expenses, to give the economy a chance to catch its breath. Never in history have we

seen a government jacking up its expenditures by 14 per cent and 15 per cent from one year to the next—that is, never until this government stumbled and fumbled its way into office.

In 1963 the battle cry of the Liberals to the electorate was, elect us and we will get the economy moving again. We knew, and the Liberals knew, that the economy was rolling at that time as a result of the impact of the devalued Canadian dollar in 1962. This statement is now endorsed by history. But despite this fact the Liberal party deliberately implement policies and programs in an effort to be all things to all people. The result has been a situation in which we have inflation, rising prices, a stagnant economy and rising unemployment, all at the same time.

That is the situation. This government's measures, starting with the tax on building materials, and on through high expenditures, high taxes and the like, have created a situation where the consumer cannot buy with his dollar those things he needs to maintain a reasonable standard of living. It may be difficult to get this across to those whose annual income is in the $37,000 bracket. Nevertheless, Mr. Speaker, this is the situation.

My next point, Mr. Speaker, is that this government's policies are taking us along the road to socialism and regimentation. Some people are not worried about socialism any more, because it has become so watered down it is almost respectable. It is a little bit like the rum down in Lunenburg county: It gets watered down sometimes, and it may not be as dangerous. It loses its appeal; but if you take enough of it, even though it is watered down it still packs a wallop.

Regimentation, however, is something of which we must all beware. Regimentation means a loss of initiative and a loss of dignity. There is social regimentation in this country today. This is the kind of regimentation where they give you a card with a number on it, tell you to fill out forms, tell you where you are going to work, how much you are going to get and what you will do with your money. This kind of regimentation is here now, under this government.

Then there is economic regimentation where they allow you to work hard, make a little money and then take it away from you in order to provide for others. We are rapidly coming to that stage under this government. The Minister of Labour in his speech at Kingston last July referred to integration. He described as a prime example of the need for integration the duplication, even triplication, in unemployment insurance, Canada Pension Plan and federal income tax. He foresaw a time when, through the numbered social security card, an individual would be processed for his Canada Pension Plan, income tax and unemployment insurance. By the time he paid his income tax, no doubt he would be looking for unemployment insurance. This is the kind of national regimentation which Liberalism is bringing upon us. It is socialism by the back door method. This kind of system, so proudly put forward by the Minister of Labour at Kingston, in my view will reduce Canadians to nothing more than a nation of ciphers.

• (4:10 p.m.)

The Liberal party has attempted to lull Canadians into believing that these costly programs do not have to be paid for. We are paying for them now, and we are paying for them in two ways—through higher taxes and through the indirect tax of growing inflation. After all, Mr. Speaker, there is no way of getting something for nothing. The governor of the Bank of Canada, Mr. Louis Rasminsky, put this in words that I should like to paraphrase and which went something like this: There is no way known to man of getting a quart out of a pint jug. You either pay through direct taxes or higher costs and prices. Under this government we are doing both.

The government is committed to an extremely costly medicare program which will add hundreds of thousands of dollars to our annual budget. In his anticipated budget deficit for this year, the finance minister did not even dare include medicare or Expo. Of course, if that sort of budget was the financial statement of a private firm, it would not be passed by any auditor. How a government can put out a budget leaving out two major budgetary items is hard to understand. When the ordinary citizen files an incomplete tax return which does not reveal his true financial picture he goes to jail. But when the minister does this he pats himself on the back as the inventor of a new budgetary technique. It is a technique that in my opinion smacks too much of "Sharp practice".

The President of the Treasury Board (Mr. Benson) says that there will be a balanced budget next year. If he were in his seat I would ask him how he knows. The Minister of Finance will not say when he plans to

introduce another budget, or whether he will even be Minister of Finance in a few months. The sad fact is that when the President of the Treasury Board announced that we would have a balanced budget next year no one seemed to believe him. His statement had absolutely no effect on the stock market or the value of the Canadian dollar, both of which continued to go down.

We now have to provide for medicare, Mr. Speaker, which will add to the burden of the ordinary citizen, will increase income taxes once again, will diminish purchasing power and will probably set off another round of price increases. On top of this the government plans to bring in unemployment insurance changes, scrapping the insurance principle and turning unemployment insurance into yet another uncontrolled welfare scheme. The government also wants to increase deductions from pay cheques of workers, along with contributions made by industry. All of these things, I claim, tend to have an inflationary effect, being passed on in the form of price increases, which in turn give rise to further wage demands.

I believe, Mr. Speaker, that it is time for the government to call a halt. The economy is being crippled, prosperity is being drained off and the incomes of Canadians are being confiscated by these massive welfare schemes. If I read my mail correctly, Mr. Speaker, Canadians cannot and do not want to pay any more. I really do not know what we have to do to bring this fact more forcefully to the attention of the government. It is taking income from the pockets of Canadians simply in order to buy for itself a little extra time in office. Canadians know that the critical point has been reached; they can feel a distinct loss of confidence in the economy. Canadian exports are meeting resistance abroad and imports are picking up. The government has been warned about this situation over and over again. Surely the time has come to return to reality and to drop these undermining measures, which can only hurt the economy without benefiting those for whom they are intended. The government should put a rein on spending and follow policies that benefit Canada's economy.

While the government is tossing the taxpayers' money right and left, the essential needs of the economy and of society are not being looked after. What about housing? No money is available for housing, except at exorbitant interest rates.

[Mr. Crouse.]

Mr. Speaker: Order. I am sure the hon. member will realize that I have to remind him that we are dealing with amendments to the Unemployment Insurance Act. Perhaps he will attempt to limit his remarks to the bill now before the house.

Mr. Crouse: Thank you, Mr. Speaker. I thought I was doing that when I made direct reference to the minister's statement that the reason for these changes was brought about by economic inflation. In my view—and I stand corrected—my thoughts are related to the expansionist programs that have contributed in no small measure to the inflation referred to by the minister. However, my remarks are practically finished, and if you will bear with me for a minute I shall have concluded my speech.

I ask the government, Mr. Speaker, what about development? No action is being taken to develop this nation. What about bringing our resources to market, starting new industries and providing new sources of income for Canadians? Nothing is being done to maintain the high level of economic expansion which is vitally necessary. In my view this government should be concerned with policies to provide employment instead of policies to look after unemployment. This government, intoxicated with welfare schemes, is letting the economy of the nation run down, like a watch that somebody forgot to wind. I wish to warn them, Mr. Speaker, that unless they return to reality they will find that time has run out on them as well.

Mr. M. W. Martin (Timmins): Mr. Speaker, one disadvantage of speaking at this stage of the debate is that it is very difficult to find a field not already covered in one form or another by other hon. members.

Mr. Reid: Why not try talking about the bill?

Mr. Martin (Timmins): As the minister pointed out when he introduced the bill this morning, these are the first amendments to the act since 1959. If a piece of legislation as important to the people of Canada from coast to coast as this is amended only once every nine or ten years, more thought should go into those amendments when the time does arrive to put them in legislative form.

For example, I wonder why some attempts have not been made to correct some of the evils that have developed since the passage of the bill in 1959. I think one of the most evident evils that has become apparent is that

by their own action the government have made a farce out of the insurance principle that underlies the Unemployment Insurance Act. During the term of office of the previous government, and the past five years that this government has been in office, no attempt whatever has been made to correct this particular evil. However, I will have more to say about that later.

I also wonder why some efforts have not been made to cure some of the evils that have crept into the picture, not in the form of legislation but more as a result of policy, regulations and so forth. The most evident of these is a matter that has been touched on by one or two other hon. members. I am referring to the policy making and decision making functions that have been taken away from people in the field, the people who know the local situation, local conditions and local problems. I should like to ask the minister why this has occurred; what was the reason or purpose for it. Was this purely an economy measure, or did the government believe that these people were not properly qualified to make decisions?

I have my suspicions about this step that has been taken. Most of the complaints that have come to my attention in this regard were made at a certain time. I suspect that the purpose was to enable the Minister of Finance (Mr. Sharp) to use the unemployment insurance fund as an instrument of fiscal policy.

• (4:20 p.m.)

I notice that when the minister declared that there would be a clamp-down and that spending would be cut back, by a strange coincidence the number of complaints that were received with regard to unemployment insurance suddenly mushroomed. Shortly after that, the authority for making decisions about unemployment insurance was taken away from the Timmins office. Decisions were to be made in Toronto, which is about 500 miles away.

Most complaints which have come to my attention have come about as the result of a very carefully worded form. When a man loses his job and has to apply for unemployment insurance, he must fill out this carefully worded form, which seems to contain some carefully laid traps for the man who is filling it out. No doubt officials, in common with members of chambers of commerce and various hon. members of the house, maintain that in this country we have a great horde of people who are professionals at getting moneys they have no right to from the unemployment insurance commission.

I suppose a few in this country spend all their time in seeing what they can get out of the unemployment insurance fund. But these forms present no problem to such people. They know everything in it by heart. They know how many stamps they need in their books and how to fill out the form so as to avoid delays or problems. The men who fall victim to these forms are those who have never drawn unemployment insurance. They are men who have worked for 20, 25 or 30 years and, when the mine closes down, when the job folds up or when the business goes under, are forced to apply for assistance. They fill the form out and, not knowing what to avoid, often disqualify themselves on pure technicalities. The form must then go to Toronto, 500 miles away, for a decision. When the decision comes back the men may want to appeal it, and as a result they must go to Toronto. The legislation does provide these men with the right of appealing such a decision; they have to appear before the referee. But if a man is unemployed and looking for unemployment insurance, how can he afford to go to Toronto, 500 miles away, to appeal? If the appeal machinery were in the local area that would be fine, but it is not much good having it 500 miles away. The men are precluded from appealing because of the distance involved.

I just wonder, Mr. Speaker, if the objective behind all this is to enable the government and the Unemployment Insurance Commission to chisel from the workingmen of this country, who are entitled to certain benefits. I wonder if this has all been worked out deliberately with that end in view.

I have also run into the problem of language difficulty in this field. I represent an area in which half the population is French Canadian. Many French speaking Canadians work in the lumbering industry and mining industry. These are the men who are most often affected by unemployment insurance regulations. When a mine shuts down or a wood cut is finished and they become unemployed, they fill out this form I spoke of. To them it is in a foreign language. As a result they are more vulnerable to making errors which can disqualify them. If they make a mistake, away goes the form for a decision in Toronto, and back comes another form with a great big letter that they cannot read or understand, and they must go to a lawyer, a

chartered accountant, to their member of parliament or to others for assistance in getting their rights. I think the minister will agree that the procedure I have outlined is grossly unfair and inefficient. It should be looked into and corrected.

Another point also warrants the minister's attention. I find that the staff of the local offices are prohibited from giving any assistance to men who wish to fill out these forms. If the staff is not allowed to do that, why are they there? Why have a trained staff in the field if it cannot use its experience and training to help others who need that help? This matter should be reviewed and something should be done about it.

Another point is worthy of consideration, and that is the attitude of the general public to the unemployment insurance fund. Many people who have retired have come to me saying that they are going to apply for unemployment insurance. Some of them may have had to retire because of health or other reasons. They come to me and say, "You know, I paid into this fund for 30 years and I should be able to get back what I paid in."

You see, the general public does not look on this as an insurance fund. In a way, it thinks it is a sort of insurance fund; but at the end of their working lives our people want their money back. In other words, the fund provides protection, but in people's minds at the end of everything it becomes a savings fund. The idea is that you should get back what you paid in. There is good reason for this frame of mind, and I spoke of this earlier in my remarks. The fault lies with the government that introduced the legislation, and with the government of the past ten years.

In 1959, when the last amendment to the act went through, I remember speaking in the house and pointing out that people such as fishermen and bush workers traditionally hold down seasonal jobs. If they were to be brought under the unemployment insurance fund, the fund would no longer work on the principle of an insurance fund. I did not say then, and I do not say now that men in these brackets do not need assistance and attention. My point is that by including them in the fund the government destroyed the credibility of the fund as an insurance fund.

I remember saying that, as a result of the government's action, the people in the country would say, "Well, the fishermen never did work all year; they can't fish for 12 months; they only fish for six or eight months of the year, and during the other four months they claim unemployment insurance. If they do that, why can't we do the same thing? Why shouldn't we work for eight months and go on unemployment insurance for the other four months?" That thinking developed from the actions of the government of 1959. No effort has been made by the government to "sell" the idea to the public, that this is an insurance fund available for the protection of people who are no longer able to protect themselves.

[Mr. Martin (Timmins).]

• (4:30 p.m.)

One last word with regard to the increases in the cost to employees proposed under this bill, and the increased benefits which will apply. Over many years a situation has developed in which, unfortunately, more and more people live from pay to pay. The young generation has been raised in this atmosphere. From the time they are out of the cradle and big enough to watch television or read magazines and newspapers they are tempted to buy goods which are beyond their means. It takes a strong minded individual indeed to resist all the lures of advertisers today. The result is that when a man becomes unemployed for whatever reason, his expenses do not decrease; they remain constant because there are usually a number of payments to meet. This is why it is a good thing in this day and age to increase these benefits, so that the problems affecting a family are at least diminished when the breadwinner finds himself suddenly out of work and without income.

I was listening to the hon. member for Queens-Lunenburg (Mr. Crouse) talking about regimentation. The regimentation which bothers me—I do not know whether it bothers him or not—is the way the working people of this country are regimented in connection with payments to finance companies, furniture companies and mortgage companies. This is the regimentation which should cause us all concern. At least to the extent that this bill tends to reduce the effects of this regimentation, I believe it warrants support from all members of this house.

Mr. Lawrence E. Kindt (Macleod): I am glad to have an opportunity to say a few words on this legislation. I listened with a great deal of interest to the speeches made by the hon. member for Queens-Lunenburg (Mr. Crouse), and the hon. member for Timmins (Mr. Martin) who has just resumed his seat. Each of them brought out sound and excellent

points in connection with the bill before us. Each of them drew attention to the "bugs", so to speak, which exist in the act at the present time and which should be corrected. This is where we are up against some serious difficulties. I would venture to say there is no act on the statute books of Canada which has more "bugs" in it than the present Unemployment Insurance Act.

The first thought of the government should be to eliminate these deficiencies. I see nothing in the bill before us which will do so. In fact there are certain implications in it which might be more harmful than otherwise. I am not opposed to the principle of insurance against unemployment through a scheme which is in fact an insurance program, but I am opposed to features in the legislation which make it a welfare program rather than an insurance program.

Those who put forth the effort to establish the legislation in the beginning never intended that it should become a welfare program. However, this element has crept into it and it is unfortunate that it should be present.

One of the problems faced by the stockmen and ranchers of western Canada is this: They want more labour for their ranches, but now they are likely to find it more difficult than ever to get labour. They did not ask for unemployment insurance to apply to ranch labour. Now, having experienced its effects, they are asking that it be removed from coverage by the act. Inclusion of ranch labour was supposed to increase the amount of labour available for ranches. The present bill, instead of helping to increase the supply of labour, will actually diminish it.

What I have just said applies not only to the operators of these big ranches; the workers themselves have approached me in delegations asking that they be removed from coverage by the act. If a worker on a ranch in western Canada is to receive 50 per cent of his summer wages in unemployment insurance, when winter comes the stockmen out there who have cattle to feed will not be able to hire anyone to do the work. No one will want to work out in the open in the cold weather if he can get half his summer wages in unemployment insurance. Indeed, I know of many who would take the course of least resistance and try to rig things in such a way as to obtain unemployment insurance benefits. All of them seem able to do it, and this is what is being done. People are getting around the act. So instead of more labour being available to stockmen, less is available. This is why both on the labour side and on the management side there are requests for exemption from the operation of the act. The stockmen never asked to be covered by it and now they would like to be exempt.

I want to get this across to the government and to all others concerned. At the present time the Western Stock Growers are in session in Calgary. At past conventions this subject has come up for discussion and members have expressed their views in no uncertain words. Delegations have come to me privately asking that ranch workers be excluded from the provisions of the Unemployment Insurance Act. They want labour to help them on their ranches. In addition, the labourers do not want these deductions to be made from their wages. On occasions when ranchers have made deductions in respect of insurance they have lost their hired help. The labourer gets sore and says: "The other fellow did not deduct it, so I will go and work for him, or someone else".

• (4:40 p.m.)

The stockman is faced with a problem of paying the total amount out of his own pocket in order to come under the scheme and be within the law. He must provide the worker with the stamps or else he loses his labour if he deducts the cost of the insurance from the workers salary. This is not working out. What I have described is just one of the "bugs'. There are hundreds of others in the unemployment insurance program. Surely the government will take a careful look at these things. It will not have to go far to find somebody who will give other illustrations. I hope that the one I have mentioned will receive serious consideration and that the government will eliminate these ranching people from the provisions of the Unemployment Insurance Act, because they do not want to come within its provisions.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I wish to ask the minister a question before he rises to close the debate. Has the interdepartmental committee, which has been studying the needed broader amendments to the Unemployment Insurance Act, completed its work, and can we expect the introduction of those amendments early next session? Perhaps I may be allowed to sum up in one statement the essence of the remarks I would have made had I chosen to make a speech. From the contributions made by other hon. members it is quite clear that there is a feeling abroad in this land that social security

and welfare plans do not mix with an insurance scheme. In making a broad revision of the act I hope the government will see to it that the unemployment insurance fund is returned to its original structure, namely an actuarial plan based on sound insurance principles.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I know there is a general desire to have this bill passed this afternoon and so I will be very brief. I think most hon. members were disappointed that at least a number of the recommendations of the Gill commission report are not being implemented at this time. As the previous speaker said, we hope this will be taken care of early next session. We have been promised it for years.

As other hon. members have said, the reason for our concern is that there is no piece of legislation at the federal level that has more "bugs", in it, if I may use the expression, than the Unemployment Insurance Act. The evils one could list are clear, to say the least. I do not wish to catalogue them this afternoon because I have done so on other occasions. I shall mention only one or two.

The first concerns the enforcement of the act in recent years and the virtual reign of terror conducted among the farmers of the country by the officials of the commission. Where people have employed independent contractors for two or three hours a week, officials of the commission have been running about trying to match the efforts of the income tax department of years ago, sometimes going back ten years to see what they can dig up merely because an employee is alleged to have worked for a couple of hours a week and was unaware of the fact that he had to fill out a form to be exempted.

I commend the officials of the commission for trying to do their duty. They are very much in the same position as policemen. But if every policeman in this country enforced the letter of every municipal by-law and every federal and provincial statute, 95 per cent of the people of Canada would be in police court every day. I think a little horse sense might be exercised by the officials of the commission.

One specific feature which has affected a great many members of this house has been the division made between manpower offices and unemployment insurance commission offices. In some parts of the country this division does not make much practical difference, but in areas such as southern Ontario, southern Quebec and the lower mainland of British Columbia it makes a great deal of difference. Formerly every small industrial city, and here I speak of cities of 25,000 to 100,000 population, had their unemployment insurance commission office and manpower office in the same place. Then some persons got the idea that they would divide the departments administratively in government, and they carried this through by dividing them everywhere, at the lower level as well.

In my constituency there is an unemployment insurance office in London, Ontario, but no unemployment insurance office in St. Thomas, to serve Stratford, Brantford, Galt and other cities in between. People have not yet got used to this division. If they apply for unemployment insurance they assume that the manpower centre is automatically informed, but this is not the case in most instances.

I know that in changes like this there are administrative problems which will likely be worked out with the passage of time, but meanwhile most members of parliament, already heavily engaged, are given a vast amount of extra work. In the 15 years that I have been in this house I have had one or two complaints each year about the administration of the unemployment insurance fund, which speaks very well for the commission. But since the division of offices, with the removal of the unemployment insurance office from the local area, I have had six times as many complaints in three months about the administration of unemployment insurance as I had in the previous 15 years.

The government may say what it likes, and offer all the excuses it likes, but the fact of the matter is that the public is not being served. I do not know how many people who have encountered trouble have not written to me but, as I say, the number who have written me has increased. What may be required is more staff at the local level. Most people do not know how to fill out the necessary forms. This work may be easily done by members of parliament and civil servants who are accustomed to forms *ad nauseam*. We have learned by experience to make out forms, but if an individual is confused by a form he should have the assistance of someone at the local office to help him fill it out.

I have been able to clear up a great many of the complaints I have received, because they were due to misunderstandings. Only the other day I had two cases before an umpire, and one was a matter of misunderstanding. In the other the officials just would not change

their minds, something which is human nature, something we all share to a greater or lesser degree. These things could be avoided with more efficiency.

In heavily industrialized areas which have a lot of labour the government should carefully examine the possibility of reinstating a combined unemployment insurance and manpower office. As I say southern Ontario is a good example. The area of Quebec south of Montreal is in the same category. The public is not being served, except very badly. I have one or two other things to say, Mr. Speaker, but will reserve them to another occasion.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am happy this afternoon to say a few words with respect to Bill No. C-197.

According to the statistics, we have 500,000 unemployed in Canada. I think this is sufficient reason to talk about it. In my opinion, the situation is alarming. In a country like Canada, where there are so many things to be done, where every citizen could be employed, 500,000 Canadians are not participating in the production and depend on others for their livelihood. Indeed, those who receive unemployment insurance benefits are getting the contributions paid by the employers or the workers themselves to the Unemployment Insurance Fund. This money has contributed to the rise in the cost of living, and we talk of increasing benefits.

I think benefits should be raised, because of the great increase in the cost of living. No matter how much they are raised, they will never compensate for the increase in the cost of living, which is so high lately that a man can no longer make ends meet with his salary. Senior citizens whose pension has just been increased to $105 per month complain that it is not enough, that they cannot manage, because the cost of living is too high. All the old age pensioners, and especially the veterans, complain that they do not have enough money, because prices are always ahead of the increases they receive. The unemployed are in the same situation.

There are 500,000 names on the unemployment insurance list, but there are many workers who are being retrained or who are employed on winter works and, therefore, are not on the list.

This means, Mr. Speaker, that the situation is more alarming than we think in Canada. We have here terrible problems. Unemployment is increasing steadily and there are surely causes for all that. One of the causes of unemployment, Mr. Speaker, is that there are not enough investments. Employment of labour depends upon investments and they are insufficient. Why? Because there are too many taxes, too many surcharges at all government levels, because the citizens have no more money to invest. As they have no more money to invest, unemployment and poverty prevail everywhere. Such are the causes of the economic situation we are experiencing at present.

• (4:50 p.m.)

In order to grasp a little better the unemployment problem and the incidence of the slowing down of investments on labour requirements, one may proceed in this manner and state that, according to statistics, there is available labour and unavailable labour; there are voluntary unemployed and a readily available labour. Once again, labour requirements depend on investments. Investments and labour are interrelated in a certain ratio which varies from one sector to another. Labour requirements are greater only when investments increase and, on that score, the Canadian economy has not done too well.

In the past few months, there have been surplus outputs, high interest rates and a shaky situation in the United States; the trends are not likely to be reversed in the next months. On the other hand, production has decreased in some areas, or is slowly increasing throughout the economy, due to the labour requirements brought about by the present level of existing investments.

Circumstances being what they are, unemployment is assuming larger proportion than usual. An upsurge in economic and non-seasonal activities would only eliminate seasonal unemployment, widespread in Quebec, and unemployment resulting from structural rigidity. A lasting reduction in unemployment will depend more upon fiscal measures designed to increase the size of the labour force and upon constructive measures designed to improve the volume as well as the size of private investments in this country.

Can we increase investments in this country when governments at all levels, are increasing the taxpayers' burden by every means at their disposal? We have direct taxes, indirect taxes, surtaxes. Then, the federal government sells bonds and proclaims in countless newspapers that those who buy federal bonds will double their capital within 13 years.

The same thing is true for the provincial governments, the school boards and the municipal governments. It is the same thing for several large institutions in Canada.

Therefore, how can we expect that there will be something left, some economic blood to enable Canadians to invest, to develop new industries, new natural resources? We lack capital. The present government and the present administration take it all. There is none left for the citizens.

[*English*]

Mr. Mackasey: I rise on a point of order, Mr. Speaker. I have listened with a great deal of interest to the remarks of the hon. member. I wonder, however, whether he might be confusing this debate with the debate we expect to have next week on the supplementary estimates.

The Acting Speaker (Mr. Tardif): I think the hon. gentleman probably has strayed from the bill under consideration, but I believe he meant to refer to the matter of unemployment as it relates to this bill.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I know that nobody likes to be told what is now happening under the present system and what causes unemployment. I am speaking about unemployment, and its causes. If there were no causes, there would be no unemployment and it is precisely why I am dealing with the problem of unemployment, exposing its causes and all the factors which compel citizens to remain idle and to live at the expense of others.

Those who are now working are robbed, in order to give to the unemployed. We have reached a point where the worker does not get more than the unemployed drawing welfare allowances. Such is the present system and we are led to believe that it is good and that the present economy can be maintained.

There are two prominent economists who are trying to find all kinds of solutions to our problems, but they are never in a position to apply them. The problem remains the same: it is always unemployment, misery in the midst of affluence. There has never been a balance in Canada between production and consumption, between misery and affluence.

I could go on much longer but other hon. members want to speak. Besides, I think I have said enough. Several people have made pretty speeches, but more than speeches are needed to solve the problem of unemployment. We should take concrete steps to remedy that situation. If there is a surplus of products, we should be able—

[*English*]

The Acting Speaker (Mr. Tardif): Order. It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely public bills and private bills.

Mr. Mackasey: Mr. Speaker, while on the surface this bill may appear to be rather minor in nature I should like to point out that before the increased benefits to workers can become effective many weeks of contributions will be required. Therefore I should not like to jeopardize the unemployed people this winter as a result of this bill being held up. If hon. members agree I might suggest that we forgo private members hour so that I might speak on second reading in order to answer many of the questions which have been so eloquently raised this afternoon.

Mr. Monteith: We would be agreeable to this, Mr. Speaker.

Mr. Barnett: Mr. Speaker, I appreciate the desire of the minister to secure a relatively early passage of this bill, but I believe the hour set aside for the consideration of private bills and public bills is one of some importance. I am sure the minister will be able to arrange with the house leader to have this matter brought forward early next week, at which time he would have an opportunity to make his remarks.

The Acting Speaker (Mr. Tardif): Is there unanimous consent that the house forego private members hour?

Mr. Barnett: No, Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. Mackasey: Mr. Speaker, possibly the house would like to know the order of business for Monday. It will be as follows, the committee stage on the income tax bill, the supplementary estimates—

Mr. Monteith: Would the minister mind giving the name and the item number?

Mr. Mackasey: I do not have the item numbers. I will repeat it more slowly. The committee stage of the income tax bill, supplementary estimates, second reading of the bill to amend the Unemployment Insurance Act, and then the Patent and Trade Marks Act.

• (5:00 p.m.)

RADIO ACT

AMENDMENT TO DEFINE "BROADCASTING" TO INCLUDE COMMUNITY ANTENNA TRANSMISSION

On the order:

Second reading of Bill C-20, an act to amend the Radio Act (community antenna)—Mr. Peters.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, if I could have the unanimous consent of the house I would withdraw this bill because the subject has been covered by the broadcasting bill recently passed by the house.

The Acting Speaker (Mr. Tardif): Does the house give unanimous consent to the hon. member to withdraw this bill?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

WEIGHTS AND MEASURES ACT

MEASURE TO ENSURE ACCURACY IN WEIGHTS AND MEASUREMENTS OF PACKAGED GOODS

Mr. David Orlikow (Winnipeg North) moved the second reading of Bill No. C-23, to amend the Weights and Measures Act (truth in packaging).

He said: Mr. Speaker, the purpose of this bill which I have introduced on other occasions is to try to give the consumers of Canada the kind of information which would permit them to make meaningful and intelligent choices in the purchase of necessary merchandise. The problems of the consumer have been giving increasing concern to the people of Canada. To realize this one has only to consider that various provincial legislatures have studied the problems of consumer credit and have come forth with recommendations upon which legislation has been based. Also this parliament established a joint committee of the House of Commons and the Senate to study the problem of consumer credit and other problems of consumers. This committee held meetings which extended over a long period of time. It held close to 50 meetings and made recommendations dealing with various aspects of consumers problems.

The principle of this bill was endorsed by an organization which I am sure most members of parliament know and I think all members respect, namely the Consumers Association of Canada. At its annual meeting in June, 1962, this association passed a resolution which I should like to place on the record. It reads as follows:

Whereas there appears to be an increasing number of packages on the market whose contents are stated in fractions of ounces; and

Whereas consumers are experiencing difficulty in determining readily, while shopping, the comparative values of many products, due to the varying weights of packaged goods;

Be it resolved that the Consumers Association of Canada requests the Department of Trade and Commerce and the food and drug directorate to standardize the weights of packages of food and other items weighing four ounces and over, in units of quarter pounds, half pounds and pounds.

Since that resolution was passed there have been, as I mentioned a moment ago, extensive hearings by a joint committee of parliament, as a result of which we have passed legislation establishing the Department of Consumer and Corporate Affairs and a minister to head the department. The joint committee looked into the question of packaging which is dealt with in my bill, and in its report the committee made a number of references to the problem. Hon. members can find the report in the Proceedings of the Special Joint Committee of the Senate and House of Commons on Consumer Credit, No. 41, of Tuesday, April 25, 1967. I wish to place on the record a few of the references made in the report to the question dealt with in my bill. On page 3452 the committee said:

Your committee perceives the need for an expert group within the department to investigate any merchandising practices which take advantage of or mislead consumers.

On page 3454 of this report recommendation (c) reads as follows:

That packaging and weights and measures be designed to inform the consumer as fully as possible;

On page 3470 of the report, dealing with the problem of consumer standards and consumer protection, the committee says:

(3) packages should be designed in terms of size, shape or dimension in a way that will not deceive or mislead retail purchasers;

(4) the net quantity of the contents in terms of weight or measure should be expressed as simply as possible and in terms which can be easily interpreted;

(5) the essential information about a packaged product and its physical contents should be stated in a prominent place on the label.

Another recommendation is that there be established a department of consumer affairs

headed by a minister, which has been done. The next recommendation is:

That immediate steps be taken to promote standardization and simplification of grades, nomenclature and packaging for commonly purchased consumer items.

I have had occasion, as I am sure other members of parliament and husbands and fathers have, of going with my wife or daughter to do the shopping. I suggest to hon. members that if one wants to shop on the basis of unit price—I am not saying that many people do, but there are those who do, and we should encourage it—he would have to carry with him a computer in order to be able to calculate the price per ounce, for example.

I did some comparative shopping recently and found a very popular peanut butter packaged in a 12-ounce jar and a one pound jar. The prices were of an odd nature and one would have to have a computer, as I say, to calculate which size was cheaper. I found mustard in a 6-ounce jar and a 16-ounce jar. I found ketchup in an 11 fluid ounce bottle, a 15-ounce bottle and a 20-ounce bottle. I found salmon in a $3\frac{3}{4}$ ounce can and the next size was $7\frac{3}{4}$ ounces. I do not know how anybody could calculate whether the larger size was a cheaper buy than the smaller.

I found canned corn in a 10-ounce size and a 15-ounce size. I found soups made by different manufacturers, one next to the other. One soup was in a 10 fluid ounce can, another in a $10\frac{1}{2}$ fluid ounce can and a third brand was in an 11 fluid ounce can. If one wanted to buy soup on the basis of which brand was cheaper per ounce, it would be impossible to do so by looking at the fluid content of the can.

• (5:10 p.m.)

I now come to the question of soaps. Hon. members know that probably more money is spent by the manufacturers of soap than anybody else in advertising and trying to convince us that one soap is better than another, that one soap will wash the clothes cheaper than another and one detergent will do a better job than any other product. Looking at these products, I defy any person, including a trained mathematician, to calculate which brand is cheaper by the ounce. Spic and Span comes in three sizes; $3\frac{1}{2}$ ounces, 2.8 ounces and 4.6 ounces. Joy comes in similar sizes. Surf comes in various sizes. In addition to this we have experienced the practice of manufacturing companies printing on their labels that the product is being sold for 10 cents or 20 cents less than regular price. It is against the law in Canada for a manufacturer to direct a retailer to sell a product for any specific price, yet the manufacturer states on his package that the product is being sold for so many cents off regular price. These manufacturers do not have the right to do this. They do so, I am sure, in order to confuse the consumer. It is the retailer who decides the cost or selling price of a product.

[Mr. Orlikow.]

Having regard to size, I suggest there is only one reason for this strange packaging practice, and that is to confuse the consumer. There is no other reason for the manufacturer or packager to put out these various sizes. I am satisfied that this bill would be of great assistance to the new minister of Consumer and Corporate Affairs (Mr. Turner) in protecting the consumer. It would give the minister a tool with which he could persuade the manufacturer, processor or packager, to give some meaning to size information on labels. Nothing in this bill would create difficulty for manufacturers of these packaged products. It would require only that manufacturers or packagers use standard sizes, such as referred to by the consumers association report of 1962, to which I am referring.

It is obviously difficult for one manufacturer or packager to give the consumer a minimum sized product if his competitor has the authority to change the advertising in respect of size. That is the type of thing that is happening. The new Department of Consumer and Corporate Affairs will have the right under the law to set out clearly regulations in respect of packaging. This will lead to equitable requirements. I suggest that is what this bill is intended to do.

This bill was not drafted by me. It is based essentially on a similar bill introduced in the United States Senate by Senator Hart of Michigan, and which has the enthusiastic support of consumer organizations in the United States.

Let me close by summarizing what the bill now before this house will do. I am sure most hon. members are familiar with the issue of *Consumer Reports* for May, 1963. That issue summarizes what this bill will do, in that it stipulates the following requirements:

The statement of the net weight content on the front panel of a package.

The establishment of standards with respect to the location and prominence (size of type) of the net weight declaration.

The prohibition of the use of quantity descriptive words such as "giant", "big", and "jumbo" in the net weight declaration. "Big gallon" or "jumbo quart", for example, would not be acceptable.

The prohibition of "cents-off" legends as an integral part of a package's label.

The prohibition of deceptive pictures on packages.

The establishment of reasonable standards of weight or size—the use of such odd sizes as the 13-3/7 ounce package of dry cereal, for example, would be outlawed.

The prohibition of sizes, shapes, or dimensional proportions which may deceive consumers—the bigger pack.

This all boils down to the fact that the package shall not bear false witness. It has been a long time since the consumers of this country have had a fair shake. The farmers have their organizations; the labourers have their organizations; the manufacturers have their organizations; the retailers have their organizations and the banks have their organizations. With the establishment of the Department of Consumer and Corporate Affairs, we now have a government department with the responsibility of protecting the interests of the consumer.

With the passage of this bill the minister would have the legal right to do many of those things we intended when we approved the legislation establishing his department.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, Bill C-21, now under discussion, deals with a statute which has been around for 15 years, and to my knowledge has not been amended since that time. In view of modern technology in respect of prices and packaging, sales of products are now being made by package advertising rather than by direct advertising. The traditional manner of selling has changed. At one time the customer went into the store, saw what he wanted to buy and made the selection, which was put into a package. Now one goes into the store, finds something already packaged, and purchases it in that form.

Women have problems because there is almost no way to make a meaningful judgment as to what is contained in a package. Advertising of prices, quality and quantity has little or no meaning. As an example, one could take the pre-mixed cake packages. One cake mix may be a pound and a half and another may be one pound. Both may contain the proper amount and weight of ingredients to produce a cake of the specified size.

• (5:20 p.m.)

So when you come to the regulation of weights and measures, there is not only the question of getting accurate, meaningful measurements on the package but also consideration of the use to which the ingredients can be put. It is not the simplest thing in the world to evolve a policy or a series of policies which will make this obvious to all. When dealing with the question of weights and measures, we also have to consider the related problem of quality, which varies considerably and which to some extent this bill does not take into consideration. I use this not as an argument against the bill but merely to point out the complexity of the undertaking when you are dealing with this very important subject matter.

The other aspect to which I should like to refer before going into other considerations is the constitutional question. I understand from the remarks made by the hon. member for Winnipeg North (Mr. Orlikow) that much of what is in this bill has been based on a truth in packaging bill presented in the United States Senate by Senator Hart. There have been a large number of hearings held on this bill. I might say to the hon. member for Winnipeg North that these hearings have been fully covered in the consumer reports to which I subscribe.

I find these consumer reports very interesting and useful publications. It is a pity that, in many cases, the private brands we have in Canada, such as those of Eaton's, for example, are not fully covered and sometimes the model numbers we have are a year behind those in the United States. As a result, it requires a great deal of homework if one is to use these publications properly. Nevertheless the senate hearings have been reasonably well covered in this excellent publication.

The difficulty we have in Canada in attempting to bring forth similar legislation revolves around the fact that at the moment we do not have, nor are we likely to have, the power to cover the whole area in the way that can be done under a different jurisdictional set-up, such as the United States. Repugnant as it may be, therefore, it is necessary for us in Canada at the federal level to proceed step by step without having any over-all co-ordinated plan, because we do not have the power in all areas. If we are going to be successful, therefore, and provide legitimate protection for the consumer, the new Department of Consumer and Corporate Affairs will have to engage in an ever increasing number of conferences with the provinces in order to work out proper programs. Only in this way will legislation at the

federal and provincial levels not be in conflict. There are other areas in which the same situation holds true.

We certainly do not want to find ourselves in a situation where there is a conflict in jurisdiction, where the legislation passed by one level of government may be made null and void by another level of government. This is quite possible. Nothing less than a fully co-ordinated attack on the problem will suffice. I feel that the bill put forward by the hon. member for Winnipeg North is valuable because it does direct public attention to a particular problem, perhaps even to the problem as a whole. I believe it could be a very useful tool for stimulating public debate in this area.

A little earlier I mentioned the problem of quality in connection with weights and measures. I believe I should also come to the point of how you can find out just what the ingredients are that are going into many of these packaged products, particularly foods, which we are using now. Unless one is a chemist, it is almost impossible to tell what is in these packages. In most cases the ingredients are listed under their technical names and not in terms that we can understand. I do not have any examples to give at the moment. However, I am sure if you go down to your friendly grocer and look at any of the food packages, you will find it is almost impossible to say what has been added to the original product.

I really do not have any suggestions as to how this problem can be eliminated, or as to how the doubt many people have about the quality of the product going into these packages can be relieved. This problem of protecting the consumer is not peculiar to Canada, it is a world wide problem. Perhaps we feel it more because increasingly the products we buy are coming to us in a highly developed form. In other words, we are not buying raw fish, we are buying processed fish. We are not buying the ingredients for a cake mix; we are buying ingredients that have been combined so that very little labour on our part is required. Because of the complexity of this process, we have not educated ourselves to know precisely what we are buying. In other, less developed countries where people go to market on a daily basis, they see and buy precisely what they want. It is on view for them. However, we are buying highly processed products, and we are not all aware of the precise methods of processing, nor are we aware of what has been put into the product.

[Mr. Reid.]

One criticism which can be levelled against this bill is based on the legislation which it seeks to amend, and that is that the Weights and Measures Act does not, in itself, provide a framework which is adequate to meet current practices in packaging. In many cases we are told the very requirements which the act has already laid down produce inflexibilities, prevent experimentation and improvements. This not only hampers the producer of the product but also the packager. It hampers as well any new, meaningful weights and measures reservations.

It is my information that the Department of Trade and Commerce, weights and measures branch, has had this matter under consideration for some time and is seeking, in concert with the provinces and in concert with the new Department of Consumer and Corporate Affairs, to evolve new standards which will be effective nationally. They are seeking to co-operate with provincial standards which have applicability in this area. I am further informed that it is hoped within the next year the government will be able to recommend to parliament a new approach covering the whole area, with provincial approval. It is hoped this new approach will prove to be a flexible and equitable means of providing this type of measurement protection which is desired and needed by all.

• (5:30 p.m.)

One aspect that has to be borne in mind is that there is no sense in changing the present regulations unless you are certain the new legislation will work. We have seen examples in this house of new legislation being proposed, but with obvious flaws in it because it had not been cleared with the people who had a vital interest in the subject. In the case of measurement regulation, we are dealing with a highly technical aspect of a very limited subject. If the new measurements which are presented are not workable, or have not been properly thought out, then their impact will be to throw the whole situation into chaos. If you adopt new regulations which do not work or do the job for which they are designed, then it will be almost impossible to revert to the former ones which, despite their limitations, some of which I have mentioned, did provide a useful measure of control. I am sure that the investigations undertaken by Senator Hart and the United States senate, as embodied in the bill of the hon. member for Winnipeg North, will be given consideration by the appropriate

authorities when we come to develop new legislation and regulations. I hope this legislation will be debated in the house in the new session, though of course there is no guarantee that that is going to happen.

There is one other aspect to which I should like to return, and this is the question of jurisdiction in the field of packaging. I am sure hon. members are aware that this jurisdiction does not lie solely within the Weights and Measures Act, but in fact extends over a broad area. I am informed that the act includes an exemption in the form of recognition of the activities of other agencies. These are other than retail premises that pack food, but those which pack specialised products, such as pesticides, which are of course the responsibility of the Department of National Health and Welfare, food and drug directorate, the Department of Agriculture and the Department of Fisheries.

To enact legislation dealing with aspects of this sort, Mr. Speaker, would require co-ordination among many government departments, which would not be difficult, given the proliferation of interdepartmental committees that are supposed to be dealing with these questions. Somebody once defined a committee as a group of the unfit to do the unnecessary. However, with the complexities of modern government these committees perform valuable services, even though the speed with which they make decisions and process information is very slow indeed, to say the least.

In any event, Mr. Speaker, all legislation having to do with various aspects of weights and measures and packaging would have to be amended. Other provisions in provincial jurisdictions that carry specific requirements in regard to certain products and which are valid only to the extent that they do not offend federal responsibilities would have to be amended as well. This would probably require some federal-provincial conferences so as to deal more generally with the whole concept.

I hope that the new department of consumer affairs will have primary responsibility for this problem, instead of the Department of Trade and Commerce, which is more technically oriented. Their interest, their scope, their constituency if you will, is much broader than that of the Department of Trade and Commerce when it comes to protecting the rights of the consumer. How successful the new department will be largely depends on whether or not the consumers of Canada are able to take advantage of the educational information which, we are told, the department is to produce, as well as on how impressive are the legislative changes that we are able to make at the federal level to deal with these problems.

I think it is fair to say that the reduction in drug prices which we had hoped would take place with the repeal of the sales tax on drugs has been very small indeed. The powers which the federal government has within its jurisdiction are limited; largely, they can only attack the problem indirectly. The Minister of Consumer and Corporate Affairs (Mr. Turner) is seeking, through his bill to amend the Patent Act and Trade Marks Act to do this. The idea is that by removing some of the protection the drug industry has enjoyed, competition will be encouraged and drug prices will be forced down. Again, the government's attack in not direct but indirect. Whether that government measure will succeed will depend on two things, of course: the vigilance of the government in publicizing the lack of success it has enjoyed through following direct methods, and the ability of the consumer to take advantage of competition, to pressure companies and, if necessary, to boycott products on a national basis. I do not contend that the government has the responsibility of protecting the consumer; the consumer is responsible for his own protection. But I do think that the government should ensure that the consumer gets all the facts that are available so that he can make his own decisions.

Many tools are at hand to help consumers, and here I am referring to *Consumer Reports* magazine, to which the hon. member for Winnipeg North (Mr. Orlikow) referred. Or, the consumer could join the Canadian consumers organization, which publishes a monthly booklet. Similarly the consumer can use his God-given intelligence. Also he need not buy on time; thus he can avoid being locked in with a finance company.

Another difficulty our consumers are faced with stems from the attitude of regarding as necessities certain items which are luxuries. Often people spend much money unnecessarily. One cannot blame the business firms for that; to a large extent consumers are to blame for allowing themselves to buy things which are not necessary. That has always been a problem and will always continue to be one.

I conclude by saying that I find this bill interesting since it focuses our attention on the problems of our consumers. Nowadays the consumer moves in a highly technical field of

packaging and it is very difficult to exercise judgment about weights, measures and that sort of thing. The bill highlights the problems which we face and I hope that the government will take heart and try to improve matters, even if that improvement is marginal only.

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I wish to say a few words about the over-all principle of the bill. Certainly the objectives of Bill C-23 are good, but they do not go far enough. The explanatory note says:

> The purpose of the bill is to ensure that a retail purchaser of goods, packaged in a wrapper or container, be fairly informed of the weight or measure of the contents; and to control competitive trade practices—
>
> It is possible that the government presently has a general power under the Weights and Measures Act, section 35(1), to remedy the grievance mentioned. That section, in part, provides:

And so on.

I doubt, if the legislation is examined carefully, whether the government has the power necessary to meet the present day advanced techniques of manufacturing and selling. Nevertheless I am heartily behind the idea of this bill.

• (5:40 p.m.)

Whether we like it or not, these days us men seem to be pulled into the business of shopping; and more than anything I do not like shopping. All the same, going shopping with our wives may do us good because we can become educated to know just what they go through when they try to choose among products which are being sold in many of our chain stores. The hon. member for Winnipeg North (Mr. Orlikow) spoke well on this subject.

One piece of merchandise always gets my dander up, and that is a package of bacon. The packaging may have improved, but it has not improved much. Hon. members may remember those nice packages of bacon with a nice lean strip right along the top. At one time you only saw the lean strip but now you might just see a little fat. Once, when shopping with Mrs. Roxburgh, I debated with her which package of bacon we should buy. I said we should buy this package and she said we should buy that. We had an argument about which was the leaner package. In the end we bought both packages and we both got caught, because the bacon in neither package was lean. The hon. member for Kenora-Rainy River (Mr. Reid) gave us a few similar examples some minutes ago.

[Mr. Reid.]

I happen to be in the fruit business and I want to speak of a practice that has been diminishing gradually, that of putting coloured coverings over packages. In my district we had a great old peach grower; in fact, he was the leading peach grower in Canada, with something like 600 acres of peaches. This man put on quite a campaign against coloured covering, calling it a veil of sin. I can only say that we have many veils of sin in our chain stores. They may not sin so much with coloured packages, but as has been demonstrated, they do sin with their packaging.

You know, Mr. Speaker, we cannot protect the consumer against herself—and women are the hardest of any people I know to protect. Our housewives talk about the high prices of goods, and about the money they spend to fill the larder for the coming week. I have followed Mrs. Roxburgh in some chain stores and watched her pick up a package of this and a package of that, only to realize afterwards that had she looked a little, had she shopped around a little, she could have got a similar product at a much lower price. Everybody wants everything done up in a nice little package. Our women want to reach for this and to reach for that, and to serve pop when he comes home from work with the least possible work. That is all very nice, but that sort of thing costs money.

I think that the over-all idea behind the bill is excellent, and I feel that the government should take another look at this matter of weights and measures and see if something cannot be done to make the task of the housewife easier, as she goes into the store to buy. At least she should know what she is buying.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, first of all I wish to say that I endorse what the Minister of Justice (Mr. Trudeau) said this morning when he announced officially that he would be a candidate for the leadership of the Liberal party. He said then that, should he get the position he was seeking, he was determined to proceed with parliamentary reform.

Through the presence of our colleagues here and in view of the futility of the debate which has been going on, I notice that it is more and more imperative to reform the institution that is parliament and to put an end to the frivolousness of debates such as

those we have heard, not because the speakers did not display great ability and knowledge, but because fundamentally we are discussing things which have already been discussed, and nothing is decided, in short nothing is settled.

[*English*]

Mr. Barnett: Would the hon. member permit a question? If he considers this a frivolous debate, why is he taking part in it?

[*Translation*]

Mr. Choquette: Mr. Speaker, I took care to mention that the members had made a useful contribution, but it is the situation itself which is unprofitable. What are we considering? A bill already introduced in this house in 1964 and in 1966. The hon. member has been harping on the same string for several years. The question has been referred to a committee which reached the conclusion that the bill, as worded, in spite of its very commendable intentions, did not cover the whole situation. As pointed out by a previous speaker, I believe, other jurisdictions, apart from the federal jurisdiction, could be affected and should help in achieving the aim sought by the sponsor.

Mr. Speaker, other acts, such as those governing imports and exports, should also be amended, if the purpose of the hon. member is to be fully achieved. He certainly knows it.

In spite of all this, the discussion goes on; a whole hour is lost really, simply in order to put this bill off indefinitely. I say that in all good faith, not in order to minimize the contribution of those who have spoken, but to show clearly and definitely that our parliamentary institutions are in need of reform, so that we may stop wasting needlessly the valuable time and energy we could use on other things.

Now, Mr. Speaker, since I must deal with the subject—otherwise you would call me to order—I must say that as a member of the committee known as the consumer credit and cost of living committee—Crédit à la consommation, I was in a position to consider the many problems faced by the consumers, for they are subject to all kinds of exploitation. They are likely to be dazzled by tinsel, by labels that do not clearly state the contents, by some wording that may lead the buyer to think that some benefit will accrue, in short by words such as "10 cents off", "20 cents off".

• (5:50 p.m.)

The committee discussed these matters; it heard several witnesses, including managers of large businesses, presidents of the largest chain stores in Canada.

In fact, Mr. Speaker, almost everybody agreed on the necessity of giving more information to the consumer, of warning him concerning the quality and the actual quantity of foodstuffs or goods which he buys.

One of the main recommendations of the committee suggested precisely the creation of a department of consumer affairs. As we know, this recommendation has been considered favourably. Today, the department is headed by a young, dynamic and brilliant minister, the hon. member for St. Lawrence-St. George (Mr. Turner), on whom we found such great hopes, and rightly so.

The hon. minister and his officials intend to set up throughout Canada organizations whose task will be to inform the public, to undertake an information campaign as extensive as possible, in order to give the consumers all the relevant data, all the necessary information so that they will not be taken in when buying goods.

In my opinion, that is one of the most efficacious measures and one of the most likely to meet the objectives set out by the mover of the bill now under consideration and to prevent the abuses we have deplored in the past.

Mr. Speaker, the Criminal Code provides that all false representation is an offence, but it has been discovered that it is very difficult to enforce those provisions.

Quite seldom have proceedings been lodged against large firms or chain stores on account of false representations, because basically, commercial advertising has developed so much, the strategy of publicity firms has improved so much that there would always be some means of finding devious methods to attract the consumer, without misleading him or being charged under the Criminal Code.

This is the reason why, without detracting from the merits of the sponsor of the bill or rejecting his commendable intention, we are entitled to express our reservations and say that the bill is not exhaustive and does not cover the necessary fields to give it the efficiency which we would like it to have. I believe it might be advisable, outside of a strictly administrative point of view, to consider measures likely to be more effective,

rather than to merely limit ourselves to this type of bill.

I feel that the reforms would be more administrative than legislative in character, and that is why, although I accept the principle as stated, we cannot readily accept the passing of this bill.

It is our duty to advise the house of our reservations concerning the bill. Besides, Senator Hart in the United States introduced a similar measure expressing very much the same point of view as the one we are now studying, and its application proved the extreme complexity of the problem, as well as—

Mr. Speaker: Order.

Mr. Choquette: —the inevitable difficulties.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I must remind him that it is six o'clock.

[*English*]

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, February 19, 1968

The house met at 2.30 p.m.

VACANCY

Mr. Speaker: It is my duty to inform the house that consequent upon the notification of a vacancy in the representation given in this house on Friday, February 16, 1968, by the hon. member for Gaspé, and pursuant to section 10 of the House of Commons Act, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ for the election of a member for the electoral district of Matapédia-Matane.

FINANCE

TABLING OF REPORT OF AUDITOR GENERAL

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I should like permission of the house to table two copies in English and French of the report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1967. As the house is aware, the Financial Administration Act requires that the report of the Auditor General be laid before the house on or before December 31 or, if parliament is then not in session, within 15 days after the commencement of the next ensuing session.

The Auditor General has asked me to express his apologies to members of the house for the delay which resulted from circumstances over which he had no control.

Mr. Speaker: Has the minister leave to table the report?

Some hon. Members: Agreed.

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE OF VOLUMES I, II AND III

On the order: Government notices of motions:

February 16—The Minister of National Health and Welfare:

That the Public Accounts Volumes I, II and III for the fiscal year ended March 31, 1967, laid before the House on January 22, 1968, be referred to the Standing Committee on Public Accounts.

Mr. Speaker: Pursuant to section 2 of standing order 21, this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

R.C.M.P. HORSE FARM

Question No. 723—**Mr. Reid:**

1. How much did the R.C.M.P. pay for their recently purchased horse farm?

2. Did the R.C.M.P. contact the N.C.C. about the possibilities of using greenbelt farm property for this purpose, and (a) if so, what answers did they receive (b) if not, for what reasons?

Hon. L. T. Pennell (Solicitor General): 1. $30,000.

2. Yes. N.C.C. offered to seek authority to lease acreage in the western green belt to the R.C.M.P. However, it was decided that from a standpoint of long range cost to the R.C.M.P., it would be advantageous to purchase rather than lease the required acreage.

REMARRIAGE OF WIDOWS RECEIVING ANNUITIES

Question No. 894—**Mr. Bell (Carleton):**

1. During each of the last three fiscal years, how many widows of public servants or of retired public servants have forfeited entitlement to annuity under the Public Service Superannuation Act by reason of subsequent remarriage?

2. In each such year (a) what was the total annual dollar value of all annuities so forfeited by such widows (b) were any calculations made of the actuarial benefit to the Fund by reason of such forfeitures due to remarriage of the annuitant (c) if so, what did such calculations reveal?

3. In the calculation of the actuarial basis of the Public Service Superannuation Fund, was any consideration given to the presumed rate of remarriage of widowed annuitants?

4. If so, upon what precise basis was this calculated?

5. What would have been (a) the actual loss during the last three fiscal years (b) the actuarially calculated loss, to the Fund, if the pension annuity to a widow of a public servant or of a retired public servant were to be vested in her without penalty or loss resulting from her subsequent matrimonial activities?

Questions

6. (a) Would this require any increase in contributions to the Fund by public servants (b) if so, by how much?

Hon. Mitchell Sharp (Minister of Finance): 1. The number of widows who have forfeited entitlement to annuity under the Public Service Superannuation Act by reason of their remarriage is:

Fiscal Year	Number of Widows who Remarried in Each Year
1964-65	73
1965-66	75
1966-67	104

2. (a) The total annual dollar value of the annuities forfeited by the widows referred to in 1 above are:

Fiscal Year	Total Dollar Value
1964-65	$44,785
1965-66	$50,495
1966-67	$59,827

(b) Yes. (c) See answer to question 5.

3. Yes, the actuarial basis of the Public Service Superannuation Act includes provision for the remarriage of widowed annuitants.

4. The rates of remarriage, varying by age and duration from widowhood, adopted for purposes of the last two actuarial valuations were developed from the experience during the period from January 1, 1940, to December 31, 1957, of widows awarded pensions from August 4, 1914, to December 31, 1957, under the Pension Act and previous government administrative orders.

5. If widows' allowances were payable after remarriage the loss to the account in respect of the three fiscal years ending March 31, 1967 would have been: (a) Approximately $1.5 million on a cash basis in respect of all widows' allowances not paid because of remarriage. (b) Approximately $2,600,000, expressed in terms of actuarial value in respect of widows who remarried during this period.

6. (a) Yes. (b) The required increase in contributions and government credits combined is estimated at approximately 0.1 per cent of salaries.

STAFF HOUSING ACCOMMODATION, SPRINGHILL, N.S.

Question No. 939—**Mr. Coates:**

1. Has any action been taken to develop new housing in the Springhill area to provide accommodation for employees of the Canadian Penitentiary Service who are locating at Springhill, N.S., with the staffing of the Young Offender's Penal Institution?

2. Has C.M.H.C. initiated any special action that would be of assistance in providing the required housing for the new personnel that will be associated with the Penal Institution in Springhill?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of the Solicitor General and Central Mortgage and Housing Corporation as follows: 1. No.

2. Central Mortgage and Housing Corporation have assured officials of the town of Springhill that the full provisions of the National Housing Act are available to meet the needs of the community. In December 1966 approval was given of a federal contribution of $10,500 for an urban renewal study in Springhill. On November 2, 1967, approval was given of a federal loan of $262,292 to the Nova Scotia Housing Commission for the construction of a 20-unit public housing project in Springhill.

IRON ORE PRODUCTION

Question No. 946—**Mr. Tucker:**

What was the total production of iron ore, in dollar value and in tons, in each province of Canada, from January 1 to December 31 in each year, from 1960 to 1967 inclusive?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce):

PRODUCERS' SHIPMENTS OF IRON ORE, BY PROVINCES

	Newfoundland		Quebec		Ontario		British Columbia		Canada	
Year	Tons	$	Tons	$	Tons	$	Tons	$	Tons	$
1960.....	7,611,365	54,673,717	7,457,971	61,752,485	5,325,197	48,399,442	1,156,297	10,256,879	21,550,830	175,082,523
1961.....	7,611,340	59,889,125	5,639,931	53,627,608	5,772,664	62,350,773	1,335,068	12,082,541	20,359,003	187,950,047
1962.....	7,986,910	67,753,153	11,163,982	112,444,643	6,414,936	64,479,510	1,793,848	18,326,911	27,359,676	263,004,217
1963.....	9,683,004	99,601,987	11,650,787	122,800,862	6,749,617	70,033,690	2,060,241	20,746,424	30,143,649	313,182,963
1964.....	12,763,575	137,038,680	15,512,916	161,880,175	8,046,769	85,613,354	2,002,562	20,419,487	38,325,822	404,951,696
1965.....	14,500,495	156,888,970	14,817,820	140,469,624	8,475,218	94,209,236	2,165,403	21,497,031	39,958,936	413,064,861
1966.....	16,546.189	188,603,259	13,848,441	130,348,844	8,144,289	91,700,740	2,151,804	21,006,240	40,690,723	431,659,083
1967 (Est.)....	16,270,000	203,874,800	14,518,000	135,474,839	8,401,244	95,188,494	2,114,177	20,704,809	41,303,421	455,242,942

(Est.)—Estimate.

Beginning with 1961, by-products iron sinter or calcined pyrite, used as a raw material in iron or steel plants, have been included.

Questions

*SUPPLY OF LEATHER DESK CALENDARS

Question No. 973—**Mr. Irvine:**

1. Regarding the 1968 leather desk calendars purchased by or supplied to the Department of Manpower and Immigration (a) what parts of these calendars were made in the U.S.A. and at what cost (b) what parts of these calendars were made in Canada and at what cost?

2. Why were tenders not called?

3. What was the purpose of the purchase?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): The answer to this question is as follows: 1. (a) Calendar backs were imported from the U.S.A. for 4,606 of the 5,606 calendars in question, at a cost to the Canadian company of $350.75. (b) 1,000 calendars were completely made in Canada at a cost of $404.25. For the balance of the calendars (4,606) all embossing, die cutting, finishing, printing date pads and envelopes were supplied from Canadian manufacture at a cost of $1,403.01.

2. The initial order involved 1,000 calendars at a total cost of $404.25. The second order was for 4,606 calendars at a total cost of $1,753.76. Price quotations appeared reasonable for these purchases and therefore formal tenders were not invited.

3. The calendars were purchased as a convenient reminder to employers about the services of Canada manpower centres.

ARMED FORCES HOUSING FACILITIES SOEST, GERMANY

Question No. 983—**Mr. Skoreyko:**

1. Who is in charge of housing facilities for the Canadian Armed Forces personnel in Soest, Germany?

2. What procedures are followed to insure adequate housing facilities for Service personnel and their families, what are the rents paid, and are the rents checked to see that they are fair?

3. What medical services, doctors, hospitals, etc., are provided for Service personnel and their families, by whom and at what cost to the family unit?

4. What facilities are provided to the Canadian personnel overseas by Maple Leaf Services, and does Maple Leaf Services operate at a profit or a loss?

Hon. Léo Cadieux (Minister of National Defence): 1 and 2. The commander, Canadian Forces Base, Soest, Germany, who administers a housing office to assist Canadian servicemen to obtain accommodation of a suitable standard. A high percentage of the off-base economy housing occupied by Canadian families is retained within the Canadian inventory and passed on to incoming families. However, the housing staff are continually seeking suitable accommodation on behalf of the servicemen. When a new acquisition is available for rental the housing supervisor assesses the rental value and negotiates a fair rental price with the landlord. This has served to control rental prices and prevent servicemen from bidding against one another for accommodation. Off-site accommodation is classified as follows: Class A—Good accommodation, well furnished, all normal facilities. Maximum rent $27-$30 per room. Class B—Average accommodation, suitably furnished, normal facilities. Maximum rent $24-$27 per room. Class C—Poor accommodation, adequately furnished, basic facilities. Maximum rent $18-$24 per room.

3. Service personnel are provided medical care by their unit medical officers. When necessary, x-ray, laboratory investigations or minor hospital care can be provided within the garrison area by the medical reception station. Definitive hospital care, including major surgery, is carried out at the British military hospital, Iserlohm, where approximately half the professional and nursing staff is provided by the Canadian Forces medical services. In so far as dependants are concerned, medical care is provided at the Soest dependants' clinic which is staffed by Canadian Forces medical service personnel and civilian registered nurses employed by the Department of National Defence. In addition a duty medical officer is on call at all times for emergencies, and a 24-hour ambulance service is available. Complete general hospital inpatient facilities are provided at the British medical hospital, Iserlohm. However, dependants have a choice of accepting the care provided by the department or seeking medical care from civilian German doctors and undergoing hospitalization in German hospitals. There is no charge for care received by a Canadian serviceman from the Department of National Defence medical facilities. Charges for dependants are levied in accordance with a scale provided by the group surgical medical insurance plan. A married serviceman without children pays $1.36 monthly for the GSMIP and $3.25 for the outside Canada coverage plan. A married serviceman with a family pays $2.04 monthly, plus $5.20. A serviceman with this coverage is normally left with only a small portion of the hospital charges, if any, for the hospitalization of a dependant.

4. Maple Leaf Services operate the following facilities: 10 junior clubs (corporals and below); One mobile canteen; Two town clubs; Three Groceterias (patterned after supermarket style found in Canada); One milk delivery service (to married quarter areas); Three family shops (general range of family clothing); One laundromat; One holiday shop (general range of sports equipment, etc.); One gift shop; One dependants' restaurant.

Maple Leaf Services is a corporate body incorporated under part II of the Companies Act and as such is managed in accordance with sound business practices and does not operate at a loss. Funds are generated to the degree required to meet overhead expenses, development and improvement of required services, and to provide funds to assist in the development and provision of recreational facilities in the interests of the well-being of servicemen and their dependants.

SUGAR IMPORTS FROM CUBA

Question No. 984—**Mr. Hales:**

1. Is Canada importing sugar from Cuba and, if so, how much was imported in each of the years 1963, 1964, 1965, 1966 and 1967?

2. What percentage is this of our total import of sugar?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1 and 2. Canadian imports of raw sugar from Cuba and the percentage they represent of total Canadian imports of raw sugar for 1963, 1964, 1965, 1966 and January to November 1967 (the latest import statistics available) are as follows:

Year	Quantity cwt.	% of Total Imports of Raw Sugar
1963	1,483,143	9.0
1964	5,600	0.04
1965	1,445,737	7.9
1966	1,441,167	8.5
1967 (Jan.-Nov.)	1,541,806	8.5

SLIPWAY RECONSTRUCTION, HIBBS COVE, NFLD.

Question No. 987—**Mr. Tucker:**

Has the government any plans to reconstruct the slipway at Hibbs Cove, Conception Bay, Newfoundland, this year?

Hon. G. J. McIlraith (Minister of Public Works): Yes.

Questions

REPORT OF PRINTING BUREAU

Question No. 1018—**Mr. McCleave:**

1. Is the Canadian Government Printing Bureau required to table an annual report?

2. If so, what was (a) the year under review (b) the date of tabling, of the most recently issued annual report?

3. If not, why did the annual report for 1964 of the Department of Defence Production state on Page 11, "The General Manager of the Printing Bureau reports to the Minister of Defence Production and the Bureau issue its own annual report"?

4. When may the House expect to receive annual reports for the years since the twelve months last reported?

5. Can these reports be printed commercially if the Bureau is experiencing serious delays in production?

Hon. C. M. Drury (Minister of Industry): In so far as the Department of Defence Production is concerned: 1. Section 36 of the Public Printing and Stationery Act, Chapter 226, R.S. 1952, requires that an account be laid before parliament each year by the Department of Public Printing and Stationery.

Order in Council P.C. 1963-1254, dated August 21, 1963 provided for the separation of the publishing and printing sectors of public printing and stationery. Since that time the Queen's Printer has filed an annual report in parliament and, in addition, the Canadian Government Printing Bureau has filed an annual review of its operations.

2. (a) The year under review was the calendar year 1966. (b) Tabled on February 16, 1968.

3. See answers to 1 and 2 above.

4. The annual report of the Canadian Government Printing Bureau for the calendar year 1967 will be available by April 15, 1968.

5. Yes.

DISTRIBUTION IN ONTARIO OF LEATHER DESK CALENDARS

Question No. 1026—**Mrs. Wadds:**

For what reasons was the Province of Ontario singled out as the only region to receive, for distribution to industries and businesses in that Province, leather desk calendars supplied by the Department of Manpower and Immigration?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Regional directors have the authority to take such action within limited budgets approved for promoting employers' knowledge of the department's services.

Inquiries of the Ministry

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Minister of Finance, who has already indicated to the house that he does not intend to present the budget before April 1. Can the hon. gentleman inform the house when we may expect the presentation of the budget?

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker. I expect this is a decision which will have to be made by the new prime minister.

EXTERNAL AFFAIRS

VIET NAM—REPORTED MISTREATMENT OF PRISONERS AND NON-COMBATANTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Acting Prime Minister in the absence of the Secretary of State for External Affairs. Having regard to the films which were shown on C.B.C. television last night depicting ill treatment of prisoners and the suffering which has been occasioned to non-combatants in Viet Nam, I wish to ask the government whether it will consider making representations to all the participants in this barbarous war, particularly to those who, like Canada, are signatories to the international convention regarding the treatment of prisoners and non-combatants, in the hope that these atrocities may be prevented.

Hon. Robert Winters (Minister of Trade and Commerce): I think in the circumstances all I can do is take the question as notice.

Mr. Douglas: Mr. Speaker, while an answer is being prepared, as a supplementary question may I ask whether the Canadian government has ascertained through its various channels whether there has been any firm commitment by the government of North Viet Nam to the effect that it is prepared to begin negotiations and consideration of de-escalation of military activities once the bombing of North Viet Nam has ceased?

NATIONAL DEFENCE

REPORTED OPERATION OF RUSSIAN SPY SHIPS OFF EAST COAST

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a question to the Minister of National Defence. In view of reports that two Soviet spy ships have been operating off Canada's east coast, could the minister advise the house whether these vessels were operating in Canadian or international waters?

Hon. Léo Cadieux (Minister of National Defence): They were operating in what we consider international waters, Mr. Speaker.

Mr. Patterson: As a supplementary question, in view of the statement by a United States representative that information on this subject had been transmitted by General Allard, and the fact that General Allard has denied the allegation, is the minister instituting an inquiry to ascertain where the information originated?

Mr. Cadieux (Terrebonne): Mr. Speaker, I had a talk this morning with General Allard, and he told me he had never mentioned that the ships were actually approached by Canadian ships, or taken over. That was the implication. A story had been going around, and actually it was accurate, that an Argus aircraft had taken pictures of the ships while they were being refueled by a supply vessel. General Allard has denied that he ever said this, as correctly stated by the hon. member.

INTERCEPTION AND IDENTIFICATION OF RUSSIAN BOMBERS

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, this question is for the Minister of National Defence. Has the minister now determined whether the Russian planes which flew off the coast of Newfoundland flew through commercial air lanes?

Hon. Léo Cadieux (Minister of National Defence): I have not, Mr. Speaker, but I know they were 60 nautical miles off Newfoundland. That is as far as I can go.

Mr. Harkness: In view of the fact that the commercial air lanes extend from Newfoundland to the United Kingdom surely the minister would be in a position to know whether the Russian planes were in these air lanes, thus endangering commercial air traffic.

Mr. Speaker: The hon. member for Cumberland.

Mr. Harkness: Mr. Speaker, I have a further supplementary question for the Minister of Transport. Has the minister looked into

this matter to see what infraction of international air agreements, if any, took place as a result of the flight of these Russian planes?

Hon. Paul Hellyer (Minister of Transport): No, I have not, Mr. Speaker, but in co-operation with the Minister of National Defence I would be pleased to do so. I would be very surprised if they were flying in one of the commercial air lanes. To the extent that information is available, we will check.

FINANCE

INQUIRY AS TO WHITE PAPER ON FOREIGN OWNERSHIP IN CANADA

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of the statement by the President of the Privy Council in the house on Friday that he expects that in the very near future the government will be presenting new policies based on the findings of the Watkins report, does the government intend issuing a white paper before these new policies are presented to the house?

Hon. Robert Winters (Minister of Trade and Commerce): I think that is a matter that remains to be determined, Mr. Speaker. This was simply a report submitted to the government. It does not necessarily set forth the government's views, and won't necessarily be acted upon in this form. It will be a matter for study by the government and a determination after that study has been completed, I would think, as to whether or not there should be a white paper.

Mr. Hees: As a supplementary question, was the President of the Privy Council expressing the view of the government when he said he expected the new policies, based on the findings in this report, would be presented in the very near future?

Mr. Winters: I think that would require a determination of what the very near future is.

FISHERIES

POSSIBLE RADIOACTIVE CONTAMINATION FOLLOWING PLANE CRASH

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the statement made last evening by the premier of Newfoundland on a C.B.C. television program, that in his opinion the Russian planes intercepted last week were surveying Atlantic coast waters for possible contamination; and in view of the possibility of such contamination of these waters as a result of the loss of nuclear bombs near Thule, would the minister indicate what steps his department or the government are taking to clarify the matter, particularly because of the tremendous impact that such statements could have on fish consumption and on the entire fishing industry in the Atlantic provinces.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I listened last night to the statement by the premier of Newfoundland. He was expressing a personal opinion. So far as the federal Department of Fisheries is concerned, I gave our position on Wednesday, February 7, when I answered a similar question asked by the hon. member for Burnaby-Coquitlam. The situation is the same today as it was when I replied to that hon. member.

Mr. Crouse: As a supplementary question, in view of the large research base we have at Halifax I would like to ask the minister has any action been taken to determine whether there is any contamination as a result of this incident?

Mr. Robichaud: Mr. Speaker, I gave the assurance on Wednesday, February 7, that there was no radioactive contamination and that according to a report from the head oceanographer of the Fisheries Research Board, who had discussed this matter with members of the Atomic Energy Control Board, we had the assurance that there was no radioactivity.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask either the Minister of Fisheries or the Minister of Industry whether a team of experts from Atomic Energy of Canada has been sent to Thule to find out on a first hand basis whether there is any danger of contamination of the adjacent waters which might have an adverse effect on Canadian fisheries, particularly at the Grand banks.

Mr. Robichaud: I am not in a position to answer this question, Mr. Speaker.

Inquiries of the Ministry

INDUSTRY

REVIEW OF DESIGNATED AREA POLICY RESPECTING ATLANTIC PROVINCES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, my question is directed to the Minister of Industry. Is it the intention of the government to review the designated area policy of the Department of Industry in so far as the Atlantic provinces are concerned?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the hon. gentleman will recognize that a periodic review is made in respect of all the designated areas as well as the non-designated areas.

Mr. Coates: Could the minister be more specific so far as Halifax, Dartmouth, Saint John and Fredericton are concerned? Is any consideration being given to including them?

Mr. Drury: Mr. Speaker, a review of these particular areas was made as recently as last November.

Mr. Coates: Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Would the minister indicate whether the change of attitude regarding a review of this policy so far as the Atlantic provinces are concerned is in effect only until April 6?

SPORTS

SKIING—FEDERAL REPRESENTATION AT CHAMPIONSHIP MEET IN B.C.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have much pleasure in addressing a question to the Minister of National Health and Welfare. In view of the fact that for the first time in Canadian history the top skiers of the world will compete in the du Maurier international world cup championship in Rossland, B.C., the home of Nancy Greene, from March 25 to March 31 inclusive, and in view of the minister's particular interest in physical fitness and amateur sports and the wishes of the people in the district, would the minister consider representing the federal government on this very historic occasion?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): I would be delighted, Mr. Speaker.

[Mr. Robichaud.]

AIRPORTS

VANCOUVER—CHARGING OF TOLLS ON NEW ACCESS BRIDGE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask a question of the Minister of Transport. In connection with the new access route which is proposed for the air terminal building at Vancouver international airport—now under construction—is the federal government contemplating the charging of tolls on the new Fraser river bridge that will be involved?

Hon. Paul Hellyer (Minister of Transport): If you are referring to the Middle Arm bridge from Lulu island to Sea island, it is proposed that this will be part of the over-all toll structure for access to the airport, but this matter is still under negotiation with the provincial government. It could be that they would have a new proposal which, because of their contributing in some way, would make it unnecessary for us to charge tolls on that particular bridge.

Mr. Fulton: In my question I was referring to the new bridge which is to be constructed, and asked whether there will be charges. Is that the bridge to which the minister referred?

Mr. Hellyer: Yes, Mr. Speaker.

Mr. Fulton: I should like to ask the minister whether he will immediately reconsider the government's position in order that the Vancouver international airport may not become the only one in Canada which is subject to tolls in respect of access routes.

Mr. Hellyer: Mr. Speaker, I think it is about the only place in Canada where the provincial and municipal governments are unwilling to carry out the responsibilities which would normally fall within their jurisdictions. The only solution I know of is the one proposed by the government of Canada under my predecessor, namely providing an access road to recover on behalf of the Canadian taxpayers the expenditures involved.

Mr. Fulton: Is the government proposing the acquisition from the province of its interest in one of the existing access approaches in order that tolls may be imposed in respect of that structure as well?

Mr. Hellyer: There is only one access at the moment, and this is the subject of the negotiations currently under way with provincial authorities.

EXPROPRIATION ACT

DISCUSSIONS WITH FEDERATION OF AGRICULTURE RESPECTING AMENDMENT

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I have a question for the Minister of Justice of which I have given notice. He is not here at the moment, so I will address it to the Acting Minister of Justice. Is the minister giving serious consideration to meeting with the Canadian Federation of Agriculture to discuss ways and means of improving the present Expropriation Act, and has he reached any decision as to how soon this meeting will take place?

Hon. L. T. Pennell (Solicitor General): I have taken notice of the question, Mr. Speaker.

GRAIN

INQUIRY AS TO INCREASED DELIVERY QUOTAS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Trade and Commerce. When he met recently with officials of the Canadian Wheat Board did the matter of extremely low delivery quotas in western Canada receive consideration, and can the minister tell us when it is expected that this situation will improve?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I have no specific information in respect of this question.

[*Later:*]

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question for the Minister of Trade and Commerce. It is related to the one regarding low quotas put a few moments ago by the hon. member for Rosthern. Did the minister in his discussions with the wheat board receive information with regard to future wheat sales which may result in higher quotas for Canada?

Mr. Winters: Mr. Speaker, I could say the report I received is realistic. I told the house before that prospects for the sale of wheat this year are not as good as they were last year. It is a difficult selling market, but in the face of these difficulties the wheat board is making progress.

Mr. Southam: I have a supplementary question, Mr. Speaker. Can the minister indicate what countries may be interested in the sales and what are the possibilities? We have heard the same answer for some time.

Mr. Speaker: Order, please.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question for the Minister of Trade and Commerce. Could the minister inform us whether the wheat board has arrived at an estimate of the total wheat sales in this crop year?

Mr. Winters: I said a few days ago at a hearing before a committee of the other place that I expect the total wheat sales this year to be between 350 million and 400 million bushels, but that it will take hard selling and some favourable circumstances to reach the higher figure for which we are striving.

Mr. Nasserden: I have a supplementary question for the Minister of Trade and Commerce. In view of the pessimistic report he has given us, does he think he could speed up the final payments on wheat, oats and barley to the producers to enable them to take care of their seeding operations?

Mr. Winters: Mr. Speaker, I answered that question last week, but we will expedite the payments as much as we can.

POST OFFICE DEPARTMENT

REPORTED INTENTION TO REDUCE DELIVERY SERVICE TO FIVE DAYS WEEKLY

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the Postmaster General whether it is the intention of his department to discontinue the Saturday delivery of mail?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I think I answered that question some time ago.

[*Translation*]

On that same occasion, I said that the abolition of mail delivery on Saturday had been recommended by Judge Montpetit and that the department was still studying that recommendation.

[*English*]

SUGAR

REQUEST FOR REPORT ON MEETING RESPECTING ONTARIO REFINERY

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, in the absence of the Minister of

Agriculture perhaps I could direct my question to his parliamentary secretary. Would that hon. member indicate whether any progress was made at the joint meeting on Thursday regarding the Ontario sugar refinery problem, and whether a solution is expected in time to permit 1968 contracting?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is my information that there will be a meeting of all interested parties tomorrow to pursue this matter further.

FINANCE

ACTION BY U.S. TO ATTRACT INVESTMENT CAPITAL FROM ABROAD

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I intended to direct a question to the Minister of Finance, who appears at the moment to have vanished into the woodwork. Perhaps his parliamentary secretary will take the question as notice and pass it on. This question arises from a dispatch from Washington which appeared in the local press this week end. It was headed "United States steps up drive to attract investment capital from abroad". The article outlines efforts being made by United States authorities to attract capital from abroad to the United States to safeguard its gold reserves. Has the government taken cognizance of this program on the part of United States authorities and its possible stimulating effect on the outflow of scarce Canadian capital? Does the government propose to do anything about this?

Hon. E. J. Benson (President of the Treasury Board): The Minister of Finance will be making a statement later on this afternoon, Mr. Speaker. I am not sure whether this particular matter will be referred to. If it is not I will take the question as notice on his behalf so he may answer tomorrow.

MANPOWER

RECOMMENDATIONS FOR AMENDMENTS PROPOSED BY EDUCATION ASSOCIATION

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the Minister of Manpower and Immigration, but in his absence perhaps the Acting Prime Minister will take it as notice. Has he received the report to the Canadian people on manpower development by the Canadian Association for Adult Education? In light of this report will the government give serious consideration to amendments to the present manpower program?

Hon. Robert Winters (Minister of Trade and Commerce): I will be glad to take the question as notice.

DOMINION-PROVINCIAL RELATIONS

REPORTED STATEMENT BY FINANCE MINISTER RESPECTING AID TO ATLANTIC PROVINCES

On the orders of the day:

Hon. George Hees (Northumberland): I should like to direct a question to the Acting Prime Minister. Was the Minister of Finance expressing the views of the government when he said in Moncton on Saturday that government plans for assistance to the Atlantic provinces are too independent of each other? If so, why has this lack of co-ordination been allowed to persist, and does the government have any plans for correcting it?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the hon. member is reporting on something I am not aware of. I have not seen the report. I would have to discuss this matter with the Minister of Finance.

Mr. Hees: A supplementary question, Mr. Speaker. Would the minister give an answer tomorrow?

Mr. Winters: Either I or somebody else, presumably, will.

NATIONAL DEFENCE

CLAIMS FOR DAMAGE CAUSED BY SONIC BOOMS

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of National Defence. Are claims for damages caused to buildings by sonic booms from military aircraft referred to the Department of National Defence for compensation or, if not, to which department of government are they referred?

Hon. Léo Cadieux (Minister of National Defence): To the Department of National Defence, Mr. Speaker.

AGRICULTURE

REPORTED DELAYS IN PROCESSING MILK SUBSIDY PAYMENTS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Agriculture. In his absence the minister's parliamentary secretary might have an answer. Will the minister inquire into the recurrent delays in processing milk subsidy payments to dairy farmers, delays which cause acute difficulties to those farmers who have payments of their own to meet?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in the absence of the Minister of Agriculture I will be happy to bring this matter to the attention of the department and provide an answer for the hon. member.

EXPO '67

REQUEST FOR STATEMENT ON FEDERAL INVOLVEMENT

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, my question is for the Minister of Trade and Commerce. Last week the minister indicated to me that he would shortly be making a statement on the financial affairs in so far as Expo '67 is concerned. I wonder when we might expect this statement.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I have been discussing this matter with the officials of Expo '67. I hope shortly to be able to make a statement. It will be in an unaudited form, but I presume that will be acceptable to the hon. member.

ADMINISTRATION OF JUSTICE

QUEBEC—INQUIRY AS TO ARREST OF KILLERS OF POLICEMAN

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the Solicitor General. Early in the month of January Detective C. R. Jeary was murdered, while on duty, by bank robbers who were thwarted by him in their plan to rob a bank in Greenfield Park, province of Quebec. Can the Solicitor General tell the house whether these murderers have been apprehended?

Mr. Speaker: Order, please. The question should be placed on the order paper.

Inquiries of the Ministry

HEALTH AND WELFARE

PAYMENT OF COMPENSATION TO PARENTS OF THALIDOMIDE CHILDREN

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the fact that the manufacturer of thalidomide in Great Britain has announced that it will pay compensation to the families of children born deformed as a result of the use of that drug, will the minister take up with the Canadian manufacturer the possibility of its paying compensation in a similar way to Canadian families?

Mr. Speaker: Order, please. Perhaps the hon. member would also want to put that question on the order paper.

EXTERNAL AFFAIRS

VIET NAM—INQUIRY AS TO ASSISTANCE FOR SICK AND WOUNDED

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs, but in the minister's absence I direct it to his parliamentary secretary. In view of the very heavy civilian casualties in Viet Nam and the need for massive and immediate hospital facilities and medical supplies, will the government take emergency action to help the sick and wounded in this disaster area?

[*Translation*]

Mr. Gérard Pelletier (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I shall take this question as notice and I will refer it to the minister.

[*English*]

NATIONAL DEFENCE

REQUEST FOR MEETING TO DISCUSS SUMMERSIDE BASE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is to the Minister of National Defence. Could the minister tell the house whether he received this morning telegrams from the premier of Prince Edward Island and the mayor of the town of Summerside requesting an urgent meeting with himself and other cabinet ministers later this week?

Inquiries of the Ministry

Mr. Speaker: Order, please. I suggest to the hon. member that it is not good form to simply ask whether a telegram has been received.

Mr. MacDonald (Prince): Perhaps I could rephrase my question, Mr. Speaker, and ask the Minister of National Defence if he has informed the premier and the mayor of Summerside whether they could have such a meeting this week, at which they might consider the future of the Canadian forces base at Summerside.

Hon. Léo Cadieux (Minister of National Defence): I have not so informed them, Mr. Speaker, because I have not yet received such a request.

[*Later:*]

Mr. MacDonald (Prince): Mr. Speaker, a few moments ago the Minister of National Defence indicated that communication perhaps was not functioning too well between himself and the premier of Prince Edward Island. I wonder whether he could assure the house that no steps have yet been taken which would permanently affect the future of the Canadian forces base in Summerside.

Mr. Cadieux (Terrebonne): No steps have been taken yet.

FINANCE

SMALL BUSINESSES—SUGGESTED AMENDMENT OF LOAN INTEREST RATE

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to direct this question to the Minister of Finance. Will the minister indicate to the house when he might consider amending the interest rate on loans pertaining to small businesses, so that applications for loans by these people might be given favourable consideration?

Mr. Speaker: Order, please. It seems to me this is a repetition of a question asked last week.

MANPOWER

SUPERVISORY JURISDICTION FOR STURGEON FALLS AND TRI-TOWN CENTRES

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is directed to the parliamentary secretary to the Minister of Manpower and Immigration. Has a decision been reached as to the supervisory jurisdiction for the tri-town and Sturgeon Falls manpower centres?

Mr. Speaker: Order, please. I suggest to the hon. member that this question should be placed on the order paper.

THE CANADIAN ECONOMY

HEATING OIL AND GASOLINE—REPORTED PRICE INCREASES

On the orders of the day:

Mr. Bud Germa (Sudbury): Mr. Speaker, I should like to direct a question to the Minister of Finance. It arises out of certain disturbances over the week end at gasoline retail outlets in the city of Sudbury and is related to a question put to the minister earlier regarding an increase in gasoline prices. At that time the minister said his department was investigating the matter. Is the minister now in a position to make a report to the house regarding the increase in gasoline and fuel oil prices?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been following the situation with some care. I am not really in a position yet to report to the house. The inquiries are still continuing; it is a very complicated situation.

AIR CANADA

WINNIPEG—TRANSFER OF EMPLOYEES FROM BASE

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is to the Minister of Transport. In view of the great anxiety in Manitoba and the many transfers still taking place from the Air Canada base there, can the minister tell the house what he meant by his recent reference to "alternatives" for the Winnipeg overhaul base?

Mr. Speaker: Order, please. I suggest to the hon. member that the question as put is not in order.

Mr. Sherman: I will rephrase my question, Mr. Speaker. I ask the Minister of Transport whether his department has in its possession new information regarding Air Canada's future plans or possible alternatives for the Winnipeg base.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, we have up to date information at all times. I did not think it would really be

helpful for me to comment further, beyond what I said last week. As a matter of fact even what I said then caused some misunderstanding in the area. I can only reassure my hon. friend that we are making every possible effort to see that the commitment that was made is honoured.

Mr. Sherman: A supplementary question, Mr. Speaker. I ask the minister whether he will consider convening at the earliest possible date a meeting of the joint federal-provincial committee that is riding herd on this problem.

Mr. Hellyer: I think there will be a meeting in the not too distant future.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, in view of the statement of the Minister of Transport that he has up to date information on the problems at the international airport at Winnipeg, would he answer before the end of the month the two questions I have on the order paper, because the problems set out there have been before him now for several months? I know he is diverted by other activities these days.

Mr. Hellyer: It certainly sounds like a reasonable request, Mr. Speaker.

INDIAN AFFAIRS

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO ACT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Would the minister bring in for first reading a bill setting out the government's proposals for amendments to the Indian Act at this session, so the Indian people might have the opportunity of studying the government's proposals between now and the time of proceeding further with the bill at the next session?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): That would be quite impossible, Mr. Speaker, because the fundamental basis of the changes is being discussed with the Indian people over a period of two and one half months beginning about March 1, before the bill is printed. I hope then to have the bill printed and presented to parliament, and it will then have to be again discussed with the Indians after printing.

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Would the minister be prepared to make available a schedule of the times and places of these meetings to which he referred, and those who will be participating in this examination prior to the introduction of the bill?

Mr. Laing: I think that would be fair enough, Mr. Speaker.

Mr. Erik Nielsen (Yukon): A further supplementary question, Mr. Speaker. Would the minister also, following the precedent set by himself and his colleague the Solicitor General, distribute to members of parliament the discussion draft which will be distributed to the Indian people and will form the basis of these discussions?

Mr. Laing: This would also appear to be reasonable, Mr. Speaker.

FINANCE

EFFECT OF INCREASE IN BANK INTEREST RATE

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Could the minister advise the house whether the increase in the bank rates from 6 per cent to 7 per cent has attracted any appreciable flow of funds into Canada?

Mr. Speaker: Order, please. I think this question is much too wide in scope to be asked at this time. The hon. member is asking for information which in my view should be given by the minister by way of a statement on motions.

INDUSTRY

POSSIBLE CHANGE IN CRITERIA RESPECTING DESIGNATED AREAS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Industry and ask him whether any steps are being taken to alter the rules under the designated area program of his department in order to take into account the factor of seasonableness of industry in one-industry areas.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, at the outset of the program unemployment was related to seasonality.

Inquiries of the Ministry

However, in view of the many representations which were received on the inadvisability and unfairness of this approach, we switched to an over-all annual look, and this has been the policy of the department since.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a supplementary question for the Minister of Industry. I should like to ask him whether a review has been made of the criteria for designation in the Kelowna-Penticton area in British Columbia.

Mr. Speaker: Order, please.

INCOME TAX

INCLUSION OF GRATUITIES PAID TO RETIRED MINERS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the statements made some time ago by the Minister of National Health and Welfare, I should like to ask the minister how he can justify the inclusion for income tax purposes of gratuities paid to retired miners.

[*Translation*]

Hon. Jean Chrétien (Minister of National Revenue): Mr. Speaker, I should like to take that question as notice and I will answer the hon. member tomorrow.

[*English*]

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a question of privilege. My translating equipment is not working, so would the minister mind repeating his answer?

Mr. Speaker: Order, please. I might tell the hon. member that the minister indicated he will take the question as notice.

AIR TRANSPORT

APPLICATION FOR SERVICE TO NORTH SHORE OF NEW BRUNSWICK

On the orders of the day:

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I wish to direct a question to the Minister of Transport. As the air transport board meets tomorrow to license an air carrier to serve the north shore of New Brunswick, will the minister make sure that modern, daily passenger service is made available from the already established Charlo airport at Dalhousie and other airports in the area?

Mr. Speaker: Order. The hon. member is making a representation.

INCOME TAX ACT

The house resumed, from Thursday, February 15, consideration in committee of Bill No. C-193, to amend the Income Tax Act—Mr. Sharp—Mr. Batten in the chair.

The Chairman: Order. When the committee rose on Thursday, clause 5 was under consideration.

On clause 5—*Temporary surtax.*

Mr. Barnett: Mr. Chairman, I realize there has been considerable discussion on clause 5 of the bill, and many of the things I might say about it have already been said, so I do not intend to repeat them at this time. However, I have been looking at the clause rather carefully and it appears to me there is an obvious inconsistency in its drafting. Of course I do not know just where this oversight has taken place, but perhaps the minister may be able to explain it.

I should point out that clause 5 contains part IA, and that immediately below the heading there appear the words "Temporary Surtax". A good deal of publicity has been given to the idea of a temporary surtax, but I find on reading the clause that it appears to have a misleading title because subclause 2 at the bottom of page 4 makes it clear that this is by no means a temporary surtax. The subclause reads:

(2) This section is applicable to the 1968 and subsequent taxation years.

In my view this clause provides for a permanent tax which can only be changed by a further amendment of the act by parliament.

I am drawing this to the attention of the committee and the minister because I believe that somewhere along the line an error must have been made in the drafting of the bill, particularly in view of the emphasis the minister has placed from time to time on this being a temporary surtax. Yet the subclause as drafted makes it quite clear that this is a permanent tax subject only to some future amendment of the legislation by parliament.

I need hardly remind the committee that in the original income tax act this was called a temporary tax for wartime purposes during world war I. Yet all the events that have taken place since then have made it clear that

it is not regarded as a temporary tax. Obviously a mistake must have been made in the drafting of the legislation, and I believe it should be corrected by the committee.

In view of this I move:

That clause 5 be amended by deleting from subclause 2 thereof the words "and subsequent taxation years" and substituting therefor the word "year".

This would bring the clause in line with the subheading "temporary surtax".

• (3:20 p.m.)

Mr. Sharp: Mr. Chairman, first of all I should like to question whether this amendment is in order under the rules of the house. It does not affect the level of tax for the year 1968, of course, but it does seem to me to affect the balance of ways and means for any period after December 1, 1968. Therefore it would be beyond the rules as I understand them.

Mr. Knowles: Mr. Chairman, in the light of what the minister has just said on the point of order he has raised, it would appear that he regards this new clause as one that is going to impose this taxation for all time. It seems to me that the point raised by my hon. friend from Comox-Alberni is well taken, namely, that the legislation we are passing should be consistent. It should hold together and not just make nonsense.

Here we have a new section entitled "temporary surtax". The minister says we cannot change that part of it that makes it permanent because that would upset the balance of ways and means in 1969, 1970, 1971 and so on. It seems to me that at some point in this discussion we have to get it clear—and we have to say so—whether this taxation is temporary or permanent. In effect the minister has said that he does not want to accept the amendment because he wants the tax to be permanent.

Mr. Sharp: Mr. Chairman, I have no hesitation in arguing the main point that has been made in this amendment, but I do not think I should do so until you have made a ruling whether the amendment that has been moved is within the rules of the house.

The Chairman: Order. I should like to point out to the committee that the amendment as moved by the hon. member for Comox-Alberni appears to the Chair to reverse a decision already taken by the committee. On November 30 the resolution was introduced and first reading was given to the bill on December 18. The first paragraph of the resolution commences with the words:

That for the 1968 and subsequent taxation years—

Paragraph 2 begins with these words:

That for the taxation years commencing after November 1968—

The amendment moved by the hon. member for Comox-Alberni would appear to be contradictory to the resolution already passed. Therefore I would have to rule it out of order.

Mr. Barnett: I am not going to question your ruling, Mr. Chairman, though since you have drawn attention to the terms of the resolution I suggest that had the minister been prepared at this stage to make his bill consistent and to adopt and move the amendment I have just proposed it might well have been in order. However, the minister appears to indicate no interest at all in removing the inconsistency in the bill in this regard, and by making the statement he did on the point of order he has in effect confirmed his intention to make this tax permanent.

I should like to remove this inconsistency in another way so as to bring the provision more in line with the resolution passed earlier by the house. May I again refer to the heading to the amending part of clause 5 where following the words "Part 1A" the words "temporary surtax" appear. If it were the intention of the minister to impose a temporary tax and to bring in a bill to do so, then we could have argued that point on its merits. On the other hand, the bill as drafted and, indeed, Mr. Chairman, as you have pointed out, the resolution itself indicates that the proposal is that there be a permanent tax. Obviously the sequence of events makes the phrase "temporary surtax" redundant.

Certainly it would be within the minister's rights to stand up and state that it is his intention as Minister of Finance, if he remains in that position, at some later time to introduce a further amendment to the bill. But I would suggest that would be merely a statement of personal intent on his part or on the part of the government and at most could not be regarded as anything more than temporary.

Quite wide publicity has been given to the idea that this tax is temporary. Indeed, I heard it referred to in those words only yesterday or the day before on a C.B.C. national newscast. It appears that this is nothing more nor less than a piece of window dressing on the part of the Minister of Finance. He is

quite at liberty either in the house or anywhere across the country to peddle the propaganda of the Liberal party. After all, we are all politicians and consider ourselves free to espouse any particular cause we wish or to indicate our intentions in this manner. However, I suggest it is quite another thing to introduce the propaganda of a political party into a piece of legislation to be enacted by the house. As the phrase stands in the legislation, and the minister has just confirmed this, it is a piece of misleading propaganda and I think it should be removed forthwith. Therefore, Mr. Chairman, I move:

That clause 5 be amended by deleting where it appears immediately following words "Part IA" the word "temporary".

• (3:30 p.m.)

Mr. Sharp: Mr. Chairman, I assure members of the committee that it is the intention of the government that this surtax be temporary. If the opposition wants to make it permanent it will help to do that by taking the word "temporary" out of this wording.

Some hon. Members: Oh, oh.

Mr. Sharp: I have no particular objection to the removal of the word, though perhaps I should explain the sense in which this surtax is temporary. The surtax was designed not to affect the revenue of the provinces and to give us, the federal authority, the full benefit. I fully expect, however, that we shall have to discuss with the provinces taxation reform and the incorporation of all our taxes, whether federal or provincial, in a new tax structure. We shall be bringing down our views on this matter this coming spring, I hope.

As I said previously, this surtax is not intended to be a permanent feature of our taxation system. I am not suggesting by that statement that we will not need revenue which is the equivalent of this revenue; I am only suggesting that this surtax is intended to be temporary. It may become incorporated in a new tax structure in which there will probably not be a surtax at all.

Mr. Barnett: Mr. Chairman, the minister has been contradicting himself on the one hand and confirming my remarks on the other hand. I have no objection to his announcing, as Minister of Finance, his objective but I point out it is a matter of public knowledge that the present government, in the technical sense, will be far more temporary than this piece of legislation. It is all very well for the Minister of Finance to state his present intentions, but they fool no one.

[Mr. Barnett.]

We all know he will not be Minister of Finance for long or, in any event, that he hopes not to be. In the technical sense, if he continues to be responsible for finance it will be in a different manner. His statement of intent is all very well and good but in my view it does not alter my argument. I submit that a misleading phrase ought not to be included in the legislation.

The minister spoke about the tax being made permanent. In this connection I might point out it is a matter of record that I first sought to rectify what I considered to be his error of judgment. I said that until parliament takes a different course from that being taken at the present moment I would oppose putting into law a measure such as this.

Mr. Sharp: I do not think that the committee intends, by an amendment of this kind, to make the surtax permanent. Yet it seems that by removing the adjective "temporary" members of the hon. member's party and of other opposition parties want to make this surtax permanent. I do not. I think it should be temporary and it will be replaced in due course. Whatever the hon. member's intention may have been, I suggest that the proposed amendment can only backfire on those who have made the proposal.

Mr. Knowles: The minister cannot get away with that statement. He said he does not want this surtax to be permanent. If that is so he could have worded the legislation so that it would not be permanent.

Some hon. Members: Hear, hear.

Mr. Sharp: Mr. Chairman, I think it is in accordance with good practice to have taxes of this kind remain in effect until they are withdrawn or amended. If the hon. gentleman will examine the matter he will see that the tax could not be put on just for the taxation year 1968 because if we were in the middle of our tax reform proposals at the end of 1968 we should face a most difficult situation. We looked at this question carefully and it seemed to us that we should enact this tax in such a way that it would remain in effect until amended. There is no other satisfactory way of bringing this tax forward, except to say that it is for two years. But that does not make it any better or more acceptable. It seems better from the administrative point of view to have the tax in its present form. I see no satisfactory alternative. Certainly the first alternative suggestion that was made, that the tax should be for the taxation year 1968,

would have introduced into taxation administration most difficult problems, and that is why we did not employ that method. We finally concluded that it would be best to enact it for an indefinite duration and to indicate by the heading and otherwise that it is intended to be temporary.

Mr. Patterson: We have heard the minister say it would be difficult from the administrative viewpoint to make this tax applicable for one year. Nevertheless I suggest that in applying this tax the government will inconvenience many who will find it difficult to meet the increased tax. Had the first amendment which the hon. member for Comox-Alberni moved been accepted we would have supported it. We recognized from the reference in the legislation to "subsequent years" that the tax could be imposed in perpetuity. I agree with the hon. member for Comox-Alberni that it is contradictory for the government to enact a tax which will apply to 1968 and subsequent years and then claim it is only temporary.

We shall not fall into the trap set by this amendment. We do not want to help the government to sell this tax to the public. To prevent people saying that the opposition insisted on deleting the word "temporary" and therefore making the tax permanent we prefer to have the word "temporary" left in the legislation. We therefore oppose the amendment of the hon. member for Comox-Alberni.

• (3:40 p.m.)

Mr. Howard: Mr. Chairman, there are a variety of offices in the cabinet in which the word "general" is used—Attorney General, Solicitor General, Receiver General and the like. After reading the bill and after listening to the Minister of Finance, and comparing his words with what the hon. gentleman has said on other occasions it seems to me we should change the name of his office to deceiver general. I say this because he has set out precisely to deceive the Canadian public.

It seems to me fairly obvious that the minister is acting in a deceptive way in trying to explain the intentions of the government with respect to this tax and that he is also showing clearly that he is disposed to treat his Bay street and corporate friends in a different manner from the way he intends to treat the general public. A couple of years ago he and the government introduced a special levy on corporations called a special refundable tax. The refunds carried interest and presumably the tax was levied for a purpose similar to that of the surtax with which we are now dealing, namely, to help control inflation.

I point out that in the special tax proposal affecting corporations it was spelled out, because corporations are so friendly to the minister and undoubtedly he will be looking to them in the next week or two, if he has not done so already, to see whether he can find some sustenance to maintain an effective campaign, that the special tax was to apply only for a certain specified period and that it would be paid back with interest. The paying back with interest was another aspect of that tax. The first was that the period in which the special corporation tax was to be levied was spelled out precisely in the act; no subsequent taxation was involved. The minister guaranteed that his buddies in the corporate world would not be liable to pay the tax on an open-end basis. However, when it comes to dealing with the wage earners, the farmers and the ordinary citizens of this country the minister comes up with the concept that this special tax is to be imposed on a permanent basis.

The other aspect, as has been pointed out by my hon. friend from York South and my national leader, the hon. member for Burnaby-Coquitlam, was that the special tax applicable to corporations was to be repaid after the government had kept the money for a certain period of time. But when it comes to the special tax levied on the people of this nation the minister has no intention of giving it back either with or without interest; it is to be made permanent.

It is noteworthy that the hon. member for Fraser Valley at least told the committee he would have supported the original amendment moved by my hon. friend from Comox-Alberni, which would have made the tax applicable only to this current year. That is what the minister said would happen when he made a public announcement about this matter. I should also like to point out that when the hon. member for Comox-Alberni moved that amendment he indicated clearly what his intention was, and his subsequent amendment was put forward with the idea of finding out from the minister precisely what intention the government has in mind. However, if there is any doubt in anyone's mind about the attitude taken toward the whole tax structure as reflected in this clause he should pay attention when the vote is taken and see who votes for or against this taxing provision in its entirety. I would be

interested to see where the hon. member for Fraser Valley stands on that issue. I do not think the hon. member for Fraser Valley has any question of privilege to raise or anything else to talk about. If he has a question of privilege he should raise it at the appropriate time. He may not be as impatient as I am but then, of course, I am not as consistently friendly to the government as he is.

Mr. Patterson: The record will show.

Mr. Howard: If the hon. member wants to talk about the record I shall be tempted to deviate from the purpose of my remarks. As for my intentions, I have stated them on many occasions, but knowing he is a Social Crediter I realize that no matter how many times I explain them to him he will probably still distort them to suit his own convenience. In any event I do not wish to be diverted from the item now before us. The Minister of Finance has clearly proven that he has a large element of deception in his make-up and he exhibited it when drafting the legislation now before us.

Mr. Patterson: Mr. Chairman, it is not my intention to stoop to the level of debate exemplified by the hon. member for Skeena. I simply want to state that I was not suggesting that the hon. member for Comox-Alberni had deliberately set a trap. I believe it was done inadvertently. I pointed out that if we moved in the direction he proposed the government would be able to use the amendment as an argument for imposing this tax on a permanent basis. It could be said that the committee had insisted on this being done. That is all I was implying in my statement. Regardless of the position the hon. member for Skeena wishes to take, this is a statement of fact. I do not believe I have given him too many occasions on which to question my honesty or my veracity.

Mr. Barnett: I rise on a question of privilege, Mr. Chairman. I wish to assure the hon. member for Fraser Valley that it was not by inadvertence that I set a trap, and I think the Minister of Finance has fallen into it very nicely.

Mr. Sharp: First of all I should like to say that I do not feel myself particularly entrapped. The undertakings I have given to the house I have carried out exactly as I said I would, and I have never misrepresented or deceived the house as the hon. member for Skeena suggests. I hope the hon. member, when he looks at *Hansard,* will have second thoughts about accusing the Minister of Finance of deliberate deception. I do not take objection, however, on parliamentary grounds. I do not consider the matter serious enough for that, though I do think the language is most unfortunate.

May I first of all set the record straight so that the committee may at least be aware that I have never at any time attempted to deceive it or to deceive hon. members. When I made my statement on November 30 I said:

> My first proposal relates to the personal income tax. I am asking the house to approve a special surtax of 5 per cent of the amount of the basic tax assessed on an individual in excess of $100. This surtax will take effect January 1 and would remain I expect until we have completed the transition to a slower rate of growth of expenditures or until economic and financial conditions call for a change in our fiscal policy.

That was the statement I made. I indicated the temporary nature of the tax then. I think there is nothing misleading either in the way the bill has been drafted or in the heading over the clause. I did not say it would be for only one year, as has been alleged, nor did I say it would be permanent. I think the way in which the clause is drafted, setting out that the surtax relates to 1968 and subsequent years, carries out the effect of what the government proposes.

• (3:50 p.m.)

May I go on to speak about two or three other things said by the hon. member for Skeena. He referred to the fact that there had been a special refundable tax on corporations, and he seemed to feel that somehow we were discriminating in favour of corporations and against individuals in this particular case. I would point out to him two things that have been pointed out on a number of occasions. The first is that the rates of corporation tax in this country, including provincial and federal, are amongst the highest in the world. There are very few countries in the world, indeed I cannot think of any, where the corporate rate of tax is higher than it is in Canada. Moreover, in this bill which we are now approving the government requires corporations to pay another $290 million during the 1968-69 fiscal year and a further $50 million the following year, or the equivalent of a special levy of $340 million which they can never recover. This is an additional levy that a corporation can never get back as long as it remains in business. This bill is adding $340 million to the taxes paid by corporations, which is a very substantial amount of money.

I am not suggesting that this is not appropriate. Otherwise I would not have proposed it. But the burden of the measures proposed in this bill is heavier on corporations than it is on individuals.

Mr. Lewis: May I ask the minister a question? I just do not understand what he is saying. He must be referring to the fact that he is now requiring corporations to pay their taxes two months earlier.

Mr. Sharp: That is right.

Mr. Lewis: Surely they are going to pay the same taxes which are due in a year except that they start paying them earlier.

Mr. Sharp: Perhaps the hon. gentleman, who has been in legal practice, has not acted on behalf of corporations on many occasions.

Mr. Lewis: I have not at any time.

Mr. Sharp: If he had he would realize that the amount of levy we are placing on corporations by advancing the date of payment amounts to a permanent addition to the amount of taxes they pay for a year. They can never get it back because their payment dates are always advanced permanently. If we advanced the date another month they would have to pay another month's tax. In the bookkeeping of the companies there would not be any difference. They would show the same tax liability, but they have to put up $340 million as a result of the advance of two months in the date of payment, which they can never recover and which is additional to the amount of taxes they have to pay as long as they remain in business.

Mr. Lewis: I am sure the minister is trying to enlighten everybody since he asserted with great conviction that he was not trying to deceive anybody. Will the total tax that a corporation pays for a tax year, let us say over the next five years, be higher than it would have paid if it did not start paying it two months earlier?

Mr. Sharp: Yes. In that five year period, if there is no further advancement of the date, all of the corporations will pay $340 million more in taxes. This is a fact. I would not bring this forward if it were not so.

What has surprised me very much during discussions on the budget and on these bills has been the position taken by the New Democratic party about the Carter commission report. With the exception of the hon. member for Skeena, who made the most devastating attack on that report ever made in this house, other members of that party have suggested that they accept the Carter commission report without qualification. However, one of the main effects of that report's recommendations, if we were to accept them, would be to reduce very substantially the total tax paid on corporation profits because they propose that the ceiling rate on corporate tax paid to federal and provincial governments should be a little lower than it is in some provinces today. They also recommend that the tax paid by corporations should be regarded as a tax paid on behalf of the individual shareholders when they pay their individual income taxes. Moreover, if the hon. member for Skeena suggests that the tax upon rich individuals would be raised I point out that this is not so. What Mr. Carter and his commission have proposed is that the marginal rate of tax should not be higher than 50 per cent. On the other hand, what he does propose is a tax on capital gains.

In the case of corporation taxes the effect of the Carter commission report is to reduce the burden of taxes resulting from our present system of taxation. The commission suggests that this be done by reducing the overall rate of corporation tax and giving as a credit to the individual taxpayer the tax paid by a corporation. In making the arguments they have made, members of the N.D.P., are really contradicting the position they have taken in unqualifiedly supporting the report of the Carter commission.

I have no objection if the committee wants to take the word temporary out of the heading to the clause. However, I would not be in favour of it because I do not think it would then give an accurate presentation of the purpose of this surtax, which I say with great confidence is a temporary surtax. If the committee were to agree to delete the word temporary there would in fact be the suggestion that it is a permanent surtax.

Mr. Douglas: Mr. Chairman, the minister keeps saying that this is a temporary surtax merely because he states that it is his intention to terminate it at some time or other. We are not dealing with the minister's intentions. We are dealing with legislation. The minister can state his intentions, and he may be perfectly sincere in his wish to carry them out. But the minister of finance can change. The government can change. And the government

can do in the future as it has done in the past; it can change its mind. All we can deal with is the legislation actually before us.

We would like to see this surtax temporary. As a matter of fact we would like to see it not imposed at all, but the only way the minister can make the surtax temporary in legal terms is to place a termination date in the legislation. That is what he did in respect of the refundable tax which applied to corporations. The minister should know approximately how long temporary is. He should know whether he needs this temporary surtax for one year, two years or three years. If he finds that the length of time he has estimated is too short then he, or whatever minister of finance is in office at the time, can bring in an amendment to change the date.

So far as this committee is concerned we are dealing with a piece of legislation and the legislation imposes this surtax for 1968 and subsequent taxation years. It does not say how many. Therefore, under the clause which is now before the committee, legally this is a permanent surtax. It is for 1968 and subsequent taxation years, and putting the word "temporary" in the heading has no legal significance at all. The only thing that is binding upon the treasury is the clause which says that this surtax is applicable to 1968 and subsequent taxation years.

• (4:00 p.m.)

If the minister really wants to convince this committee and the country that this is a temporary surtax I submit to you, Mr. Chairman, that the only thing for him to do now is to have an amendment moved to the clause setting a specific termination date for the surtax. If he does that, then of course we can withdraw our amendment because the surtax would then actually be temporary. But if he will not insert a termination date and the words remain as they are, namely, that this surtax is applicable to 1968 and subsequent taxation years, then of course the tax is permanent until such time as parliament changes it as it might do in respect of any other tax. Therefore the word "temporary" which the minister wishes to have left in the bill is meaningless and misleading.

Mr. Leboe: Mr. Chairman, I should like to direct two questions to the minister. First, how did he arrive at the calculation of the extra taxation he spoke of a moment ago that corporations would pay? Would he also tell us whether there is anything which defines the word "temporary" because it seems to me the word "temporary" is entirely relative. It could be one's life or the years of the universe. I should like the minister to give us some idea whether there is anything which defines the word "temporary" so that it may be brought into some context.

Mr. Sharp: Mr. Chairman, in respect of the first question asked by the hon. member I might say that the calculation of the additional revenue from the bringing forward of the payment of corporation tax was based on two months' revenue as we have calculated it in the Department of National Revenue. The effect of bringing forward the payments two months is to add $290 million or $145 million for each month we bring the revenue forward. It also has the effect of adding another $50 million for the subsequent fiscal year so that altogether we would get $340 million extra revenue out of bringing forward the payments by two months. This was based upon our collection experience with the corporations.

Mr. Leboe: Will it have anything to do with the interest calculations on the amount of money that is paid to the government?

Mr. Sharp: No.

Mr. Leboe: In the final analysis it seems to me it is difficult to understand how it can be said, just because the money is received that much sooner, that it costs that much more. It must have some connection with the interest on the amount of money that will have to be borrowed because it is being paid to the government.

Mr. Sharp: At the present time corporations are permitted to pay their taxes in instalments. They can now pay them over a period of five months after the end of the fiscal year. We are now bringing that forward so that they must complete their payments within three months of the end of the fiscal year.

Mr. Douglas: How does that compare with the personal income tax?

Mr. Sharp: Perhaps I might first be permitted to complete the explanation of how it brings extra revenue to the government which we never lose again. At present corporations pay tax by monthly instalments but the payments for a taxation year do not begin until the fifth month in that taxation year. For example, under the present law a company with a fiscal year that coincides with the

calendar year would begin to pay its tax for 1968 in May, 1968 and complete its payments in April, 1969. As a result of the proposed change such a company will pay its 1968 tax in the ten-month period from May, 1968 to February, 1969. Any further amount necessary to bring instalments based on estimates of tax into line with actual tax liability will be due in March, 1969. For 1969 and subsequent years the payment period for such a company will run from March to the following February with any adjustment based on actual tax liability being due in March. If I may describe the change in general terms, for 1969 and subsequent years the payment period will run from the third month of a corporation's fiscal year to the second month of the following fiscal year with any adjustment based on actual tax liability being due in the third month.

There seems to be some scepticism about the bringing forward of payments. I might remind hon. members that when individuals were put on a pay as you go basis some time in 1942 the process was completed by forgiving individuals a part of their tax liability so that they did not have to pay the extra amount of money. We are not forgiving the corporations; we are requiring them to catch up and bring their payments up to a more current basis. In the process we receive an extra $340 million which we never lose because the corporations will continue to be on the new basis and in the next year will pay as much in the form of taxes as in the past. The only way in which a corporation may avoid that extra liability is by going out of business. This is a permanent addition of $340 million to our revenue. To be fair to the house, because it is never my intention to mislead it I should say that this is not a continuing permanent $340 million a year. It is a once for all additional payment of $340 million and it is never recoverable by the corporations.

Mr. Peters: If they were brought up to date would the amount increase by two and a half times?

Mr. Sharp: Yes. This would bring the corporations on to the same basis as individuals. It is something in the order of $150 million a month for each month we bring it forward. We decided that the effect upon the liquidity of the corporations should not be too great considering the need to promote business expansion and otherwise encourage business corporations to make investments for the purpose of creating new employment. So we decided on a two month advance for this year, which involves a substantial amount for the corporations to raise in addition to the regular amount of their taxes.

Mr. Leboe: I still think, Mr. Chairman, that this is just like daylight saving time. I should like the minister to go back to the second question I asked. How is the word "temporary" defined. It seems to me that "temporary" is an elusive word and that all legislation is temporary. There is no permanent legislation. I should like the minister to explain what is meant by the word "temporary" and how it is defined in the bill.

Mr. Sharp: Mr. Chairman, It is very difficult to define the word "temporary". Perhaps I should say that my aim is to be a temporary minister of finance at the present time. It is very difficult to say whether or not I will attain this aim. Temporarily this is my aim. I understand to some extent the difficulty the committee is having in respect of this section. We did not feel that we could impose a terminal date without creating other difficulties. We did wish to indicate by the heading, however, that the government does not look upon this as a permanent part of our taxation structure. Therefore we use the heading "Temporary Surtax". With that heading I believe there is a clear indication to the public and to parliament that this tax is not intended to be a permanent part of our taxation structure.

Mr. Schreyer: Is it the minister's intention that the tax would last no longer than his position in the Department of Finance?

• (4:10 p.m.)

Mr. Howard: Mr. Chairman, I wish to congratulate the minister on his ability to channel the debate in the direction he desired rather than dealing with the substance of the matters raised. The minister objected to some comments I made earlier. I did not say, however, what the minister claims. Obviously he misunderstood me or has deliberately misrepresented my remarks. I suggested that he did something deliberately. I gladly withdraw that remark as I would not want to be misunderstood as suggesting that the minister or this government ever did anything deliberately. Most things they do they do by accident or because of circumstances.

Having listened to what the minister said, particularly in respect of what I am supposed

to have said, I am more confused than I was at the beginning when I suggested there was some element of suspicion attached to the action of the government. The minister suggested that I made the most devastating comments about the Carter commission report ever made in this house. Let me state categorically in the most generous way I can that the minister is mistaken. If he persists in his feeling about what I said I suggest he should check the record. Perhaps that is what he is doing now. I am sure he will find that I did not attack that report in that way.

When I referred to the course of action taken by the government being different in respect of corporations from that taken in respect of individuals I was referring to the special refundable 5 per cent tax imposed on corporations in 1966-67. The minister deliberately ignored that reference and referred instead to some obscure amount like $140 million which will be paid back, or will be like daylight saving, as the hon. member for Cariboo said.

The minister is deceiving the house when he tries to suggest that he will receive extra tax income from corporations. Let me place again on record what I pointed out to the minister when I made the comparison between corporate taxes and taxes on individuals. I understand that the refundable tax was imposed for the same reason as the so-called temporary surtax. The minister said that the refundable tax would be imposed for the period from May 1, 1966 to October 31, 1967. The legislation provided that every corporation should pay additional tax in an amount equal to 5 per cent for each taxation year. However, the minister was able to provide that that tax would only be applicable for the period from May 1, 1966, to October 31, 1967, and also that it would be paid back with interest after a certain period of time.

The difficulty is that this surtax on individuals will be paid by people who cannot avoid paying their full amount of taxes because they are salaried and their employers deduct the tax at the source. These people will pay the full 5 per cent surtax. The minister says he cannot set out a definite period of time over which the surtax will be payable because it is administratively difficult to do so. I suggest that the minister is unable to define "temporary" in respect of this tax and that in effect the 5 per cent surtax will go on forever. That is precisely what the legislation suggests.

[Mr. Howard.]

I do not intend to ask the minister to comment on what I have said, but if he feels he should make some answer I hope he will stick to the facts and not adopt a course of action which suits his position but one which will be more acceptable to members of the house.

Mr. Leboe: Have fiscal arrangements been made with the provinces in respect of this surtax and how much of it, if any, will revert to them?

Mr. Sharp: The surtax will not be shared with the provinces. This is one thing the provincial authorities will want to discuss with us in due course. This surtax was established in such a way that all the revenues will come to the federal government. If it had been imposed as an ordinary increase in income tax it would have been shared with the provinces.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Assistant Deputy Chairman: The question is on the amendment moved by the hon. member for Comox-Alberni.

Amendment (Mr. Barnett) negatived: Yeas, 15; nays, 99.

The Assistant Deputy Chairman: I declare the amendment lost.

Mr. Orlikow: Mr. Chairman, I should like to say a few words on this clause because I am opposed to the 5 per cent surtax whether it be of a permanent or temporary nature. I am glad the Minister of Manpower and Immigration is in his seat because I should like to draw his attention to certain comments by an organization which he headed for a long time. They are contained in a memorandum submitted to the government by the Confederation of National Trade Unions. This is what they think about the 5 per cent surtax. This organization suggested, as we have, that this surtax is damaging to the welfare of people in the lower income brackets. Let me refer the minister to this sentence which appears on page 11 of their submission:

> The measure providing that the 5 per cent surtax would not go beyond the sum of $600 clearly protects those with large personal incomes.

• (4:20 p.m.)

That is the complaint we have been making about this proposal since the minister put it forward. The C.N.T.U. and the Canadian Labour Congress have been differing very

sharply with regard to Bill C-186, but on the question of the policies adopted by the government through the Minister of Finance they are in complete agreement. I should like to quote one or two sentences from the Canadian Labour Congress brief presented to the government and dated February 13:

> We question seriously the economic wisdom of imposing a deflationary tax increase, as the Minister of Finance did in his November 30th budget, at a time when the economy's forward momentum is obviously faltering. Furthermore, there is every likelihood that the recent tax increases will serve to aggravate, rather than to ameliorate, the already unsettling cost and price pressures on the economy.

There is no quesion that this is precisely what the minister's tax proposals have done. I do not know whether the minister set out deliberately to create a larger pool of unemployment when he proposed this tax increase in November, but that is exactly what has happened. The C.N.T.U. in its brief makes it very clear that since the minister introduced the tax increases there has been a very marked increase in the number of unemployed. Between November and December the number of unemployed in Canada increased by 64,000, or 22.1 per cent. This increase was 60 per cent higher than the average increase in the number of unemployed between November and December in the past five years. The result of this measure, together with the cut-backs in government programs, is that the total number of unemployed in Canada in December was equal to 4.6 per cent of the labour force. This is the highest figure for many years and compares with 3.6 per cent in December of 1966 and 3.5 per cent in December of 1965.

The increase in unemployment has been particularly marked in Quebec and the maritime provinces. While, as I mentioned, the number of unemployed jumped to 4.6 per cent of the labour force of Canada as a whole, it jumped to 5.9 per cent in Quebec. Quebec now has almost twice as many unemployed, percentagewise, as the province of Ontario. This is the effect of the tax increases proposed by the Minister of Finance. Who is asked to pay these tax increases? The wage earner and the salaried person. Together with the restrictive economic policies of the government, the cut-backs in programs and the increase in the cost of living, these increases have accentuated the difficult situation of people in the lower and middle income brackets.

As I say, Mr. Chairman, I am opposed to this surtax which the minister introduced last November. It is interesting that in his discussion of "temporary" versus "permanent" the minister said in effect that it was impossible to specify the date to which this surtax would continue. The minister had no difficulty in setting out the date to which the refundable 5 per cent tax on corporations would continue. As a matter of fact, the corporations are already beginning to get their money back.

The minister put forward a very specious argument when he said that bringing forward by two months the date on which corporations pay their taxes meant a permanent increase in taxes. He did not say that our tax policy treats corporations in an entirely different way than it treats the individual taxpayer. Ordinary citizens working for wages or salaries are required to pay their income tax immediately. They pay income tax at each pay period. We in this country, as the Carter commission said so ably, have traditionally favoured the corporations and the wealthy people. We have permitted corporations to pay their taxes late. We have permitted them to keep for some months money they owe the government of Canada, during which time, of course, they have the use of that money. During that time they do not pay any interest to the government of Canada.

When the minister, because of temporary difficulties, advances the date for payment of taxes by corporations by two months he tries to tell the people of Canada that he is increasing the taxes imposed upon corporations. I do not often agree with the hon. member for Cariboo, who said this was like daylight saving, but I agree with him in this instance because if there was ever a phony, specious argument it was that argument advanced by the minister.

I am not prepared to vote for a surtax on income tax that hits the ordinary taxpayer and has a ceiling of $600. I believe this is completely unfair. I think it shatters the whole idea of progressive taxation. The minister has denied again and again that he has rejected the recommendations of the Carter commission. The minister has again tried to suggest that some members of our group who have urged the implementation of the recommendations of the Carter commission are in fact recommending increases in taxes for the ordinary citizen.

The minister was the first to reject the suggestion of Mr. Carter that his proposals should be implemented in a package. The minister did so when he told the mining and

oil companies that the recommendations of the Carter commission to correct the completely unfair way in which they are treated would not be implemented for four, five or more years at the earliest. The minister rejected the whole package approach of the Carter commission when he did this.

The minister again today tried to suggest that those of us who are urging the implementation of the bulk of the recommendations of the Carter commission are in effect urging increased taxation on the ordinary taxpayer. The minister said that our suggestion would have this effect. I do not know how the minister can say this with any degree of honesty when the whole point of the Carter commission recommendations is that up till now people in the low and middle income brackets have been paying more than their fair share of taxes and the people in the upper income bracket have been paying less than their fair share. The whole problem the Carter commission attempted to meet was the unfair approach to taxes in this country which it said should be reversed so that people in the upper income bracket would pay their fair share of taxes.

• (4:30 p.m.)

Surely the fact that both the C.N.T.U. and the Canadian Labour Congress urged in their submissions to the government this month that the government implement the recommendations of the Carter commission is proof enough that they recognize, as we have, that the implementation of the Carter commission recommendations would benefit the people in the lower and middle income brackets. Both these organizations called for that. Let me bring to the attention of the minister, although I think he was present when these submissions were made, what the C.N.T.U. said. He can find it on page 11 of their submission. They said:

> The C.N.T.U. supports the objectives of the integrated tax plan proposed by the Carter commission. According to this plan, the maximum rate of taxation on personal income would be reduced to 50 per cent and the present tax credit of 20 per cent on dividends would be abolished.
>
> As the commission pointed out, taxation of all revenue at the same rates would end certain procedures employed because they reduce taxes and not because they increase the total revenue of the enterprise.

If the minister were to look at just this recommendation of the Carter commission, he would be right in saying that it reduces taxes. However, the minister conveniently forgot to refer to the other recommendations of the Carter commission such as the one that a tax on capital gains should be imposed. I think the minister knows better than most members of parliament and better than the ordinary citizens of Canada just what the failure of past Canadian governments and of this government to implement a capital gains tax has meant. It has meant that the mining and oil companies and all the resource industries have been able to save tens of millions of dollars a year in taxes.

The Carter commission said that mining and oil companies should have their depletion allowances removed because 85 per cent of the benefits of such allowances go to eight mining companies, most of which do not need this incentive. The removal of these exemptions would provide a minimum of $150 million a year to the treasury. If the Minister of Finance is worried about meeting some of the bills of the federal government I suggest that instead of putting a 5 per cent surtax on income tax he should go after the people who have the money, namely, the mining and oil companies. Some members of parliament will say that if this is done the rate of growth of these companies will be slowed down. I notice the hon. member for Yukon is nodding his head in agreement.

Mr. Sharp: May I ask the hon. gentleman if he is referring to the hon. member for Skeena in these remarks?

Mr. Orlikow: I do not have to refer to the hon. member for Skeena. He has been here long enough to establish a reputation of being able to look after himself. He does not need protection by the member for Winnipeg North. If the Minister of Finance has an argument with the hon. member for Skeena they should debate in their own time what the hon. member for Skeena is purported to have said and what he did not say. I will let the hon. member for Skeena look after himself.

Mr. Sharp: The hon. member should argue with him, not with me.

Mr. Orlikow: I do not think so. I want to say this with reference to the mining companies. Almost unlimited amounts of potash have been discovered in Saskatchewan and the potash industry is growing very quickly. I suggest to the Minister of Finance that what we have done by our wayward treatment of the mining companies is to encourage them to develop at a much faster rate than this country needs. The result has been that the price at which the companies can sell potash has

dropped from $30 a ton to $18 a ton. Consequently the royalties paid to the government of Saskatchewan, to that great, free enterprise government headed by a Liberal very much like the Liberals on the other side of the house, have dropped very substantially.

I suggest that if we had not given this kind of preferential treatment to the mining companies the potash industry in Saskatchewan would have developed at a somewhat slower rate and could have sold the new production it brought in from year to year. This applies also to the uranium industry. On an investment of a quarter of a billion dollars it made a profit of over $250 million or 100 per cent on its investment up to 1964 but only paid $30 million in taxes. Members of parliament know what happened when the bottom dropped out of the uranium market and who was left footing the bill in Elliot Lake. It certainly was not the uranium companies.

Similarly, the Carter commission pointed out that we have let the insurance companies of Canada get away with murder. They have paid much greater taxes on the small percentage of their business that they do in foreign countries than what they have paid in taxes on their business Canada. So we find a situation where the insurance companies are freeloading on the Canadian taxpayer. In 1964 the insurance companies had assets of $12 billion. They collected $1.3 billion in premiums. They earned $600 million net in investment income but they paid out just $800 million in dividends or benefits and just $2 million in corporation taxes. If they had been taxed in 1964 at the same rate as other corporations were they would have paid taxes of $77 million instead of just $2 million. This is the kind of situation which the government permits to continue.

It is true the minister said that he hopes, not this year but probably next year, to digest the recommendations of the Carter commission and to discuss them with all the interested parties. We know what those favoured few corporations in the mining and oil fields and in the insurance business will recommend to the minister. I have not much faith that the minister will implement the basic recommendations of the Carter commission.

I want to say in closing that I have no intention of voting for this proposal to implement a 5 per cent surtax on income taxes until the government brings some equity into its tax policy and until it starts to collect from those who can afford to pay a fair share of the tax burden. If the government does that and it still needs money and proposes an increase in income tax or a surtax on income tax, I might look with a good deal more favour then on that kind of proposal than I am prepared to do now when the government has done nothing, despite all the protestations of the minister, to implement some of the basic and what I consider to be simple changes in the tax structure which the Carter commission recommended and which the minister does not have to study in great detail or depth before implementing.

Mr. Winters: Mr. Chairman, I would like to say a word. I am not seeking to make an issue out of anything the hon. member said but having been associated so intimately with the uranium business I cannot sit here and say nothing. The hon. member asserts that the uranium companies got off scotfree when the slackening in the demand required them to take drastic action which bore quite heavily on them as well as on their employees. Under arrangements made at the time, which can be looked into by the hon. member, he will find that the uranium companies accepted a great measure of responsibility for housing in the area and paid continuity bonuses to the employees. They assumed heavy expenses in closing down the uranium mines so as to rationalize the industry. All in all I think they showed a very large measure of responsibility in very difficult circumstances.

• (4:40 p.m.)

Mr. Peters: Mr. Chairman, I did not intend to enter the debate until I heard the Minister of Trade and Commerce. I have been very interested in the role of the Carter commission which considered many of the matters we have discussed in the last few weeks, particularly the matter we are now discussing. I thought the hon. member for Nickel Belt gave a very good answer to the minister the other day when he suggested we implement the recommendations in the Carter commission report. He said he would be in favour of that and certainly our party would.

Over the years municipalities have discussed changing assessments on property in order to bring them up to the proper level. Whenever this is suggested someone always says that if housing assessments are changed it will affect business, which is undesirable. Apartment building owners also object and instead of adjusting assessments uniformly across the board a lot of exceptions have been made.

The Minister of Trade and Commerce has just been speaking about the uranium industry. I come from a mining area. I worked underground for many years and am familiar with some of the mining operations that are carried on. I think it can safely be said that never has so much money been given to so few corporations as is the case in the uranium industry. The people of this nation never intended that the three-year tax free exemption for companies developing oil and mineral resources should be permitted in the case of operations such as those in Elliot Lake in the uranium field. These companies extracted all the minerals from the area. For example, if Rio Tinto had operated the Hollinger mine I doubt that it would have lasted three weeks whereas in fact it has been in existence for 40 years. Certainly it would not have lasted more than a year.

I completely agree with granting a tax concession to a small company which probably will not make much money anyway. Such companies do not cost the Minister of Finance one red cent because he never has to meet his part of the bargain when he offers such inducement. However, in the case of Inco, Falconbridge and some of the other mining companies this concession is gilt-edged. Obviously they are not going to go into production unless they can reap the full benefit. They teeter and totter and do not open the mine until the most advantageous period, and then they give it hell for three years. At the end of that period they close it down, the Canadian taxpayers having provided them with their profit from the operation.

The Minister of Finance is doing the same sort of thing in other taxation fields. This surtax seems to me to be hitting those who are unable to fight back. Very often the only people who protest increased assessments are the corporate entities. They are sometimes joined by smaller businesses in the community but seldom by more than five or six. However, the small people of the nation are not equipped to make any kind of fuss. The big corporations do not need a spokesman here, though they have many. They are quite capable of making their own representations. When some of the major companies in my area disagree with me they come to Ottawa and make representations in person and do so very effectively and efficiently. They try to educate me to their point of view.

So I do not think this kind of concession should be granted the corporations of the nation. Their only objective is to make as much money as possible, which probably is the way it should be. However, the small taxpayers should get more representation. It has been said that those in the low income groups are least likely to object to increased taxation, and certainly they receive very little consideration from the Minister of Finance. During the ten years I have been here I have requested ministers of finance to raise the basic exemption of $1,000, but this suggestion has received no consideration.

When a miner buys a pair of mining boots he cannot offset the cost against his income tax. The cost of these boots is out of all proportion to the cost of boots used in other industries. The same may be said of other equipment miners have to buy. However, businessmen are permitted to wine and dine their customers at expensive restaurants and charge the cost of the meals as a deductible item. Not very long ago I visited a restaurant in Ottawa and the prices on the menu shocked me. I noticed one man who I knew was in charge of a department in a large store. He told me he was there because a buyer at the store was wining and dining a whole group of people as a business expense. I am sure the bill came to $400 or $500. People at other tables were all on expense accounts and their meals were in effect free. If they were not, then in view of the cost of the meals no one in their right mind would have eaten there.

Although we have been prepared to make all kinds of concessions to these people and allow all kinds of exemptions for their benefit, how many have we allowed the small taxpayers in the last five years? These are the people who will be faced with this temporary tax for many years to come. The tax will remain in effect for longer than the minister seems to anticipate. Most of us will pay the extra tax. The maximum additional amount of tax will be $600 and those in the top brackets will get off almost scotfree.

• (4:50 p.m.)

We have reached the stage in this country where many employees, instead of seeking higher wages in terms of money, would like to have free meals provided under expense accounts. Many would like their firms to provide them with a new car instead of the money for that car. They want to get in on the big-time kick the minister is giving his friends.

This surcharge will not do for the government what the minister thinks it will. In any event, it will not be temporary. I do not

expect any government to remove it during the next ten years. If anything, the tax will be increased. I remember the many times the government has promised us that automobiles would be cheaper. Yet every time I go to my automobile dealer he want $200 more for a car. Similarly, this tax will increase slowly year by year. As the tax increases, so will the difficulties that our people face.

I heard the minister's explanation regarding the $340 million which is to be raised from corporations and this brings to mind another question. Why should the government not give some advantage to those who pay their taxes early? If I pay my taxes at the beginning of the year instead of at the end, should not the government compensate me? After all, the government gets its money early and is able to use it. Should there not be some sort of rebate to those who pay their taxes say at the end of six months instead of at the end of the fiscal year?

The minister has not shown how this temporary tax is to be replaced by other taxes. I suspect any taxation reform will be on a piecemeal basis. Certainly the minister has not clearly said whether he endorses the Carter report. A number of my colleagues have asked him about his stand with regard to mining concessions and about his intentions with regard to oil concessions and so on. These matters are brought up in the Carter report and I have not heard the minister say whether he adopts the recommendations made in that report. Would this not be a good time for the minister to say what his intentions are with regard to the Carter report, whether he intends to accept or reject, say in five years, the proposals contained in the Carter report?

Mr. Sharp: Mr. Chairman, I will not prolong the debate but I wish to put on record a statement made by the hon. member for Skeena on May 9. I do not wish to misrepresent his words. As recorded on page 15 of *Hansard* for May 9 he said:

> —I should like to direct my question to the Minister of Finance. In view of the disastrous effects of the Carter commission report on the mining industry, particularly in British Columbia, will the minister be making an announcement soon regarding the government's intentions in respect of that aspect to the commission report relating to taxation of mining companies?

Mr. Howard: Mr. Chairman, I was hoping that the minister would have read those remarks at the beginning when he made his untruthful accusation that those words represent a devastating attack on the Carter commission report. As the minister knows, it is not. This is another example of his distortion of a factual picture. He attempts to paint an incorrect picture.

The minister read correctly what I said. One reason the Carter commission report had a disastrous effect on the mining industry of British Columbia was that after it had been made the minister sat like a dumb bunny on his fanny and did not say "boo". He did not say what he was going to do. The result was that huge mining corporations in this nation, Noranda being one, used the Carter report as an excuse to pull out of potential development. They said, "Oh, we can't go in there because the Carter commission report has recommended that we lose our tax free period of three years."

The minister gave in to the pressures by subsequently making the announcement that the implementation of that section of the Carter report would not have any effect—I stand to be corrected on the year—until 1974. The question I directed to the minister arose from that situation. Noranda in particular used the Carter report as an excuse to pull out of potential development in a particular area. The real reason they pulled out was that they did not find a sufficient ore body to make development worth while. But they had sucked in the people of the area and in the Carter report they found a convenient way of getting out of the difficult prospect of putting more money into a particular development. It seems sad that a high and mighty Minister of Finance who seeks to be prime minister of this nation has got to degrade himself to the extent of so distorting something that is factual.

Some hon. Members: Question.

Mr. Howard: As on other occasions when I and other members of this group have been speaking, the minister is reading newspapers and magazine articles. He was doing that while I was making my representations about this matter. I remember some comments I made apropos of something the hon. member for Timiskaming had said about tax allowances for loggers, for instance, who have to buy logging boots, logging clothing and tools for their trade. But the minister paid no attention. If the minister will not pay attention I wonder whether it is worth while putting my remarks on the record. Ah, I see the

minister looks at me. I see he is going to pay attention to this aspect of my remarks. That surprises me. He should have paid attention before.

One of the minister's friends in the Liberal party, Hon. Walter Harris, said when he was minister of finance in 1956, as recorded in *Hansard*—he was replying to a question asked by the hon. member for Comox-Alberni—that there was a discriminatory aspect in the Income Tax Act with regard to working men not being able to deduct for taxation purposes expenses they had to incur in buying special clothing, equipment, tools and the like that they needed for their occupations. Ever since then the hon. member for Comox-Alberni and I have continued our compaign with a persistent barrage of letters, briefs, speeches in the house, introduction of bills and so on. I merely want to say that the issue is not dead but is very much alive. The only thing that is perhaps dead is the sympathy of the Minister of Finance.

The Assistant Deputy Chairman: Shall clause 5 carry?

Mr. Barnett: Mr. Chairman, I wish to put on the record that what the hon. member for Skeena has just said with regard to proposed changes in income tax legislation is completely endorsed in the Carter report from my reading of it. It endorses the hon. member's view of the current discrimination in clause 5 of the bill.

The Assistant Deputy Chairman: Shall clause 5 carry?

Mr. Starr: No, Mr. Chairman. Please call a vote.

Mr. Sharp: Mr. Chairman—

The Assistant Deputy Chairman: Order.

Mr. Sharp: Before you call a vote—

An hon. Member: Stalling.

Mr. Sharp: I wish to say to the hon. member for Skeena that I did not attempt or intend in any way to misrepresent his remarks. When he directed the original question to me the word that attracted my attention more than any other was "disastrous". I took his meaning to be that he viewed the recommendations of the Carter commission as disastrous in so far as they affected the mining industry.

• (5:00 p.m.)

Mr. Starr: Call a vote.

[Mr. Howard.]

Mr. Howard: Before the vote is called I have one or two further observations to make. The minister took my words "disastrous effects" and deliberately read into them something which had not been intended in order to make a political point. Instead of playing about with what words mean and what they do not mean, I wonder whether the minister would mind addressing himself to the substance of the question which has been raised. I think it is clear. I have indicated my position with respect to it. If the minister wishes to continue suggesting that I mean something else, that is his privilege and I do not wish to press the matter.

The argument has been presented by my hon. friend from Timiskaming in a most forceful way. Miners have to wear protective clothing, including hard-toed boots. Similarly, loggers are required to wear special clothing. I mention these two occupations because one of them has been referred to directly and because I myself worked in the logging industry and am familiar with the requirements. These examples are not exclusive. Workers in other industries require of necessity, and in many cases by provincial laws in order to comply with compensation regulations, special clothing, some of it for reasons of safety.

Can the minister not indicate the prospects of making some provision of the kind now asked for in order that working people may have an opportunity to deduct necessary expenses from their incomes before they pay tax? I am talking now of those engaged in heavy industry, those who cannot in any way avoid taxes because before they even get their cheques the bookkeepers or accountants have docked the tax and sent it to the treasury. Are they to have no hope of concessions such as are granted to the mining corporations or to the insurance companies and others paying special refundable taxes? Can the minister give us no hope that the wage earners and salaried people who have no opportunity to make any adjustments affecting their taxes are to receive any of this favoured treatment?

Mr. Sharp: As the hon. member for Skeena says, the Carter commission does recognize the principle that people ought to be able to deduct from their income the expenses necessarily incurred in earning it and there is special reference in the report to the kind of expenses incurred by miners and others employed in industry. We have been studying this aspect along with other recommendations

made by the Carter commission. The problem, as the hon. member concedes, is a difficult one because everyone who works must incur some sort of expenses in earning his income. Even a bookkeeper probably wears out his clothes in a rather special way because of his occupation. It is a question of degree.

The other problem which arises in connection with this proposal is that to the extent expenses of this kind are accepted the general rate structure has to be adjusted to make up for the loss of revenue. If this is generalized too far, what we are really doing is something along the lines of the practice presently followed when we allow an extra hundred dollars as a deduction for charitable and medical expenditures, and it is possible to move in this direction very quickly if the precise expenses allowable are not defined very carefully. Having gone through such a process, the result is simply a change in the basis of the exemptions, and the decrease in revenue has to be offset by a corresponding increase in taxes.

For these reasons we have yet to reach a conclusion on the recommendations of the Carter Commission, not only in this particular respect but with regard to a number of other subjects dealt with in the report. Taxation is an integrated whole and any change in one direction makes changes in another necessary unless the general level of revenue is to be affected.

The hon. member again talks about a difference in treatment as between corporations and individuals. This is a question we had to examine carefully when we were determining the changes to be made in order to bring the budget closer into balance next year. The choice we made, as will be seen from the bill, was to impose a group of increases which would cause, we hoped, the minimum undesirable effect on the economy, that is, the minimum effect upon the spending power of the public or of business. We selected these revenue measures so as to distribute them in such a way that the effect on levels of employment would be minimal. To this end we put on excise taxes, a small surtax on individual incomes, eliminating it at the bottom of the scale and tempering it at the top, and then a very large cash drain upon the corporations.

We concluded we could do this without disturbing business investment too greatly, and we wanted to keep business investment at a maximum because it is not rising very quickly now in this country and it is very desirable in the interest of employment that it should. We had to raise revenues in some way in order to reduce our demand on the capital market, which is the central problem facing the government in the coming year, and we decided that the mixture to which I have referred would produce the maximum amount of revenue while causing the minimum undesirable effect upon the economy.

This is all a matter of judgment. I do not think it is ever possible to satisfy all the criteria. We have been going through a most interesting and unprecedented series of incidents related not so much to domestic affairs as to world conditions. We have been living in the most troubled period internationally that the world has seen, I think, since the twenties, and the problem in these circumstances is to take measures which do the least damage to the Canadian economy while producing the maximum benefit.

There is no ideal way of doing this. Members of the New Democratic party seem to suggest that we can meet present circumstances by continuing the kind of policies which were followed for a number of years when we were living in a relatively stable international environment, when interest rates were low and when it was easy to obtain foreign capital. These are no longer the circumstances. We are today living in a world where capital is short, and as long as the war in Viet Nam continues this will probably continue to be the situation. We have to choose our policies accordingly. I do not say we have found the ideal combination, but the opposition should recognize the nature of the problems which face us and not base their arguments upon a world which does not exist. I suggest, therefore, that the proposals made in this bill are appropriate, however undesirable they may be from the point of view of the taxpayer and of each of us as members of parliament.

• (5:10 p.m.)

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I had not intended to embark on another speech but when I heard the nonsense uttered by the Minister of Finance I felt something had to be said. I notice he did his usual trick in dealing with a very serious and substantive problem to many workers in this country. My colleagues, the hon. member for Skeena and the hon. member for Timiskaming, both mentioned the

heavy expenses incurred by many workers, but the Minister of Finance decided, as he always does, to reduce the matter to the level of buffoonery by drawing an analogy to a bookkeeper who wears out the arms of his jacket.

While there may be some substance in the minister's argument that it is difficult to draw a line, I would ask him to look at another place in the economy where relief is given. For the last few years I have been struck by the fact that I never stay at a good hotel any place in Canada but a desk clerk says to me, "You will want a receipt for this." I never buy a meal in a good restaurant but I am offered a receipt for my meal. It is taken for granted that anybody who eats at such places and stays at such hotels is living on an expense account, but this minister never does a damn thing about it.

People are allowed to put in their expense accounts all manner of items that should be considered as part of their personal expenses. I notice that the other day one gentleman, I suppose encouraged by the minister's generosity, tried to get $241 for his wife's expenses in going to Saskatchewan. I was very glad to see that the Tax Appeal Board turned him down and said that obviously the lady was there largely in his service and not in the service of the corporation which employs him.

I suggest to the minister that before he plays his usual split, cracked record of how very difficult the times are in which we are living and how much this is part of a tremendous international dislocation, he should pay some serious attention, as I asked him to do the other day, to the views of competent economists in this country who are appalled and mystified by the idiotic policies he is pursuing, which can only be designed to tighten up the Canadian economy, to cause hardship to the Canadian people and rob them and the government of any opportunity of expanding the economy.

Despite the fact that we have the largest per capita store of natural wealth in the world and despite the fact that we have rising levels of unemployment, the minister has deliberately tied his hands so that he can take no action at all. Why he has done this, God only knows. I cannot find an economist in this country who has a reasonable explanation for his idiotic policies. I do not want the minister to tell us again that we are living in such vastly complicated world circumstances, never seen before. What utter nonsense. I suggest that he read the history of previous economic crises in the world if he wants to say that there is a dangerous, complicated international situation in the economic area. As I said, Mr. Chairman, I had not intended to speak in this debate again, but once more I have to express my dismay at the fact that this country has been saddled with probably the most incompetent Minister of Finance in the whole history of Canada.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Peters: Mr. Chairman, as one of those who raised the matter of other expenses I point out that in his offhand way the minister said that if a bookkeeper wore out the sleeves of his jacket possibly we should allow him an expense deduction for a new jacket or for patches on his old one. I would be very happy if the minister brought in such a measure. If this is necessary for him in his job we should be happy to pay for leather patches on his jacket.

The hon. member for Nanaimo-Cowichan-The Islands said that he never stayed at a good hotel without being offered a receipt, and I noticed one of the ministers shaking his head when the hon. member said this. It may be that I look like the travelling salesman type but this almost always happens to me. Inevitably I am asked if I would like a receipt. Some people even go farther and ask me, "What name do you want it in?" Maybe there is a market in such receipts.

I really believe the minister does not see the difference between a bookkeeper with a worn-out sleeve and a mine worker or pulp cutter. The pulp cutter must own a chain saw which costs him $200 to $300. Such a man may be out of a job. When he finds one he must have a chain saw. That saw, as I say, will cost $200 to $300. He has to make an outlay to get the job. If he borrows the money to buy a chain saw and pays it back while working on the job his outlay of $200 to $300 is not deductible. But such an outlay by anybody else is deductible. The fisherman who has to go fishing obviously has to have a boat. To farm the farmer must have a farm. We allow these people to deduct certain capital costs, but we make no such allowance for the poor worker who works by the hour. He is the forgotten man in the income tax structure.

This is a problem which has been considered by the minister for a long time. It was considered by the minister before him and by the minister before that again, but I suggest it was not really the ministers who considered

it. It was their officials who looked into it and they looked at it in the same light as wanting a deduction for themselves every time they go somewhere. They always want a deduction for their cars or for something else. It is very easy for them to understand that employees of big corporations must operate on expense accounts. We allow this type of deduction in the civil service but we do not allow it to the many workers who have to make a capital outlay in order to obtain a job. This outlay is not put in the same category as the $100 deduction for medical and charitable expenses. Most hon. members have made representations about this matter during the ten years I have been a member of the house. However, nobody has listened to the representations that have been made.

[*Translation*]

Mr. Chrétien: Mr. Chairman, I wish to make a few comments, because I was somewhat irritated by the intervention of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). Usually he is rather composed. I have never seen him so nervous than this afternoon when he attacked the tax policy of the government. It is probably due to the nervousness now existing in his party and because the New Democratic party has some embarrassing cousins in the province of Quebec who apparently are separatists. Therefore, I understand why the members of this party are all at sea.

However, the public is not entirely stupid and if there is a party in the house asking for expenditures, it is the New Democratic party. Its members are always ready to ask for an increase of all the services but when it is time to pay for them, they are the first to complain.

Economics have no mystery. Every time the government spends money, it takes it out of the taxpayers' pockets. It is easy to say that this legislation is aimed only at individuals. It is true that there is an increase of 5 per cent on income tax but the President of the United States at the present time is trying to get a 10 per cent tax increase. The British labour party which shares the same ideology as the members of the Canadian New Democratic party was forced to impose economic measures even more drastic than those we experience in Canada. We must take comfort in the fact that this government was the first, among the governments of the western hemisphere, to tackle the problem of inflation in an attempt to find reasonable solutions.

It is true that this is not easy and that the taxpayers must participate. However, it must still be recognized—and I hope that my hon. friends will admit it—that we are going through the seventh consecutive year of expansion in Canada. Our country has never experienced an expansion period of that duration. But when we experience an expansion period such as ours, it is normal that, at a certain time, necessary means have to be taken in order to maintain the progress which ensures that expansion, and the action taken by the hon. Minister of Finance (Mr. Sharp) is that of a responsible man. We are not here to make presents to anyone; we are here to manage the taxpayers' money and it is imperative, in order to balance our budget, to call on the taxpayers.

My honourable friends said that we had left the corporations alone but the $240 million which will be levied this year, that is for the fiscal year 1968-69, on the corporations come from taxes which they would not have had to pay if we had not moved forward by two months the tax payment period. It is true that, in doing so, we are perhaps correcting an existing deficiency. However, in past years, we have regularly shortened the period of tax payment for the corporations and I hope that, in the near future, we shall continue to follow that course of action.

I would have hoped that our hon. friends, instead of blaming us for taking such a concrete step, would at least have appreciated the fact that we took a step in the right direction.

Naturally, I am sorry that the taxpayers have to pay 5 per cent more in taxes. However, I think that the Canadian taxpayers are happy and appreciate the fact that the situation in Canada is better than in the United States, and still better than that of the taxpayers in England who are led by a socialist party.

In my opinion, Mr. Chairman, we must keep a certain perspective and, if we are responsible, we should be able to explain to the Canadian taxpayers that they must bear their part of the burden and that they should be happy to do so, because we have never known such a long period of prosperity in our country and it seems to me that the government must take the necessary steps to preserve that prosperity.

This bill is in line with this fiscal responsibility. We have been and we still are in an adjustment period. But instead of acting irresponsibly, we must face the difficult facts and

situations. We experienced a difficult situation in 1959, 1960 and 1961, and we do not want that to occur again. That is why we want the present Minister of Finance to act responsibly.

That is why I say that we are happy to support him in the circumstances and that we do not fear to assume our responsibilities.

• (5:20 p.m.)

[*English*]

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I should like to say a few words on this subject. It was not my intention to speak until I heard the remarks of the Minister of Finance. There are certain things which arouse the members of this party. When I hear the minister give a long dissertation about how at this time it is impossible to draw a line in respect of the subject of income tax deductions it seems to me it is time that a few of us pointed out some things. I know that in this country there are wealthy people and members of corporations who are permitted to make deductions from their income taxes for a great many things far beyond the bread and butter necessities of many other people.

I do not intend to be diverted from this situation by the minister's learned discourse about the difficult economic circumstances or by the remarks of the Minister of National Revenue about countries which are in an inferior position to Canada at this time. There are people in this country who are now permitted to deduct many items from their income tax. Ever since I have been a member of the house I have been trying in vain to point out that there are other people to whom no consideration is given who are in a much less favourable position. The other day I pointed out that there are a great many parents who live without a partner and are the sole support of their families. These people are obliged to go out to work in order to earn a living to provide for their families. The minister does not give them the opportunity to deduct from their income tax the wages they must pay to a housekeeper or a babysitter. This situation exists in spite of the fact that other people are allowed to deduct entertainment and actual living expenses from their income tax. No one can tell me that it is difficult to draw lines in a matter of this nature.

We have heard about the workers who are not permitted to deduct the cost of necessary equipment such as boots, tools and safety helmets. Seventy per cent of the married women who are gainfully employed have preschool children at home. It is necessary for these women to secure employment outside the home because in many cases they are married to men earning less than $3,000 a year. If we had a government which was genuinely concerned about seeing that all the people paid their fair share of income tax, we would not have a situation in which the lower income group do not have the income tax exemptions they should have while the rich and powerful groups have permanent income tax deductions. This is discrimination. It is discrimination against those people who are endeavouring to take care of themselves.

I should like to remind the Minister of Finance that the Minister of National Revenue suggested that the Canadian people are not imbeciles. They certainly are not. A great many people are realizing that the present income tax is inequitable and unfair. The members of this party do not intend to vote for a 5 per cent surcharge which will fall most heavily on those people who are least able to pay it.

Mr. Orlikow: Mr. Chairman, the Minister of National Revenue came to this house with a label which suggested that he is a liberal with a small "l". It is obvious there is truth in the rumour that he is a supporter of the present Minister of Finance in his bid for the leadership of the Liberal party. I have never seen a minister react so sensitively to what I believe were pretty reasonable suggestions on our part. No one in this group suggested that the situation is not serious. No one suggested that the government does not need money. We have merely suggested that the government should apply some principles of equity.

The members of this group have mentioned the fact that miners and construction workers are not permitted to deduct as an expense for income tax purposes the legitimate expenses they must incur in the purchase of hard hats and other equipment of that type. The hon. member for Vancouver-Kingsway referred to married women who must have help at home in looking after their children and the fact that they are not permitted to deduct the money expended in this matter from their income tax. There are construction workers in my constituency who must drive 30 miles each way every day in order to get to and from their employment. They cannot deduct the cost of this transportation but a lawyer or a businessman may automatically deduct 50 per cent of the cost of operating his car even

if he drives his car only a mile or two from his home to his employment. This is the type of situation that is being allowed to continue by the Minister of National Revenue who was a liberal before he became a minister accustomed to the nice things one has when in power. This is the type of situation we have been trying to get the government to change.

We are always told that further study is required. Of course this is a complicated situation, but why does the minister not take a look at the recommendation of the Carter commission? The commission recommended that there be an automatic ceiling—I admit that the recommendation may be a little too tight—in respect of a businessman who travels to another district and has hotel and meal expenses. It is not essential that every businessman patronize the most expensive restaurants every day in the city he happens to be visiting. This, however, is the kind of system we have and the kind of system which the Minister of National Revenue defended when he spoke. He shakes his head, but I suggest we are entitled to assume this is the position he takes until he does something about the inequitable situation as between those who can afford to pay but get away with murder and those who cannot afford to pay but are forced to do so. The members of this group do not intend to vote for this measure which the government wishes to impose, nor will they listen without reply to the type of lecture we have just had from the Minister of National Revenue.

[*Translation*]

Mr. Chrétien: Mr. Chairman, I should like to direct a question to the hon. member for Winnipeg North (Mr. Orlikow).

How can he explain to us that less than 48 hours after the presentation of the Carter report, his party was ready to have it passed by the House of Commons while a few days after, several members of his party, including an hon. member for British Columbia, who is seated behind his leader, I have forgotten the name of his constituency—

An hon. Member: Skeena.

Mr. Chrétien: The hon. member for Skeena (Mr. Howard) and other members of his party asked that certain recommendations of the Carter report be not applied as regards the mining industry and the development of natural resources. Could the hon. member for Winnipeg North explain that to me, since he seems such an expert as far as the explanation of the Carter report is concerned?

• (5:30 p.m.)

[*English*]

Mr. Orlikow: At this time I do not intend to go into details as to why we support the basic principles of the Carter commission report. I suggest to the Minister of National Revenue that he take home a copy of that report, in English or in French, and study it tonight. He should also take a copy of the submission to the government by the Confederation of National Trade Unions from which I quoted earlier. That organization supports and endorses the principles of the Carter report and explains how the ordinary citizens of this country would benefit by the adoption of certain recommendations. It is apparent the minister wishes to defend big business. I suggest that he read their submission and the report in order that members of this party will not have to lecture him at length in this chamber.

[*Translation*]

Mr. Chrétien: Mr. Chairman, with regard to the Carter report, I should like to make a correction.

The hon. member for Winnipeg North would have us believe that we oppose its recommendations. Generally speaking, we do not oppose the recommendations of the Carter report. Only, we know something about it, having studied it for months, because we took the time to analyse it, whereas the leader of the New Democratic party (Mr. Douglas) already had general views about it and accepted them all less than 24 hours after the voluminous report was brought in.

Only, we have spent a few months studying it and we were about to present the white paper on fiscal reforms some time during the winter. Unfortunately, certain incidents forced us to postpone it for a few months, because the right hon. Prime Minister (Mr. Pearson) saw fit to retire. We have been working on the Carter report for almost seven months. We are in the process of formulating fiscal reforms for Canada which will surprise my hon. friends of the New Democratic party; they will lose nothing by waiting a few weeks more to know the views of a progressive party, that is, the party that sits on this side of the house.

[*English*]

Mr. Germa: Mr. Chairman, the Minister of National Revenue was misrepresenting the facts when he said that members of the N.D.P. were always in favour of spending

money and opposed to taxation. That is not our position, but we question the equity of present taxation. We recognize the fact that taxation is a great equalizer of revenue.

The minister suggests that we in this country are very lucky because President Johnson is proposing a 10 per cent increase in taxes. If this government is attempting to mimic the United States I suggest it is making a mistake. We should not match our financial position with that of the United States. I suggest that the financial position there is worse than that of any government in the history of the world. The minister should not try to lead us down the garden path by making comparisons with United States financial measures.

The minister also made reference to economic measures being taken by Great Britain. Obviously such measures are necessary to correct the 400 years of poor administration by governments in that country. The Minister of Trade and Commerce referred to the plight of the mining companies at Elliot Lake. How many millions of dollars did Rio Tinto and Rio Algom take out of Elliot Lake mines? Who has been left to pay the bills? Who has been heating the 400 houses in Elliot Lake since the mining companies left? Hon. members know as well as I that the bills are being paid by the Ontario Housing Corporation. Who is supporting the hospital there built to serve a population of more than 30,000 but now amounting to about 8,000? We all know that these costs are being paid by the taxpayers and have been paid by them since the uranium mining companies moved out.

The average citizen of this country is not enjoying a higher standard of living because of higher wages. Every time there is an increase in his wages there is an increase in taxes. I hope hon. members are aware of the fact that mining companies enjoy special privileges at the federal and provincial levels. It is a mystery to me how these companies have seduced various governments. They are in effect perpetrating a rape of provincial and municipal governments. There is only one industry in the province of Ontario which does not have to pay municipal taxes and that is the mining industry.

We must have remedies for all these situations before we increase the tax burden on individuals in this country. We in this party cannot support this measure to increase the tax burden in order to bail this government out of the financial mess in which it finds itself. I suggest that the government should

[Mr. Germa.]

seriously consider adopting certain recommendations of the Carter commission.

Let me remind the minister of his statement of November 30 in which he suggested that the Carter commission recommendations could not be applied to the financial situation in 1969. We all agree that financial positions change, but basic principles do not. We in this party believe there must be a change in our tax structure but the change must be based on equity. Until an equitable tax policy is adopted we in this party will not support measures of the type now under consideration.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to say a few words on this question of the tax increase, because I was surprised a while ago to hear the hon. Minister of National Revenue (Mr. Chrétien). It is the first time I hear such a statement from a minister: The people of Quebec, the taxpayers will be happy about the increases. That is precisely what I heard. The minister said it at least three times and the hon. member for Bonaventure (Mr. Béchard) can testify to that because he was next to me when we listened to him. He said that the taxpayers would be happy about that increase. I have never heard anything like that.

• (5:40 p.m.)

If an increase of 5 per cent makes the people happy, let us make them really happy by increasing the income tax by 15 to 20 per cent. I have never known anyone to say that he was happy about a tax increase, in spite of what the Minister of National Revenue said earlier. I would like to see him tell the people: Be happy, we are increasing taxes. When have the taxpayers been happy because the government was increasing the income tax? The minister could at least have used another word. Increases in income tax do not make a man happy. If I am mistaken, taxpayers can be made happier by increasing their taxes by 10 or 15 per cent. I, for one, find that diametrically opposed to public opinion.

I heard the minister say that for the seventh consecutive year we are experiencing an expansion. An expansion of what? One thing has been progressing for the last three of four months: unemployment. In fact, that is what is progressing the most in the province of Quebec, in the province of the Minister of National Revenue, where the unemployment average has reached 7.5 per cent of the labour force. That means that 7.5 per cent of Quebec

citizens suitable for work are unemployed, and the Minister of National Revenue says that we are in a period of expansion. Is that what the minister means by expansion? Expansion of taxes, that is true; expansion of taxes of all kinds, nothing else.

The Minister of Finance (Mr. Sharp) has been in office for at least three years, and taxes have increased. That is an expansion which has not decreased. Expansion of unemployment and decrease in construction, those are the facts.

The minister seems to say that we are in the midst of a period of prosperity and expansion. If we are, why is unemployment increasing at that rate? It seems to me that the Minister of Finance and the Minister of National Revenue should realize that the period of expansion has come to an end, and it is now time to take steps so as to give new impetus to our economy, instead of hindering it by further tax increases.

When I look at the government's estimates for the next fiscal year and I realize that the interest on the public debt has increased by $130 million, I conclude that taxes are raised simply in order for the government to be able to face the increase in the interest charges on the public debt.

The other day, on the orders of the day, I asked the Minister of Finance and Receiver General whether that increase was due to an increase in the rate of interest or an increase in the debt itself. The Minister of Finance refused to answer. I should like to have an answer.

If taxes are raised, it is because expenses are increasing and the item that shows the largest increase is that relating to the interest on the national debt. Is that due to an increase in the debt or in the interest rate? This question should be answered. I, for one, am convinced that it is due to an increase in the interest rate. In that case, the thing to do is not to raise income tax but rather to see to it that the interest rate paid by the government on its debt is lowered. All our difficulties arise from the fact that two years ago, the Minister of Finance raised the ceiling on the interest rate charged by the chartered banks. This has resulted in a considerable increase in the interest rate.

In the construction field, the rate of interest is now 8¾ per cent. This is the highest interest rate the construction industry has ever experienced since confederation. We had to commemorate the hundredth anniversary of Canada to see the interest rate soar to 8¾ per cent. Never before had we seen such a thing in Canada. People who want to build a house must pay an interest of 8¾ per cent. Furthermore, the government is also a victim of this interest rate increase since this year the estimates show an additional $130 million, due to the fact that the government will have to pay a higher interest rate on the public debt.

If tax increases are only meant to pay big financiers a higher interest rate on the public debt—previously it was somewhere between 5 and 5½ per cent, which is high enough—if this is the only reason for increasing the income tax this year, I say that the Minister of National Revenue should refrain from telling us that the Canadian people are happy. It is known that those increases will only serve one purpose finally. According to the 1968-69 main estimates submitted to us, we find that next year, we shall simply be paying a higher interest rate to some big financiers and capitalists.

The minister also added at one point that not only the people but Liberal members too will be happy. Well, I would like to hear Liberal members from Quebec tell their constituents: We are happy about the taxes because you are happy about those increases. Once again, it is realized that they will only serve to pay a higher interest rate on the public debt. There is nothing to be happy in that but, on the contrary, much to be sad about and even very sad. I find this deplorable and I am convinced that the Canadian people will agree with me and that they will get rid of the present Liberal administration very soon.

I wish to join those who spoke before me in protesting. Above all, let no one tell us that we are going through a period of expansion at a time when the only expansion is in the field of unemployment. The government should take steps to help the people and to give an impetus to the economy, instead of the measures it is taking now which harm the people and create poverty and unemployment.

[*English*]

Some hon. Members: Question.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: The question is on clause 5. Shall clause 5 carry?

Some hon. Members: Carried.

Some hon. Members: No.

The Chairman: Those in favour of clause 5 will please stand.

During the taking of the vote:

Mr. MacInnis (Cape Breton South): You can't vote; you just slipped in.

After the taking of the vote:

Clause agreed to: Yeas, 65; nays, 62.

The Chairman: I declare clause 5 carried.

Clause agreed to.

• (5:50 p.m.)

The Chairman: Shall clause 6 carry?

Mr. MacInnis (Cape Breton South): Mr. Chairman, I rise on a point of order. It is generally accepted that once the Chair calls a vote no member is allowed to enter the chamber from behind the curtains. This happened on the other side. The Minister of National Health and Welfare came in after the vote was called and so did another hon. member in the back row.

Some hon. Members: Oh, oh.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on the same point of order—

[*English*]

The Chairman: Order, please.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on the same point of order.

The hon. member for Mercier (Mr. Boulanger) remained standing while his colleagues in the same row had sat down, in order to be counted with those in the fourth row.

Mr. Chairman, I submit that the hon. member for Mercier remained standing to be counted twice.

[*English*]

The Chairman: Will the hon. gentleman please be seated.

Some hon. Members: Recount.

[*Translation*]

Mr. Boulanger: Mr. Chairman, I rise on a question of privilege.

On some occasions, I thought that the hon. member for Lapointe (Mr. Grégoire) had dignity, was a serious man and had some respect for his colleagues, but his accusation against me is unworthy, vile and false.

[The Chairman.]

[*English*]

The Chairman: Order, please. Shall clause 6 carry?

Mr. MacInnis (Cape Breton South): Mr. Chairman, a point of order was raised and two members of the house have drawn your attention to the fact that members entered the chamber after the vote was called. I specifically named the Minister of National Health and Welfare as one of those members. The hon. member for Lapointe identified others. This is not supposed to take place.

Mr. Orange: On a point of order, Mr. Chairman, I wonder about the eyesight of the hon. member for Cape Breton South because the Minister of National Health and Welfare has been sitting beside me for the last ten minutes trying to convince me about something that is outside the purview of the house.

An hon. Member: I wonder what.

Mr. MacInnis (Cape Breton South): On a question of privilege, Mr. Chairman, an hon. member has just drawn to your attention the fact that there may be something wrong with my eyesight. May I draw your attention to the fact that there is nothing wrong with the hearing of the Minister of National Health and Welfare who is capable, I think, of speaking for himself. If he was here when the vote was called he would have been the first to rise in his own defence. The minister found it necessary to leave his seat and he probably got caught on the way.

The Chairman: Order, please.

Mr. MacEachen: Mr. Chairman, I should like to support the hon. member for Northwest Territories. I want to assure the committee and the Chair that I was sitting in that part of the house for a considerable length of time and when the vote was finished I came over to congratulate the whip, not only for winning the vote but for his unerring accuracy in counting it.

The Chairman: Order, please. Perhaps I should read to the committee standing order 12 (2) which applies in this case. It reads as follows:

> When Mr. Speaker is putting a question, no member shall enter, walk out of or across the house, or make any noise or disturbance.

This is the applicable standing order, and I would hope that hon. members would be governed by it.

Mr. MacInnis (Cape Breton South): Mr. Chairman, further on the point of privilege, I should like to refer you to a precedent in the house when the Speaker referred to the bringing up of a question of privilege.

The hon. member for Lapointe was involved at that time. The Speaker said the question of privilege should be brought up immediately and he reminded him that he had not done so. I would also draw your attention to the fact that when I first brought up the subject the Minister of National Health and Welfare had the opportunity to defend himself. He passed it up, and when he finally got to his feet he did not state that he was in his place or in the house when the vote was called. All he said was that he left the seat he had been occupying to come over to congratulate the whip on winning the vote. He did not say he was here when the vote was called.

Mr. Tucker: Mr. Chairman, had I voted I would have voted for the bill.

The Chairman: Shall clause 6 carry?

On clause 6—*Refund of tax.*

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I have two minutes left in which to speak. When this measure was brought in it was brought in as part of a method of controlling the economy and, in particular, controlling inflation. At that time I objected to the way in which the minister had bound his hands with regard to the refunding of the refundable tax because, as will be recalled, the money was to be held for 18 months and could be repaid at the end of 18 or not more than 36 months. Now it is proposed that the 18 months provision be taken out and that the money be repaid not more than 36 months after the payment of the tax. It seems to me, if this sort of tax is to be of any value, that some discretion must be left to the government with regard to the time when they can re-inject the tax money into the economy.

At the time the tax was introduced I suggested that the minister had read rather carelessly reports of the measures that were taken in Sweden along similar lines. Had he read them more carefully he would have realized that in Sweden it is left entirely to the government of the day to decide in its discretion when such funds shall be re-inserted into the economy. May I call it six o'clock?

Income Tax Act

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Vancouver-Kingsway (Mrs. MacInnis), The Canadian Economy—steps to meet increase in cost of living; the hon. member for Winnipeg North (Mr. Orlikow), Criminal Code—suggested amendments respecting representation by counsel; the hon. member for Skeena (Mr. Howard), Industry—possible change in criteria respecting designated areas.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

INCOME TAX ACT

The house resumed consideration in committee on Bill No. C-193, to amend the Income Tax Act—Mr. Sharp—Mr. Tardif in the chair.

The Assistant Deputy Chairman: Order. When the committee rose at six o'clock it was considering clause 6 of Bill No. C-193.

On clause 6—*Refund of tax.*

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, when the committee rose for dinner I was suggesting that the effectiveness of this particular piece of legislation as contained in the bill—that is to say, section 105J of the Income Tax Act—was rendered largely ineffective by the limitations that were placed upon the discretion of the minister with regard to refunding the amounts paid by those who qualified under the refundable tax scheme. It seemed to me that if this measure was to be of any use it would have to be left to the discretion of the minister when to return those funds to the economy. We were told that in large measure this was part of the government's policy in relation to the control of inflation. Presumably it was an economic weapon to control the economy.

Consequently, Mr. Chairman, I should like to move the following amendment:

That clause 6 be amended by deleting all the words after "prescribe" in the ninth line.

In that way, Mr. Chairman, the minister will be able to judge when the economy will benefit by having the funds that have accumulated under this tax returned to the economy.

I might also point out that the minister has been repeatedly telling us that the government finds it necessary to go to the market for funds. It may be useful in the near future for the government to be able to retain the funds they have on hand on which they are committed to pay 5 per cent, considerably less perhaps than the amount they have to pay if they go into the market. Therefore, for that reason I move this amendment, which I think will make this tax, ineffective though it was to start with, slightly more effective than it would have been in this measure.

Mr. Sharp: Mr. Chairman, I would remind the hon. member for Nanaimo-Cowichan-The Islands and also the members of the committee that when I presented my budget statement to the house on November 30 I announced government policy on the repayment of this refundable tax. I said at that time that we now proposed to begin the refunding process in June 1968, refunding then the payments received before June 30, 1966. Every second month thereafter we will refund one month's receipts. In August 1968 we will refund payments received in July 1966 and so on.

Therefore, I did give a declaration of government policy in relation to how we intended to refund the amounts that we had collected. The purpose of the amendment that is before us is to enable us to carry out another of the policies that I announced at the same time, namely that in order to reduce administrative costs we should refund with our first payments in June the total amount received from those corporations whose aggregate refundable tax did not exceed $1,000. I said we will be asking parliament for authority to do this, and that is the purpose of the amendment now before the committee.

It would not have been necessary, Mr. Chairman, to ask for that amendment had it not been for the limitation that required us to retain the money for 18 months. This amendment enables us to refund in the first payment the very small amounts that have been collected under this tax.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

I find it difficult, for several reasons, to agree with the proposed amendment of the hon. member. First of all, when we introduced the legislation we stated the policy of the government, and parliament approved it, namely that the amounts collected should be repaid in not less than 18 months and not more than 36 months. To amend the law now so as to remove the limitation of 36 months would be to change the conditions under which the money was first raised. I know of course that in all taxation statutes it is always possible to change the burden of taxation, which in effect is what the hon. gentleman is proposing. He is proposing we should retain the money somewhat longer at a relatively low rate of interest and refund it at some other time. However I do not think it would be good public policy to change the date.

In the second place, Mr. Chairman, the government itself decided and announced that it would not wait 36 months but would in fact repay the amounts two years after the date, this being appropriate policy under present financial and economic circumstances. So I do not think that the government needs the additional period of time that would be made possible by this amendment. For these reasons I feel I should reject it.

I am not certain whether this is a valid amendment for a private member to move, but I am not raising that question at the moment.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, unlike most of the minister's arguments I find this one quite persuasive and with the permission of the committee I will withdraw my amendment.

The Assistant Deputy Chairman: Does the committee give the hon. member the right to withdraw the amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time? By leave, now?

Some hon. Members: By leave, now.

Some hon. Members: Next sitting.

Mr. Deputy Speaker: Mr. Sharp, seconded by Mr. Benson, moves that Bill No. C-193, an act to amend the Income Tax Act, be now read a third time and do pass.

• (8:10 p.m.)

Mr. Starr: Call the yeas and nays, Mr. Speaker.

Mr. Sharp: I think the hon. member misunderstood—

Mr. Starr: Order, please. Mr. Speaker, please call the yeas and nays.

Mr. Deputy Speaker: Is the hon. member addressing his remarks to the Chair?

Mr. Starr: Your Honour called third reading and we should like you now to call the yeas and nays. I wish the Clerk would sit down.

Mr. Deputy Speaker: Shall I put the motion, as moved by the Minister of Finance?

Mr. Starr: That is right, yes.

Mr. Robichaud: Mr. Speaker—

Mr. Starr: On a point of order, Mr. Speaker. Your Honour called third reading and we have asked for the yeas and nays to be called. Let us proceed now, and not retract.

Mr. Deputy Speaker: Order, please. I have put the motion for third reading as moved by the Minister of Finance.

An hon. Member: But it was not seconded.

Some hon. Members: Oh, oh.

Mr. MacEachen: I rise on a point of order, Mr. Speaker. The Minister of Finance has not moved the third reading of the bill, and the motion has not been seconded.

An hon. Member: Oh, yes, it has.

Mr. MacEachen: With respect, it has not been.

Mr. Starr: What is the minister trying to do?

Mr. Sharp: Nothing.

Mr. Deputy Speaker: Order, please. Do I understand that the Minister of Finance does not want the bill to be read a third time now?

An hon. Member: At the next sitting of the house.

Mr. Sharp: No, no.

Some hon. Members: Shame.

Mr. Churchill: On a point of order, Mr. Speaker. You asked the house, "Shall the bill be read now a third time," and the answer of the house was, yes. That put the matter in the category of where Your Honour must put the motion, and you were proceeding to put the motion. It automatically follows that the Minister of Finance, who is the mover of the bill, has called for or is moving for third reading, and I do not see how any retraction can occur at this time.

The house was specifically asked by Your Honour whether the bill should be read a third time, and the answer of the house was, yes. Your Honour should proceed with the instructions of the house. The Speaker carries out the instructions of the house always; that is what the Speaker does. Your Honour knows what the house has instructed you to do and we should proceed to third reading.

Mr. Robichaud: Mr. Speaker, I was sitting next to the Minister of Finance—

Some hon. Members: Oh, oh.

Mr. Robichaud: —and when you stated that the Minister of Finance moves the third reading of the bill, the Minister of Finance, from his seat, said "No".

Mr. Starr: The minister is mistaken, surely, because it did not happen that way.

Mr. Sharp: Mr. Speaker, I have no objection to third reading. I did not move the motion, and I am sorry if Your Honour misunderstood. I was trying to catch your eye. If it is the wish of the house, I am perfectly happy to have third reading.

Mr. Starr: Then why is the minister trying to hold up parliament?

Mr. Deputy Speaker: Perhaps the house would allow me a moment to clear up the difficulty. When I asked whether there should be third reading I understood that there was no objection.

Mr. Starr: That is right.

Mr. Deputy Speaker: I then proceeded to put the regular motion. In the meantime, I understand that there was some objection to third reading. If there was, I apologize, because I did not hear the objection.

Mr. Starr: Would Your Honour call the yeas and nays.

Mr. Deputy Speaker: Does the house wish to proceed with the motion for third reading?

Mr. Starr: Yes.

Division

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

An hon. Member: On division.

Mr. Starr: No, no, Mr. Speaker. Please call the yeas and nays.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The house divided on the motion (Mr. Sharp) which was negatived on the following division:

• (8:20 p.m.)

YEAS

Messrs:

Andras
Badanai
Basford
Batten
Béchard
Benson
Berger
Blouin
Boulanger
Cadieux
Cantin
Caron
Cashin
Chatwood
Chrétien
Clermont
Coté (Longueuil)
Drury
Dubé
Duquet
Emard
Gordon
Goyer
Granger
Gray
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Hymmen
Isabelle
Laing
LaMarsh (Miss)
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
Legault
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
Mackasey
McIlraith
McLean (Charlotte)
McNulty
Marchand
Matheson
Matte
Munro
Neveu
Nixon
Noël
O'Keefe
Olson
Orange
Ouellet
Pelletier
Pennell
Pepin
Pilon
Prud'homme
Reid
Richard
Robichaud
Roxburgh
Ryan
Sauvé
Sharp
Stanbury
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Tolmie
Tremblay
Trudeau
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winters—82.

NAYS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Baldwin
Barnett
Bell (Carleton)
Bower
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Chatterton
Churchill
Clancy
Coates
Code
Crouse
Danforth
Diefenbaker
Dionne
Douglas
Fairweather
Fane
Flemming
Forbes
Fulton
Gauthier
Germa
Gilbert
Godin
Grégoire
Grills
Gundlock
Hales
Hamilton
Harkness
Hees
Herridge
Howard
Irvine
Kindt
Knowles
Korchinski
Lambert
Laprise
Leboe
Lewis
MacDonald (Prince)
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.)
McIntosh
McKinley
McLelland
Madill
Mandziuk
Monteith
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nielsen
Noble
Nugent
Orlikow
Patterson
Peters
Prittie
Rapp
Régimbal
Schreyer
Sherman
Simard
Simpson
Smith
Southam
Stanfield
Starr
Stefanson
Thomas (Middlesex West)
Thompson
Valade
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Woolliams—84.

• (9:40 p.m.)

Mr. Speaker: I declare the motion lost.

Some hon. Members: Resign, resign.

And the order having been read: Government order No. 1, house again in committee of supply:

Some hon. Members: Ten o'clock.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

The Chairman: Supplementary estimates for 1967-1968, the Department of Finance.

DEPARTMENT OF FINANCE

4c. Administration—Grant to the endowment fund of the Vanier Institute of the Family—L'Institut Vanier de la famille, $236,869.

Mr. Fulton: In the circumstances I would move that the committee rise and report progress, and Mr. Speaker resume the chair, in order to enable the government house leader to move the adjournment, which is, I think the appropriate course in the circumstances.

Mr. MacEachen: We have called the business for the rest of the day, supply, Department of Finance, and there is no motion.

Mr. Fulton: Then I move that the committee do rise and report progress.

Mr. Diefenbaker: Do you remember February 5, 1963? It was a long road.

Motion (Mr. Fulton) agreed to: Yeas, 79; nays, 78.

The Chairman: I declare the motion carried.

Some hon. Members: Hear, hear.

Progress reported.

Mr. MacEachen: Mr. Speaker, I should like to call item No. 64 on the order paper.

Mr. Starr: I rise on a point of order. I think that in view of what has transpired this evening there should be no more motions put before this house. The house should adjourn at this time.

Some hon. Members: Hear, hear.

Mr. Speaker: The hon. member will realize that it is not the responsibility of the Chair to adjourn the house at this time. It is the responsibility of the government to propose the business even at this late hour. It is always possible for the opposition to propose a motion for adjournment.

• (9:50 p.m.)

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: There are always reasons to break rules and on this occasion I rise for the purpose of placing before you, Mr. Speaker, the position of affairs in which this house now finds itself. It is a long road that has no ash cans.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I remember so well February 5, 1963, when the decision was made that the government was out. These were the people opposite who said that. Now let them live by their own words.

Some hon. Members: Hear, hear.

Some hon. Members: Resign.

Mr. MacEachen: Mr. Speaker, I am delighted that the Conservative party has finally got a leader.

Mr. Crouse: Don't you wish you had one?

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. MacEachen: Mr. Speaker—

Some hon. Members: Resign.

Mr. Speaker: Order, please. I am sure hon. members will agree that there should be some measure of order in the house for the next few minutes. I still believe that my point was well taken when I suggested to hon. members that the procedure was clear, that if hon. members want to adjourn before the ten o'clock hour a motion can always be made for adjournment of the house. This I still suggest to hon. members is the correct procedure.

Order, please. The leader of the government has the floor.

Mr. MacEachen: Mr. Speaker, we have called item No. 64 on the order paper, the second reading of Bill C-202, and the minister is prepared to make a statement.

Mr. Speaker: Order, please. Perhaps I should be allowed to put the motion first and then we can proceed and it will bring us a little closer to ten o'clock.

NATIONAL HOUSING ACT

AMENDMENT TO INCREASE RATIOS FOR INSURED LOANS

Mr. Speaker: Mr. Benson, seconded by Mr. Sharp, moves that Bill No. C-202, an act to amend the National Housing Act, 1954, be now read a second time.

Mr. Churchill: On a point of order.

Mr. Speaker: Order. The hon. member for Winnipeg South Centre on a point of order.

Mr. Churchill: On a point of order, Mr. Speaker, I think under the circumstances, the government having been defeated and obviously quite leaderless, with a lame duck Prime Minister (Mr. Pearson) who is holidaying in Jamaica, it seems to me the only course open to the government is to adjourn the house now and have whoever is the leader take the appropriate action tomorrow. But there is another point I want to make, sir, and that is that when the house has reached a situation such as this it is within the competence of the Speaker himself to adjourn the house. It is obvious, sir, that no useful business can be carried on tonight and I suggest you exercise your authority.

Mr. Speaker: The hon. member is suggesting that I take the powers vested in me to adjourn the house when there is disorder in the house. I suggest to hon. members that I should not be placed in this position.

Mr. Fulton: Mr. Speaker, I raise a similar point of order to that raised by the hon. member for Winnipeg South Centre (Mr. Churchill). These occasions arise, whether happily or unhappily who knows, but there are precedents for them, and the most recent was in February, 1963. I put it to hon. gentlemen opposite that on that occasion when a defeat was suffered in the house the government accepted its responsibility to parliament and the country and immediately moved the adjournment of the house, so that it might consult with itself and find out what the appropriate thing was to do. We now have three minutes left tonight. My point of order to you and to the government is that the appropriate thing for the government is to move the adjournment of the house so as to not make it impossible to carry on in an orderly fashion the business of the country, because I say if the government insists on proceeding there will be disorder. The situation is clear. I suggest the government move the adjournment of the house.

Mr. Speaker: Order, please. Is the President of the Treasury Board rising on a point of order?

Hon. E. J. Benson (President of Treasury Board): No, Mr. Speaker. I wish to proceed with the order of business which is before the house.

[Mr. Speaker.]

Some hon. Members: No.

Mr. Starr: You have not got the authority.

Mr. Benson: We have a bill before the house—

Mr. Nielsen: On a point of order—

Mr. Benson: —to reduce the payments for people—

Some hon. Members: Sit down.

Mr. Speaker: Order. Is the hon. member for Yukon rising on a point of order?

Mr. Nielsen: I am rising on a point of order, Mr. Speaker. I have not checked the precedents in a case of this nature but I well remember, as will hon. members in the house who were here at the time, the circumstances that occurred in February 1963, and surely it is a hollow mockery of the democratic form of government, after a government has been defeated, that it should have the arrogance to insist on placing business before the house which it has no hope—

Some hon. Members: Hear, hear.

Mr. Nielsen: Surely, sir, these people across the way do not rule by divine right.

Some hon. Members: Hear, hear.

Mr. Nielsen: They should resign.

Mr. Speaker: Order, please. The hon. member is raising a point of order which was made previously.

Mr. Monteith: It has to be driven home.

Mr. Benson: Mr. Speaker, I can honestly say, if I can just continue for a few words—

Some hon. Members: Order.

Mr. Benson: —that hon. members opposite do not want—

Some hon. Members: Order.

Mr. Benson: —to make it easier to own homes in this country and—

Some hon. Members: Order.

Mr. Benson: —I would be quite pleased—

Mr. Speaker: Order, please. May I suggest to hon. members that it is ten o'clock.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. May I take it that it is not the desire of the house to proceed with the adjournment business?

Some hon. Members: Agreed.

Mr. Speaker: It being ten o'clock this house stands adjourned until two thirty o'clock tomorrow afternoon.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, February 20, 1968

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

Hon. Allan J. MacEachen (Minister of National Health and Welfare): I move:

That this house do now adjourn.

Mr. Stanfield: Mr. Speaker—

Some hon. Members: Order.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Stanfield: I think in the circumstances I might be permitted to say something.

Some hon. Members: No.

Mr. Speaker: Order, please. I am sure hon. members wish to proceed in an orderly fashion. I have to bring to the attention of the Leader of the Opposition that the motion is not debatable, though by consent he might be allowed—

Some hon. Members: No.

Mr. Ricard: It is a rotten Grit trick.

Motion agreed to and the house adjourned at 2.37 p.m.

HOUSE OF COMMONS

Wednesday, February 21, 1968

The house met at 2.30 p.m.

HOUSE OF COMMONS

PROPOSED MOTION RESPECTING HOUSE VOTE ON BILL C-193

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, a motion has been submitted for the order paper in the following terms. I move, seconded by Mr. Martin (Essex East):

That this house does not regard its vote on February 19th in connection with third reading of Bill C-193—

Some hon. Members: Oh, oh.

Mr. Starr: What does this government regard?

Mr. Pearson: My hon. friends seem a little excited.

Mr. Starr: You are more excited than we are.

Mr. Speaker: Order, please.

Mr. Pearson: Perhaps, Mr. Speaker, I might be allowed to read this motion which has been submitted to the order paper. It continues:

—in connection with third reading of Bill C-193 which had carried in all previous stages, as a vote of non-confidence in the government.

Without going into the substance of this motion at this time, and in a purely procedural way I ask for unanimous consent—

Some hon. Members: No.

Mr. Pearson: —that notwithstanding the 48 hour regulation this motion may be considered at once by this house.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, we take the position that this government has no right to put any business before this house—

Some hon. Members: Hear, hear.

Mr. Stanfield: —including a motion of confidence. It was defeated on a bill to raise taxes, a fundamental part of the government's program, a defeat clearly involving a loss of confidence of the house.

Some hon. Members: Hear, hear.

Mr. Stanfield: The constitution and the constitutional practice must be respected. It is fundamental to our constitution that such a loss of a fundamental vote of confidence involves resignation or a recommendation for dissolution.

Some hon. Members: Hear, hear.

Mr. Stanfield: The government, to try to place any business or any substantive motion before this house, would make a mockery of the vote that took place on Monday evening.

Some hon. Members: Hear, hear.

Mr. Stanfield: There is no precedent for a government defeated on such a fundamental matter as this to then try to do further business with the house, as it tried to do on Monday evening following that defeat—actually being defeated twice on that occasion —and again now trying to do so by putting this motion before the house.

I say, sir, that the government is flouting the constitution. It is flouting parliament. It has no right to present such a motion.

Some hon. Members: Hear, hear.

Mr. Stanfield: We therefore cannot agree to waive notice. To do so would be to make light of the vote that took place on Monday night. Furthermore since we believe and are convinced the government has no right to make such a motion, we certainly cannot agree to waive notice.

Some hon. Members: Hear, hear.

• (2:40 p.m.)

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of the New Democratic party take the position that while the government may have a constitutional right to ask the house for a vote of confidence, it has no moral right—

Some hon. Members: Oh, oh.

Mr. Douglas: —to ask this house for a vote of confidence in view of the fact that one of its major fiscal measures was defeated in this house last Monday night.

Some hon. Members: Hear, hear.

Mr. Douglas: In our system of parliamentary government the most important right is the right to impose taxes. This government has been denied that right by a majority of members voting on Bill No. C-193.

Some hon. Members: Hear, hear.

Mr. Douglas: However, Mr. Speaker, the defeat of that measure and the ineptitude of the government in dealing with it are merely symptomatic of the ineptitude of the government's handling of the entire Canadian economy.

Some hon. Members: Hear, hear.

Mr. Douglas: The vote which was held on Monday night is merely the culmination of a long process of disintegration of a government which is not only inept but so badly divided that it cannot make any decisions on major matters of importance.

Some hon. Members: Hear, hear.

Mr. Douglas: This party therefore takes the position that the government's only real option is to seek a mandate from the electorate and ask the voters of this country—

An hon. Member: Oh, oh.

Mr. Starr: If you had any principles that is what you would do.

Mr. Douglas: —whether they are willing to have a government impose a 5 per cent surtax on personal incomes at the same time they are handing back millions of dollars to corporations as the result of a refund tax that was imposed on these people. As the Prime Minister said last night, the government needs the money; but the Canadian people have a right to know whether the government needs it so badly that it should turn over tens of millions of dollars in the form of reimbursement to the corporations of this country. That is the issue on which this government should go to the electorate. That is the question on which members of the government should ask the voters for a mandate.

With reference to the motion which the Prime Minister has asked that we give consent to having debated today, I should say that while we think the government has no moral right to ask for a vote of confidence, we do not deny its constitutional right. Had the government brought in a straight motion of confidence we might well have agreed to proceed with the debate today. However, the motion which the Prime Minister has sent to the Clerk's office is not a motion of confidence; it is a motion asking this house to repudiate a decision it has already made.

Some hon. Members: Hear, hear.

Mr. Douglas: It is a motion asking this house to turn back the clock.

An hon. Member: Right.

Mr. Douglas: It is a motion which is so unprecedented in its arrogance that we have the right to ask for time to study it and assess its implications—

Some hon. Members: Oh, oh.

Mr. Douglas: —because I suggest to this house that this motion could be the prelude to the government seeking to reinstate Bill C-193, which otherwise it would be unable to do under the rules of the house.

Some hon. Members: Hear, hear.

Mr. Douglas: In my opinion this is the first step in an attempt to do something which the rules of the house prevent them from doing. This is an attempt to reimpose a tax which the House of Commons by vote denied the government the right to impose.

Some hon. Members: Hear, hear.

Mr. Douglas: Therefore, Mr. Speaker, we are compelled to ask ourselves whether we are now to have a repetition of the pipe line debate; whether we are to have another attempt to wipe the slate clean and start all over again; whether we are to have an attempt by the government to rewrite history and make the House of Commons reverse a decision that has been made in order to allow the government to then force another decision on this House of Commons and force a tax upon the Canadian people.

Therefore we cannot consent to proceeding with this motion today. If the government insists on placing it on the order paper of course it will come up on Friday. In our opinion the government ought to do what is the proper thing to do; that is, having been defeated, the government has the right to go to the Governor General and ask for

dissolution of parliament. If it is not prepared to do that, this house ought to adjourn until the motion the Prime Minister is going to move can be debated.

Mr. Woolliams: That's right.

Mr. Douglas: I do not think this house has any right to proceed with any business until this matter has been settled. It seems to me, therefore, that the government should have a little time to make its decision as to whether it wants to seek the dissolution of parliament or wants to proceed with the motion the Prime Minister has read.

With that in mind, Mr. Speaker, it seems to me there is little value in trying to continue with the business of the house. The house ought to adjourn until Friday. If at that time the government wishes to proceed with this motion we cannot prevent it from doing so. In the meantime, I hope the government will take the decision of last Monday night as an indication that it has lost the confidence of this house.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I deplore the interventions of some Conservative members when the Prime Minister (Mr. Pearson) rose to read the motion he is introducing today and which reads as follows:

> That this house does not regard its vote on February 19 in connection with the third reading of Bill C-193 which it carried on all its previous stages as a vote of non-confidence in the government.

Mr. Speaker, as the previous speaker just said, only the government, and nobody else, is to blame for the situation in which it finds itself at present. In fact, on the evening of the vote, the government did not have to move the third reading of Bill No. C-193; it did so, and the motion was defeated by a majority vote of the house.

If we believe that, in a democracy, parliament is the real sovereign of the country, we may say, in the present circumstances, that the government has been defeated by a parliamentary majority and that it should resign.

Some hon. Members: Hear, hear.

Mr. Caouette: The motion of the Prime Minister is to the effect that, on third reading, the bill had passed all the previous stages. It should be added that it was on division, since the various motions and the clauses of the bill were passed by the house on division, precisely because the government had a majority. We objected to Bill No. C-193 at the resolution stage. We are still opposed to it, and if the motion for third reading has been rejected by a vote in the house, I see no other way out for the government than to go to the people and ask for their opinion on the way in which the business of the country is to be dealt with.

• (2:50 p.m.)

I said earlier that the government alone is responsible for the situation in which it now finds itself. That is a fact. Monday evening the Deputy Speaker read the following motion:

> Mr. Sharp, seconded by Mr. Benson, moves that Bill No. C-193, an act to amend the Income Tax Act, be now read a third time and do pass.

The vote was taken. Much importance is being attached to the word "now". At that time the hon. Minister of Finance (Mr. Sharp) could have objected to third reading and deferred it for a day or two, or even a week. This was not done. Instead, the Minister of Finance said arrogantly: Yes, let the motion be put to a vote. We voted, and the government was defeated. Under the circumstances there is but one way out, and that is to go to the people.

With regard to the motion, we all know it is to be debated in 48 hours. The Conservatives are opposed to debating it today, as well as the New Democratic party.

As far as the Ralliement Créditiste is concerned, we would have allowed the government to discuss the matter today, in order not to waste any more public funds, through costly adjournments today and tomorrow. The Canadian people will be paying for that. We will probably be adjourning in a few moments to meet again only on Friday. In the meantime the Canadian people will be footing the bill.

Mr. Speaker, we would therefore have no objection to discussing the motion now, to throw light on the situation, to tell the government what we think, and to let the Canadian people know what is going on.

I feel that if all the members assumed their responsibilities we would allow the motion to be debated immediately to clear up the situation and straighten things out.

Motion Respecting House Vote

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, last evening in a statement to the Canadian people the Prime Minister outlined what he anticipated would be the procedure today and the position of the government with respect to this crisis in which they find themselves.

In the course of that presentation to the Canadian people reference was made to the fact that this is a situation which minority governments face constantly, but I suggest that this has nothing to do with a minority government situation, in view of the fact that when the vote was taken the other evening a great percentage of government supporters were not present in the house. Therefore had the government seen to it that their members were present and voting, there would have been no situation develop as we find it today.

Some hon. Members: Hear, hear.

Mr. Patterson: Therefore I cannot agree that this situation has anything whatsoever to do with the minority position in which the government finds itself. The Prime Minister also referred to the fact that the bill had previously passed all stages and had been supported by the House of Commons, and therefore brought into question the position that was being taken that the vote on third reading was actually a vote of non-confidence.

However, Mr. Speaker, it has been brought to my attention this morning that the vote on third reading was a heavier vote than any that were taken during the committee stage or any other stage of the bill. Therefore it seems to me that the logic hardly carries through, because in the heaviest vote that was taken the government was defeated. So it appears to us that the vote was in effect a clear repudiation of the economic program of the government—

Some hon. Members: Hear, hear.

Mr. Patterson: —in view of the fact that the bill was based upon the budget resolutions which were presented to the house last fall.

Had the Prime Minister seen fit to introduce a straight motion of confidence today I think the situation would have been much easier to understand. However, he has seen fit to couch the motion in such terms that it actually implies a repudiation of the decision taken the other evening on third reading.

[Mr. Caouette.]

We would not have objected to waiving the 48-hour requirement on this motion in order to get it before the house and find a solution to the problem. However, in saying that may I point out that the government could not in any way expect to get a favourable vote even had the 48-hour requirement been eliminated.

Therefore it seems to me that the only course the government can follow, since apparently it is not going to get the consent of the house to waiving the 48-hour limitation, is to move that the house adjourn until we have an opportunity to discuss the motion which has been introduced by the Prime Minister.

Mr. Pearson: Mr. Speaker, since there does not seem to be unanimous consent to go ahead with this important measure now, naturally it has to be reserved until Friday when we can proceed with it. I hope that tomorrow we will be able to go ahead with our constitutional debate as planned.

Some hon. Members: No.

Mr. Pearson: This is a very important discussion on constitutional changes.

Mr. Starr: You should have kept that in mind last Monday.

Mr. Pearson: Hon. gentlemen opposite are not interested in the constitution. They are interested in throwing out this government and having an election. Mr. Speaker, I move the adjournment of the house.

Mr. Speaker: I understand the right hon. leader of the government has moved the adjournment of the house.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Before the Prime Minister moved the adjournment of the house he made a suggestion as to what the house might deal with tomorrow. In other words he was implying that the adjournment he moved would be effective only until tomorrow rather than until Friday.

My point of order is that the Prime Minister is asking that the house deal with a matter of government business tomorrow before we have dealt with the question as to whether or not the government has the confidence of the house.

I suggest to you, Mr. Speaker, that this is out of order, that the house should not be asked to vote on a motion which implies that we come back tomorrow to deal with another matter before we have dealt with the question of the confidence of the house in the government.

In support of my contention that at this moment the government does not have the confidence of the house may I refer to the Prime Minister's proposed motion. It is a matter of constitutional understanding in this country that we do not proceed with business unless the government has the confidence of the house, and the motion—

Mr. Speaker: Order, please. The hon. member is debating the constitutional position now. This is not what is before the house, although I must bring to the attention of the house that I have not received a written motion with a seconder. The Prime Minister should put this in the hands of the Chair before the motion can be put.

Mr. Starr: They don't do anything properly.

Mr. Knowles: May I continue with my point of order, Mr. Speaker?

Mr. Speaker: Order, please. I suggest that perhaps we might allow the hon. member for Winnipeg North Centre to finish his point of order pending receipt of the motion.

Mr. Diefenbaker: We will not be throttled.

Mr. Knowles: My point of order is that the government has no right to place before the Chair a motion which implies that we shall deal with other business. The government has admitted by its motion that there is a question as to whether it has the confidence of the house. We contend that it does not have that confidence. A motion that we adjourn which merely means that we adjourn until tomorrow implies that tomorrow we will deal with other business before we have settled the question of confidence. I suggest that the motion is therefore clearly out of order.

Mr. Diefenbaker: Mr. Speaker—

• (3:00 p.m.)

Mr. Pearson: May I repeat my motion? I move, seconded by the Secretary of State for External Affairs (Mr. Martin), that this house do now adjourn.

An hon. Member: You are not a dictator.

Mr. Speaker: Is the right hon. gentleman speaking to the point of order?

Right Hon. J. G. Diefenbaker (Prince Albert): Yes, Mr. Speaker, I am on a point of order. This is a most unusual proceeding. A government, having been defeated, now endeavours to get a second chance. I am reminded of 1956—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I thought the right hon. gentleman was about to remind me of the rule that there could be no debate.

Mr. Diefenbaker: No; I want the opportunity of rising. Let that be clear.

Mr. Speaker: The matter is very simple. A motion to adjourn the house is always in order and has been submitted by the Prime Minister. The only thing I can do is put the motion to the house, although if the house wants to give consent I certainly have no objection to hearing what the right hon. gentleman may want to say.

Some hon. Members: No.

Mr. Diefenbaker: With or without consent—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I rise to a question of order.

An hon. Member: What is the question?

Mr. Diefenbaker: What is the question? Is parliament to be throttled again as it was in 1956 by the same party? The particular point of order is this. In 1956 the government endeavoured to wipe out one day, Friday. What they are trying to do on this occasion is wipe out a decision of parliament, which is an unjust, unfair and unconstitutional proceeding.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Knowles: Mr. Speaker, I ask for a ruling on my point of order.

Mr. Speaker: I heard the point of order, and I submit to the hon. member that he is raising a constitutional question upon which I cannot rule. I cannot accept the point of order. I have to put the motion to the house.

Mr. Horner (Acadia): What is the motion?

Motion Respecting House Vote

Mr. Speaker: Order, please. I will read the motion again.

Mr. Baldwin: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: I will hear the hon. member for Peace River on a question of privilege, but some members did not hear the motion so I will put it again. The Prime Minister, seconded by the Secretary of State for External Affairs moved:

This house do now adjourn.

This was the motion I read a moment ago.

Mr. G. W. Baldwin (Peace River): Any such motion must be taken without prejudice to the right of myself and other hon. members to say to the government that it is no longer the government so far as the House of Commons is concerned and cannot put any motion.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried.

Motion agreed to and the house adjourned at 3.06 p.m.

HOUSE OF COMMONS

Thursday, February 22, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. FULTON—REPORTED STATEMENT BY PRIME MINISTER IN TELEVISION INTERVIEW

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I rise on a question of privilege which involves the privileges and rights of members of this house and of this house itself. This question of privilege arises out of words used by the Prime Minister in the course of a C.B.C. national television interview which was broadcast last night. The words to which I refer, among others which are a reflection upon this house, upon the members of this house and the proceedings of this house, are the following:

> That's the way elections should be brought about. Not by this kind of trickery—

Hon. members will find these words recorded at page 22 of the official transcript of the broadcast interview. Then there is the following phrase:

> Are you going to let these people manoeuvre you by this kind of trickery into a general election at this particular time?

Those words are to be found at page 14 of the same transcript. There are other related phrases to which I will refer during the course of my remarks. My point of privilege is that these words have reference to the proceedings in this house on Monday night and to the participation of members in those proceedings as well as the conduct of members therein. Second, they constitute a slander on the members of the house and the Deputy Speaker with regard to his conduct of those proceedings. Third, they are contrary to the truth. Fourth they are therefore a reflection on our proceedings and as such are a breach of privilege.

I should like briefly to develop and establish these points. First, with regard to the word "trickery", I do not intend to detain the house at any great length by a reference to long definitions. I should like to refer hon. members to the Shorter Oxford English dictionary where they will find the word "trickery" defined as:

> The practice of tricks; deceitful conduct or practice; deception, artifice; imposture.

These, Mr. Speaker, are the terms the Prime Minister applied to the conduct of members of this house, including especially all members present on that occasion in all the opposition parties in this house. The implication also embodies, of course, all members of the government and the Deputy Speaker. I do not think there is any question that these terms, in any proper understanding of them, are a slanderous reflection upon what took place here.

• (2:40 p.m.)

In the second place, there is no doubt that the reference is to the proceedings of last Monday night. The words by their very nature refer to those proceedings, as does the broadcast itself. If there were any doubt I would refer to the words used by the Prime Minister in this broadcast as they are to be found at page 3 of the transcript:

> There is a crisis being manufactured because we lost a vote in third reading by 84 to 82 on a measure last Monday night.

So it is clear that the whole reference is to the proceedings in this house on that occasion. As such the reference constitutes a slanderous attack on every member who voted and, as I say, on the Deputy Speaker; because we are accused of the practice of tricks, deceitful conduct, deception, artifice, imposture. The Deputy Speaker is therefore, by inference, necessarily either a dupe of such a trick or else an accomplice. This is the necessary inference from what the Prime Minister has said with respect to an officer of this house.

I have described the words and the conduct of the Prime Minister as amounting to a slander directed against our proceedings and against all hon. members, a slander not only because of the meaning of the word itself, as established by its definition, but also because it is contrary to the truth as well as because everything the Prime Minister said in this broadcast as to what took place and as to the background of what took place, is contrary to

the truth. It is contrary to the truth because it is contrary to what actually happened at every stage.

As background to what I wish to say in this respect let me read what the Prime Minister said as reported on page 8 of this transcript:

I know what Monday night is like. Nobody thought there was going to be a vote.

I can only put this down, in generous excuse for the Prime Minister, to the fact that he was not here on Monday; he was holidaying in Jamaica.

Some hon. Members: Shame.

Mr. Fulton: That is a statement of fact. The Prime Minister was not here on Monday; he was holidaying in Jamaica. But he was telephoned in Jamaica at 6 p.m. on Monday, so he tells us, according to the transcript, and was told that everything was quiet; everything was under control. This was the message he received in Jamaica at 6 p.m. according to his own testimony, after the government had narrowly avoided defeat in a vote that afternoon by a majority of 3. Everything was quiet. Everything was under control.

Mr. Speaker, this was no snap vote. This was no trick. Members did not suddenly spring out from behind the curtains. Contrary to the Prime Minister's statement that no vote was expected, this is what occurred. We in the opposition opposed this measure at every stage. We opposed the budget last November, when we voted against it. We voted against the income tax bill on second reading, contrary to the impression left by the Prime Minister in the course of his broadcast. We voted against it in committee on Monday; as I have said, on Monday afternoon the government narrowly avoided defeat in a vote of 65 to 62. On Monday evening it was the government which called for third reading.

There was no surprise. I am outlining here the course of events as they actually happened in order to demonstrate the extent of the untruths contained in the Prime Minister's statement and, therefore, the extent of the slander upon members of this house and the extent of the breach of the privileges of this house.

Contrary to what the Prime Minister said, it was perfectly clear that there would be a vote on third reading. And let me point out that we did not call the third reading, nor was it sprung upon the government by surprise. Indeed, under the normal practice of this house, when second reading has taken place on a previous day and on another day the house completes committee stage, it is normal to go on at once with third reading. But the matter still rested within the control of the government. They could have deferred third reading if they had wished. But they did not; they called the third reading stage, which we accepted, and the opposition voted on third reading, and that is the way the government came to be defeated on Monday evening last.

The opposition voted knowing full well what was the effect and the implication of their vote, and one must assume that the government accepted the vote also knowing full well what was the implication of the vote. So it is contrary to the truth when the Prime Minister says that no one expected a vote on Monday night. It is contrary to the truth when the Prime Minister says this was a species of trickery. It is contrary to the truth when the Prime Minister says this is a manufactured crisis. At least it is certainly contrary to the truth when he implies it was manufactured by anybody else but the government itself.

Some hon. Members: Hear, hear.

Mr. Fulton: So, sir, this being the situation I submit to you that the only course that can properly be followed now is for this house to take the matter under advisement, and to do so in realization of the fact that the members of the house have been slandered, the proceedings of the house have been called into question by words of the Prime Minister of Canada himself, the first member of this house, reflecting upon its proceedings; and I suggest to the Prime Minister that he be careful of his use of language, because if there is any trickery whatsoever involved here the trickery is in the backhanded, extraordinary and deceitful motion placed on the notice paper yesterday by the right hon. gentleman himself.

Some hon. Members: Hear, hear.

Mr. Fulton: Accordingly, Mr. Speaker, I move, seconded by the hon. member for Calgary North (Mr. Harkness):

That the words used by the right hon. the Prime Minister on a C.B.C. national television interview broadcast on February 21st, 1968, to wit:

"That's the way elections should be brought about. Not by this kind of trickery situation last Monday night."

"Are you going to let these people manoeuvre you by this kind of trickery into a general election at this particular time?"

and other statements of a like nature, as reported in the official transcript of the said broadcast, constitute a reflection upon the proceedings of this house, a reflection on the conduct and honour of members of this house, and thus constitute a breach of the privileges of said members and of the house itself, and that this house take such action in respect thereof as may be in accord with the practices and conventions established for the protection and safeguarding of the said privileges.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure you will look into this matter and not much time needs to be taken up on the statement—

Mr. Starr: The motion has not been put.

• (2:50 p.m.)

Mr. Speaker: Order, please. The hon. member for Ontario submits that I should put the motion. I will put the motion only if I rule that there is a prima facie case of privilege. This is the way the matter is to be considered. Before doing this, I am sure hon. members will agree that it is always in order for a member who is criticized to be given an opportunity to make an explanation.

Mr. Pearson: I was going to say, Mr. Speaker, that you would no doubt want to take under advisement this matter proposed by the hon. member for Kamloops (Mr. Fulton) at a session which his party has been arguing does not exist, when we have no right to bring any business before this House of Commons.

Some hon. Members: Hear, hear.

Mr. Starr: No government business.

Mr. Pearson: However, he managed to make a little speech before the House of Commons, not on the matter of constitutional reform which was put forward as a desirable subject but with regard to a broadcast made outside the house in which I said the following, which I will quote exactly. The hon. member left out the first part of this paragraph, which appears at page 14 of the transcript. It reads as follows:

I am getting a lot of messages saying: "Are you going to let these people manoeuvre you by this kind of trickery—?"

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Pearson: When these people have been telling me we should not be manoeuvred by this kind of trickery they may have been thinking about a statement made by a Conservative member of parliament, the hon. member for Cumberland (Mr. Coates), who was quoted by the Ottawa *Journal*, an unimpeachable source, as having said—this was copied from the *Mail Star* of Halifax—that "It was an organized plot by the Conservative opposition that resulted in the government's defeat".

Some hon. Members: Hear, hear.

Mr. Pearson: Now, Mr. Speaker, it is up to you to decide whether the word "trickery" constitutes a breach of privilege of the house or not, even though I quoted it from another message. While you are deciding that I would call your attention to page 6901 of *Hansard* for February 20 when there was a motion to adjourn the house. After the motion had been called the following appears:

Mr. Ricard: It is a rotten Grit trick.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, in view of the fact that the Prime Minister has involved me directly in this matter, and since I have before me the Ottawa *Journal*, I should like to say first of all that I did not see this article in the *Mail Star* of Halifax but I read a similar article in the *Chronicle-Herald* of Halifax which did not quote me as saying there was an organized plot. That was the opinion of the correspondent who wrote the article.

Mr. Pearson: It was an accident.

Mr. Coates: If hon. gentlemen do not mind, what I should like to do is state my personal privilege. At the same time, if the article in the Halifax *Mail Star* does in fact quote me as saying there was an organized plot, then I must say that the article is incorrect. I feel, Mr. Speaker, that I should be given the opportunity to explain the circumstances relating to this allegation.

The circumstances are these. On Monday afternoon it was very apparent to the Conservative party, if not to the Liberal party, that the government could be defeated. The government in fact, had survived a vote on clause 5 in committee. While the clause was not defeated, it passed by only 65 to 62.

Some hon. Members: Order.

Mr. Coates: I think it is only fair to allow me to continue because the Prime Minister

has accused me personally of plotting. He referred to something which I am sure he has not read himself, personally, because I have not seen the article. However, quite gratuitously he is willing to accuse me of plotting, or the Conservative party of plotting, so I think I should have the right to explain the circumstances.

In the evening third reading was called by the Minister of Finance. At the time Mr. Deputy Speaker, acting on Your Honour's behalf, called for the yeas and nays and stated "The nays have it". As a result the Minister of Transport (Mr. Hellyer) immediately rose with his colleagues and asked for a vote. When that took place the Conservative party, not in association with any other political party in this house but by itself, organized to get every member who was in Ottawa in this house to vote. The result of that vote was a defeat of the government, something that my leader and every member of this party has been dedicated to do ever since this financial measure was brought down; and we did it.

Mr. Speaker: Order. I thought it was in order to allow the hon. member some words of explanation in view of the fact that he had been brought personally into the discussion. As hon. members know, the duty of the Chair at this stage is to decide whether a prima facie case of privilege has been made out. I have no intention of stifling debate, however. If hon. members have something to contribute to convince me there is a prima facie case of privilege or there is not, I will listen, but I insist that any contribution be directly relevant to that particular point.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would certainly like to point out to you and to the house that there is a prima facie case of privilege. I listened to television last night between 9.30 and ten o'clock and again at 11. I heard the Prime Minister talking to two members of the press gallery. I wrote down what he said, and if this is not correct the Prime Minister can make the necessary correction. I heard him say these words, and he was talking about bringing on an election: "Not by this kind of trickery situation on Monday night".

Now, sir, the burden of what he had to say in the press conference was that on Monday night when the vote was held on third reading of Bill No. C-193, some trickery took place. I was very careful to jot down these words. I said to myself, what did the Prime Minister mean by trickery on Monday night?

[Mr. Coates.]

This, sir, is a reflection on every member who was in the house on Monday night. There was no trickery. There was no deceit. The members who were here on Monday night were doing their duty to their country by being here.

• (3:00 p.m.)

We had participated in the debate in the afternoon and were prepared to continue after the supper hour, to complete the bill and go on with third reading, as is normal under the circumstances. There was not any deceitful action on the part of any member of the house to my knowledge; we were doing our duty. We were not staying away from the house. We were not holidaying.

If there was trickery, sir, it must have been on the part of those members of the Liberal party who were not here to cast their votes and support the government. Possibly that is where the trickery was. Perhaps that is what the Prime Minister was referring to. However, his remarks to the country indicated to the people of Canada that by some trick or some deceit the House of Commons had defeated a government motion. I, sir, as a member of this house find fault with that action and that statement of the Prime Minister. It is a reflection on each member who was here that night, and I will not stand for that type of reflection on my conduct as a member of the House of Commons.

Some hon. Members: Hear, hear.

Mr. Churchill: This statement was a reflection on the House of Commons as an institution, Mr. Speaker. The Prime Minister of this country, who is responsible for the conduct of the House of Commons, speaks to the nation and says there is trickery afoot in the House of Commons, that the government cannot get the business through because the House of Commons is deceitful and is using trickery to defeat their purpose. That is the impression the Prime Minister left with the people of this country, and that makes this a valid point of privilege.

As the hon. member for Kamloops has pointed out, Mr. Speaker, in casting a reflection on individual members and on the house as a whole the Prime Minister is also casting a reflection on the Speakership of this house. It so happened, Mr. Speaker, that Mr. Deputy Speaker was in the chair on that occasion. If you will refer to page 6894 and the following pages of *Hansard* you will find that Mr. Deputy Speaker carried out the instructions of the house. He abided by the rules of the

house and put the motion in the proper order; and when the vote was called it was properly conducted.

If there was trickery involved, sir, the Minister of Finance, I would point out, stated that he wanted to proceed with third reading.

Mr. Sharp: No; read the whole paragraph.

Mr. Churchill: All right. Perhaps the Minister of Finance will explain his position. Let me show the house that there was no trickery.

Mr. Côté (Longueuil): Read *Hansard.*

Mr. Churchill: I intend to read it. I refer to page 6895, the bottom of the first column. There we read:

> Mr. Deputy Speaker: Order, please. Do I understand that the Minister of Finance does not want the bill to be read a third time now?

To which the Minister of Finance replied:

> No, no.

Then an hon. member interjected:

> At the next sitting of the house.

The minister's answer to both these comments was:

> No, no.

In other words, Mr. Speaker, the minister was saying he wanted to go ahead with it.

Mr. Sharp: I was objecting to third reading.

Mr. Churchill: Then as reported in the second column of the page, Mr. Speaker, the Minister of Finance said this:

> Mr. Speaker, I have no objection to third reading. I did not move the motion, and I am very sorry if Your Honour misunderstood. I was trying to catch your eye. If it is the wish of the house, I am perfectly happy to have third reading.

The Prime Minister tells the country that there was trickery in the House of Commons, Mr. Speaker. He is accusing the Minister of Finance of using trickery.

Then, Mr. Speaker, to show the attitude of the government on that night let me recall this to your mind. When the yeas and nays were called Mr. Deputy Speaker correctly interpreted the will of the house and stated that the nays had it. And who then called for a recorded vote, Mr. Speaker? None other than the Minister of Transport, who jumped to his feet, flapped his arms wildly like this, and encouraged his reluctant members to stand up and have a recorded vote.

I conclude, sir, by saying there was no deceit, no trickery, unless it was on the part of the government. Certainly there was no trickery on the part of individual members or any of the parties on this side of the house. I say, sir, this is a valid question of privilege for this house to decide.

Mr. Nugent: Mr. Speaker—

Mr. Speaker: Order. I must caution hon. members to limit their remarks as much as possible to the very limited question whether there was a prima facie breach of privilege in the words alleged to have been used.

Mr. Terence Nugent (Edmonton-Strathcona): I will confine my remarks to the question whether there is a prima facie case of privilege. I am sure we are all familiar with the rule that no member in an ordinary speech may reflect upon a decision taken by the house, whether in the ordinary course of proceedings or by a recorded vote. When on occasion we have had to refer back to decisions taken by the house, as the government do frequently in connection with the decision taken on medicare, in support of their contention that it must proceed, the excuse is given that it is the will of parliament. They say parliament has voted on the matter; therefore we must proceed because parliament has expressed itself. That is the only type of comment allowed on previous actions of this house. There is no need, Mr. Speaker, to look for specific authority for this. Nearly every day Mr. Speaker listens to hon. members who are dissatisfied with a decision of the house, whose remarks indicate they are not happy either with the decision itself or the manner in which it was taken, and the Chair is always quick to point out that this might be a reflection on a decision or action of the house and hon. members are quickly brought to order.

One of the things on which we pride ourselves as members of this house and as hon. gentlemen is the sincerity of our motives. There can be no suggestion that any member of this house acts otherwise than as his duty as a member of the house impels him to act in considering the matters before him. He acts as his duty to his country and his constituents dictates.

Therefore, Mr. Speaker, the remarks of the Prime Minister, which certainly have not been explained away by the facetious manner in which he answered the hon. member for Kamloops this day, must be looked at in the

Reference to Statement by Prime Minister

sum total of our duty to this house, the duty of each member, no matter his station, to uphold the principle that enables each member of the house to refer with surety to each other member as an honourable gentleman. I refer to the remarks on page 12 of the transcript, for instance:

> • (3:10 p.m.)
>
> And then we came up against this income tax bill on a Monday night by, according to this Conservative member, a plot engineered.

I refer also to the remarks on page 14:

> "Are you going to let these people manoeuvre you by this kind of trickery into a general election at this particular time?—

Also the remarks on page 22:

> That's the way elections should be brought about. Not by this kind of trickery situation last Monday night.

These are three quotations from the Prime Minister's speech, and each one seeks to indicate that there was something improper about the proceedings in this house last Monday. The proceedings of this house are recorded in *Hansard* and *Votes and Proceedings*, and the situation that was developing all day is plainly to be read. That day's procedure was exactly the same as the procedure that has been carried on in this house for many, many years by many governments, and that is the way in which bills have been voted on, sustained or defeated.

Unquestionably, in the words of the Secretary of State for External Affairs for example, the duty of the opposition is to criticize. Those who now sit opposite me have been heard to say in the past that it is the business of the opposition to defeat the government.

An hon. Member: At all costs.

Mr. Nugent: Surely anyone in this country who considers the impudence of this government will think it the duty of the opposition to get rid of this government. Since the allegation has been made that trickery was involved in the long accepted, standard and honourable procedure of this house, a procedure which clearly says that the duty of the opposition is to oppose, criticize and, if possible, get rid of an incompetent government —there need be little argument to show that the allegation touches on the privileges of members of the house.

If a course of conduct which we deem to be in the best interests of our party and this country is undertaken, and if we who honourably pursue our duty in this house are to be smeared with the label of "trickery", then surely the rule having to do with reflections being cast on hon. members of the house ought to be invoked. I ask Your Honour to allow us to debate the matter, to determine the extent of the insult that hon. members have sustained because of those uncalled for words on the part of the Prime Minister.

Mr. Woolliams: Mr. Speaker—

Mr. Speaker: Order. I wonder if much is to be served by having repetitions of the argument which was so well put originally by the hon. member for Kamloops. On the other hand, I do not want any suggestion that hon. members have not had an opportunity to support the point of view that there has been a breach of privilege. I recognize the Leader of the Opposition.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I shall be very brief. I do not think much needs to be said on the point. Unquestionably the Prime Minister of this country suggested to the public at large that trickery was involved in Monday night's vote. It has been clearly demonstrated in this house that there was no such trickery. The only way the Prime Minister has supported his position is by quoting from a newspaper which attributed some remarks to one member or several members of the house. The Prime Minister was not quoting any hon. member, in fact, he was quoting something that had been decided by a newspaperman.

The Prime Minister has not seriously attempted to deny that he made the offending remark. He has not seriously attempted to justify himself for what he said. To have made the remark on the spur of the moment, as he said my hon. colleague had done, is one thing. But this was a deliberate statement. It was repeated on a number of occasions, and it reflected on the members of this house in a completely unjustified manner.

Some hon. Members: Hear, hear.

Mr. Stanfield: Clearly the remarks cast a reflection on this house and constitute a breach of privilege. I may say that I was very sorry to hear my right hon. friend make those remarks.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I do not intend to detain the house for any great length since you have heard many expressions of opinion about this

motion. I am prepared to leave the determination as to breach of privilege to Your Honour. I rise to read some brief remarks from the transcript of the Prime Minister's interview on television. On page 2 of that transcript the Prime Minister is reported to have said, in part:

—which is probably one of the reasons why this crisis has been manufactured by the opposition.

On page 3 he is reported to have said:

There's a crisis being manufactured—

On page 5 he is alleged to have said:

—when the opposition will organize a plot on the third reading of a vote of this kind to defeat a government,—

Finally I shall read the remarks from page 22 which have already been drawn to Your Honour's attention. The Prime Minister is alleged to have said:

That's the way elections should be brought about. Not by this kind of trickery situation last Monday night.

I do not think I need to advise Your Honour whether this is a matter of privilege. But, because I want to make it abundantly clear, on behalf of the members of this party, that we consider these statements to be inaccurate and contrary to the facts—

Mr. Stanfield: Hear, hear.

Mr. Douglas: —and to be a complete distortion of what took place in this house last Monday, I have risen to make my remarks.

Some hon. Members: Hear, hear.

Mr. Douglas: Whether inaccurate statements giving a misleading impression of what happened in the house constitute a question of privilege, I am prepared to leave to Your Honour. I wish to say that whatever Your Honour's decision may be, these inaccurate statements will be answered when we have the opportunity to debate the motion of confidence tomorrow; because, since we were merely carrying out the duties of members in this house, we do not propose to have improper motives attributed to us.

Some hon. Members: Hear, hear.

Mr. Douglas: We were trying to oppose with all the powers at our command a piece of legislation which in my opinion was abominable and not in the best interests of the people of Canada. We have a right to oppose such legislation. This was not something that happened just last Monday; we have opposed this legislation ever since the Minister of Finance announced it in his mini-budget before Christmas. Almost alone last Thursday the members of this party fought this bill in committee. We fought it all last Monday afternoon. The government measure survived a vote in committee by a bare margin of 3 votes.

An hon. Member: After a filibuster.

Mr. Douglas: The government had ample notice that members of this party and of other opposition parties, as a result of the committee vote of 65 to 62 which carried the government measure, had taken strong exception to this measure. The government had ample opportunity to delay the debate on third reading until the next day, to continue the debate on third reading until the next day, or to see that it had sufficient members here to express its point of view in the vote.

I am rising solely to say that we consider the Prime Minister's statements to be unfortunate. They may have been made by the Prime Minister in a moment of hysteria or excitement.

• (3:20 p.m.)

Mr. Pearson: The hysteria is all over there.

Mr. Douglas: But the statements are inaccurate. We propose, Mr. Speaker, if you allow a debate, to discuss this matter at this time. If not, we certainly intend to debate it at the earliest opportunity.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I only wish to say a few words about the question of privilege raised by the hon. member for Kamloops (Mr. Fulton) and accusing the right hon. Prime Minister (Mr. Pearson) of having used rather strong words regarding the opposition, by suggesting, for instance, that there was some collusion and agreement among the various opposition parties to defeat the government.

There was no agreement or collusion among opposition parties. The only thing that happened Monday evening was that the motion introduced by the government with regard to Bill No. C-193 was defeated. That is what happened.

Some hon. Members: Hear, hear.

Mr. Caouette: It is the privilege of the right hon. Prime Minister to say on television that

the Conservatives or the opposition are not assuming their responsibilities as they should, just as it is our privilege to reply to the Prime Minister, either on television or here in the house and I feel that he has obtained a good number of replies this afternoon.

But to conclude, Mr. Speaker, that there is really a question of privilege is an entirely different matter. I feel that the people on both sides should be free to say what they think, and that goes even for the Prime Minister of Canada.

The right hon. Prime Minister wanted to justify his stand, and he argued his case. The Conservatives argue theirs by saying that had the Liberals been here Monday night this situation would not have occurred. Indeed, approximately 45 Liberals were absent, but let us not forget that 42 Conservatives, 7 members of the New Democratic party, 3 members of the Ralliement Créditiste, 2 members of the Social Credit party and two thirds of the Independents were also absent.

Some hon. Members: Hear, hear.

Mr. Caouette: Nevertheless, we must be frank, we must set the facts straight.

In my opinion, Mr. Speaker, this question of privilege could be discussed tomorrow during the debate on the motion of the right hon. Prime Minister. We will then have complete freedom to debate this question and to blame the Prime Minister for the things he said on television. However, I do not think it is in order to discuss this afternoon the speech made by the Prime Minister on television, nor any comments made by any member today or in the past few days.

I think we will have plenty of time to discuss this matter at length tomorrow, to say everything we want and to tell the government exactly what we think.

[*English*]

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I rise in support of the motion moved by the hon. member for Kamloops (Mr. Fulton). The only defence the Prime Minister (Mr. Pearson) made this afternoon, if it is any defence at all, was that he said he quoted certain words in the television interview. This is going to be my first point. He may feel that is some defence to the charge of slander in the sense that the word "slander" has been used by the hon. member for Kamloops, but I suggest to him that it is no defence. Let us look at what the Prime Minister said. He said:

> I am getting a lot of messages saying: "Are you going to let these people manoeuvre you by this kind of trickery into a general election at this particular time?"

In defence the Prime Minister says he was merely quoting somebody. I say he has left the wrong impression this afternoon, as he has done on many other occasions not only in this house but on television and radio, because if we turn to page 22 of the transcript we will find there are no quotation marks around these words which I am going to quote. They are clear, they are concise, and they are the words of the Prime Minister himself. But before quoting them I wish to say that the reason the Prime Minister adopted this defence was to introduce an element of comedy in reference to the serious motion moved by the hon. member for Kamloops. He thought he could say, "Oh, well, I just quoted somebody." But the words to which I will draw attention are his own words. They in themselves, so far as I am concerned as a member of the house, and indeed I am sure many hon. members will agree with me, constitute a matter of privilege involving every hon. member.

The Prime Minister used the word "trickery". The word "trickery" means some kind of fraud or dishonesty. As I say, these are the Prime Minister's own words. They are not in quotation marks. These are the words that went forth to probably a million people watching him on television. His defence today is not very sound and he knows it. In fact in my opinion, with the greatest respect to the Prime Minister and his position, he is trying to mislead the house today as he tried to misrepresent the situation on television. These are his own words to which I refer. He said:

> Not by this kind of trickery situation last Monday night.

I repeat that those are the Prime Minister's own words, not a quotation. In his defence today, and I think it was because he thought no one would read all the 22 pages of the transcript, the Prime Minister picked out a passage on page 14. However, the hon. member for Kamloops dealt adequately with both phrases complained of, and so did the hon. member for Winnipeg South Centre (Mr. Churchill).

The only defence which the Prime Minister had today was that he was quoting somebody. We do not know whether he was quoting

somebody. He is using this method to get across something he knows in his own heart and every member of the Liberal party knows was untrue. There was no trickery. They did not have enough members in the house to uphold the government. That is why he was defeated. Why doesn't he tell the truth? I repeat that these are the words of the Prime Minister. They are not in quotes. That point must be made because his defence today is a false defence.

Not by this kind of trickery situation last Monday night.

Those are his own words. So I suggest to you, Mr. Speaker, with the greatest respect, that the motion of the hon. member for Kamloops is completely in order because the Prime Minister did malign and slander everyone in this house over television by leaving the impression that this good government —that is what he thinks it is but we think it is the opposite—was tricked into defeat on that occasion. I might end with this phrase. This is a new rule. It is a rule by King Pearson I. He won't quit until he is fired.

Miss LaMarsh: That sounds more like Dief the Last.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I do not intend to become particularly involved in the debate taking place at the moment. I simply want to state very clearly, with regard to the suggestion of trickery in connection with the vote on Monday night, that the members of this group voted according to the dictates of their consciences and without any reference whatsoever to any other member or any other party in the house.

Some hon. Members: Hear, hear.

Mr. Patterson: I want to add another word to clear up what I think is a misunderstanding. There was just one member of this party who was absent the other evening when the vote was taken. Although I did not have the translation system turned on I understand that someone said there were two of our members absent. Mr. Speaker, we realize it is your responsibility to decide this issue and we leave it in your hands.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the main conclusion I have drawn from this debate so far is that the Prime Minister (Mr. Pearson) made a mighty effective television performance last night.

Reference to Statement by Prime Minister

• (3:30 p.m.)

The hon. member for Kamloops complains of two allegations or statements contained within the Prime Minister's telecast. He refers to the expression "a trickery situation" and the expression "a manufactured crisis". Surely hon. members are becoming extremely thin-skinned when they rise on a question of privilege in objection to these two expressions. Those of us who have been in this house for any length of time know that these are relatively mild expressions—

An hon. Member: Not when principles are involved.

Mr. MacEachen: —especially those of us who have listened to and enjoyed the thunderbolts delivered at times in abusive and torrential language by the right hon. member for Prince Albert (Mr. Diefenbaker). I notice, Mr. Speaker, that he had the good judgment not to line up on this rather ridiculous and manufactured question of privilege.

The other day when I moved the motion to adjourn the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) said, "It is a rotten Grit trick".

Mr. MacEwan: It was.

Mr. MacEachen: I wish to refer in general terms—

Mr. Horner (Acadia): It was.

Mr. MacEachen: Well, Mr. Speaker, I rest my case.

Some hon. Members: Hear, hear.

Mr. MacEachen: Surely it is open to members of the public to say that the House of Commons is incompetent, that it lacks judgment and that it does not do its job efficiently. Surely this is a comment that any member of the public could make. Are our privileges thereby violated? Are we not ready to receive criticism? Surely hon. members opposite are not today saying that our personal privileges, our integrity and our station as members of parliament are in any way violated by the expressions "a trickery situation" or "manufactured crisis". Surely they have no more entitlement to that position than we on this side would have if we were to say that we have been maligned or slandered by two hon. members of the opposition who just the other day and now today have said that we have been guilty when moving a normal procedural motion of a dirty—I am sorry, I should

say "rotten"—trick. That is the accepted word. Surely that is not a sufficient reason to say that we have been guilty of a rotten Grit trick.

Let us not get upset over this incident. I should like to repeat the words of the right hon. gentleman from Prince Albert—perhaps he borrowed them from another great political figure—"If you cannot stand the heat, stay out of the kitchen".

I say that it was a trickery situation. The hon. member for Kamloops said it was not a trickery situation. I say it was a manufactured crisis. The hon. member for Kamloops said it was not a manufactured crisis. When I say that it is a trickery situation and that it is a manufactured crisis the leader of the New Democratic party is entitled to say that I am inaccurate. He is entitled to say that what I have said is contrary to the facts. He is entitled to say I have distorted the situation. Of course he is entitled to say that. That is debate; that is what the House of Commons is for.

Some hon. Members: Hear, hear.

Mr. MacEachen: Every time an hon. gentleman on this side says something and another hon. gentleman on that side disagrees violently and passionately, is there then a question of privilege? Of course not. Beauchesne makes the point very clearly. He states that a dispute arising between two hon. members as to allegations of fact hardly fulfils the condition of a privileged question.

An hon. Member: That is in this house.

Mr. Lambert: Do you mean to say that television is this house?

Mr. MacEachen: Mr. Speaker, this interjection by the hon. member for Edmonton West does not change the situation in any respect. It is not a matter of privilege. It is a question of debate between hon. members. We say it was a trickery situation and you say it was not. We say it was a manufactured crisis and you say it was not. Is that a question of privilege? That is debate, and let us get on with the debate.

Some hon. Members: Hear, hear.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the hon. gentleman who has just resumed his seat made reference to a most effective speech. It may well have been, but I should like to say that it was not the kind of speech we on this side would make. On this side we have the handicap of saying only what the facts are.

Some hon. Members: Oh, oh.

Mr. Baldwin: The Minister of National Health and Welfare (Mr. MacEachen), with a skirl of the bagpipes, has attempted to lead us into a detour. This is not a question of a conflict between two members of this house. As Your Honour indicated in the few comments you made, this is a question concerning what is the pith and substance of a statement made by the right hon. Prime Minister (Mr. Pearson) on a television broadcast which has been referred to by the hon. member for Kamloops (Mr. Fulton). I should like to repeat the definition of the word "trickery" which the hon. member for Kamloops has read into the record. It is:

> The practice of tricks; deceitful conduct or practice; deception, artifice; imposture.

Your Honour said something about the words recited by the hon. member for Kamloops. I suggest that Your Honour must go beyond these words and examine the entire transcript. I think this is essential. Your Honour, as I was, was brought up in an honourable profession. I am sure you will agree that libel is the clear and simple issue here. I should like to quote from citation 108(3) of Beauchesne, fourth edition:

> Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity—

I suggest to Your Honour that the simple issue is whether an examination of the entire transcript would indicate that any person listening to the speech would think that members of this house when engaged in their duty on Monday night indulged in disreputable conduct. I believe this is the simple issue. There is an innuendo. I do not think it is sufficient for Your Honour simply to consider the words to which the hon. member for Kamloops referred. He referred to two like statements which were made during the broadcast.

• (3:40 p.m.)

I suggest that any reasonable examination of the entire transcript would bring us to but one conclusion. It would indicate to any person examining or reading the transcript, or who listened to the remarks, that the members of this House of Commons who were here in this house on Monday night engaged in deceitful tricks or in conduct in which they

ought not to engage in their capacity as members of this honourable house. This is the charge which has been made. No other reasonable conclusion can be drawn. I therefore submit that this constitutes a prima facie breach of privilege.

Some hon. Members: Hear, hear.

Mr. Speaker: I thank hon. members for the advice they have given the Chair. I might say that after listening to all the arguments I am perhaps a little more confused than I was at the beginning, and I was confused then.

I shall not deal with all the arguments which have been advanced by hon. members who have taken part in the debate. I think I should point out that I have allowed more latitude than usual on such occasions when normally, I think, the Speaker should rise as early as possible after the motion has been raised to rule whether or not there is a prima facie case of privilege. However, I felt this to be a matter of such importance that there ought to be no suggestion that all hon. members who wished to give advice to the Chair or explain their positions had not been given an opportunity to do so. Having taken this position, I think that to a large extent we have already had a debate such as we might expect to take place were the motion itself allowed and perhaps a debate such as would have taken place were the hon. member's motion, of which notice has been given to the house, proceeded with later in this current session.

What we have before us in the motion of which the hon. member for Kamloops has given notice is a suggestion that the use of certain specified words and expressions by an hon. member, in this case the Prime Minister, is in breach of the privileges of the house. I think I have to say, in spite of what the hon. member for Peace River and others have said as to the need to look at the complete record, that I am not in complete agreement with them. Certainly there is a specific motion before the house which claims that certain particular words are objectionable. These are the words which I think should be examined by the Chair and upon which a determination should be made.

The claim made by the hon. member for Kamloops is that there is a breach of privilege in the use of the word "trickery" as contained in the statement:

> That's the way elections should be brought about. Not by this kind of trickery situation last Monday night.
>
> Are you going to let these people manoeuvre you by this kind of trickery into a general election at this particular time?

Those are the words.

Mr. Fulton: May I direct Your Honour's attention to the fact that the motion goes on to say "and other expressions contained in the transcript".

Mr. Speaker: The expressions which have been referred to include the expressions "trickery" and "manufactured crisis". I would doubt that the hon. member could reasonably claim that the use of the words "manufactured crisis" is in itself libelous or slanderous, which I should think is what we should have to find here.

Hon. members might refer to citation 113 of Beauchesne, fourth edition, which reads:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the House. A question of privilege ought rarely to come up in parliament—

Then later—and this is what I wanted to read in particular:

> Libels upon members and aspersions upon them in relation to parliament and interference of any kind with their official duties, are breaches of the privileges of members.

So whether the statement made by the Prime Minister is true is not at issue at all. The hon. member for Burnaby-Coquitlam made this point. He said: Well, we claim there was no manufactured crisis and there was no trickery and we intend to prove this in the course of debate. That is quite right, and that, I suggest, is the position which should be taken by anyone who claims or feels that the statement made by the Prime Minister is inaccurate or untrue. The fact that a statement is untrue does not necessarily form the basis of a question of privilege. The only way in which there could be a breach of privilege would be for the word "trickery" itself to be considered as slanderous. My suggestion is that having regard to the manner in which the word was used on this occasion in a general way in the course of a general statement, it cannot be considered by any hon. members as a personal offence against their integrity as members of parliament.

In view of all this and in view of the circumstances and the authority to which I have referred, I cannot agree that there is a prima facie case of privilege here.

BUSINESS OF THE HOUSE

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I intend to be very unprovocative. Because of the views expressed in the house yesterday as to the proposed debate on the constitutional conference, and in the light of further communications received today, I move:

That this house do now adjourn.

Motion agreed to and the house adjourned at 3.48 p.m.

HOUSE OF COMMONS

Friday, February 23, 1968

The house met at 11 a.m.

HOUSE OF COMMONS

MOTION RESPECTING HOUSE VOTE ON BILL C-193

On the order: Government notices of motion:

February 21—The Prime Minister—The following proposed motion:—That this house does not regard its vote on February 19th in connection with third reading of Bill C-193, which had carried in all previous stages, as a vote of non-confidence in the government.

Mr. Speaker: The right hon. Prime Minister. Order, please. Before the Prime Minister can proceed this order has to be transferred.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, may I suggest that under the terms of the standing order this government notice of motion be transferred for consideration at the same sitting of the house later this day.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders later this day.

Order, please. Orders of the day.

Mr. Pearson, seconded by Mr. Martin (Essex East), moves:

That this house does not regard its vote on February 19th in connection with third reading of Bill C-193, which had carried in all previous stages, as a vote of non-confidence in the government.

Some hon. Members: Now.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear.

Mr. Pearson: —the procedure would have been so much simpler if we had been given unanimous consent to discuss this motion last Wednesday.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, in rising to speak to this motion I am not concerned at this time with the nature and purpose of the income tax bill which, on third reading, was defeated last Monday. I am concerned with the circumstances of the vote last Monday and the question of confidence. That is what the motion is about. Incidentally, Mr. Speaker, it was of course an important bill that was defeated last Monday. There is no doubt about that. It was a money bill. It could have been rejected by the opposition at any of the previous stages.

An hon. Member: We tried.

Mr. Pearson: My hon. friend says "we tried". The resolution stage of this bill was carried by 61 government supporters. That does not represent much of a try on the other side. On second reading, which dealt with the principle of the bill, it could have been defeated by 85 members from the opposition. In committee on clause 5, which was such an important clause, it could have been defeated by 66 members of the opposition.

Mr. Starr: Tell us where your members were.

Mr. Pearson: On third reading it was defeated by a vote of 82 to 84.

Mr. Horner (Acadia): You are changing the rules in the middle of the game.

Mr. Pearson: I hope, Mr. Speaker, I may be given the same courtesy in moving this motion, which is a very important one, as we expect to extend to speakers opposite.

Some hon. Members: Hear, hear.

Mr. Pearson: The decision taken last Monday night, in relation to confidence, was on the question that "this bill be now read a third time." That, as I said, was defeated by 84 votes to 82. I would like to assure all hon. members of the house, if the assurance is needed, that on no occasion and by no words outside the house—because I have had no opportunity yet to speak in the house about it—have I suggested in any way, shape or form that there was any collusion among opposition groups in that vote. Each group voted in accordance with its conscience and as it saw fit, and I have said nothing to the contrary. There was no suggestion of collusion of any kind made by me or anybody else. We, as the government, accept the fact of that rejection.

Motion Respecting House Vote

• (11:10 a.m.)

This confidence motion now before the house does not seek to alter or question that rejection, nor does it ask parliament to reconsider that decision. Nevertheless the requirement for money to be raised by taxation to balance the budget remains, and the government must meet that requirement and intends to do so.

Mr. Diefenbaker: By a new budget?

Mr. Pearson: That is our responsibility, and it is an especially heavy responsibility in the circumstances, economic and financial, which we face in this country at this time.

Some hon. Members: Hear, hear.

Mr. Pearson: In doing so—and we will be explaining to the house after this vote is finished, sometime next week, I would hope, how we are going to do this—naturally no taxpayer who in accord with administrative procedure that has been followed for many, many years has paid taxes under Bill C-193 will suffer financially because of that fact.

Some hon. Members: Hear, hear.

Mr. Pearson: What is in issue now is not the income tax bill or the merits of that bill; it is simply whether the vote on third reading last Monday was a vote of confidence, a vote which, as the official opposition have held, required the immediate resignation of the government or dissolution of parliament and a general election. That vote on third reading, the official opposition claim—or they claimed it until this morning—prevents a specific motion being made later which would be strictly one of confidence or non-confidence and, as such, related to that particular vote last Monday night. The Conservative opposition up till this morning had said it was a vote of confidence last Monday on third reading, and that there was no appeal from it. That is the position they have taken.

Mr. Horner (Acadia): Appeal to the country.

Mr. Pearson: They claimed—and I am not quarrelling with their claim; I am putting their position—that parliament could do nothing until the government resigned or there was a dissolution, except perhaps to discuss opposition criticism of the Prime Minister.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, we are discussing this motion now, and I am very glad indeed that the opposition have come to the conclusion that it is quite proper to discuss it.

[Mr. Pearson.]

The motion of the government is based on the position that last Monday's vote on third reading was not a vote of confidence. We are appealing to the house to reject the official opposition stand that nothing can be done now by parliament, that the issue has been decided; at least that was their stand until this morning.

We do agree, however, that the defeat on third reading of the income tax bill, while not involving automatic and obligatory resignation or dissolution, does put the issue of confidence into question and that this should be cleared up. We would have cleared it up at once on Wednesday last but we could not get consent for that purpose. We are doing now what we would like to have done on Wednesday to clear up all this uncertainty. If this motion now before the house is defeated, then all doubt will certainly be removed. The government will resign or the house will be dissolved if this motion is defeated; let there be no doubt about that.

Mr. Horner (Acadia): What guarantee have we that you will not put another motion before the house?

Mr. Pearson: I know how strongly my hon. friend feels about everything in the house, but I wonder whether he would let me carry on for a few minutes. Then he will have a chance to make his speech. If the motion carries, then the government carries on with its program of legislation, though a new leader of this party will become prime minister after the convention in April.

Mr. Churchill: Hear, hear.

Mr. Pearson: I am inclined to echo that "hear, hear".

Mr. Horner (Acadia): Will he immediately go to the people?

Mr. Pearson: I cannot answer that question. He will have to answer it immediately after the convention which will choose him, and of course if this party remains in power at that time.

I hope the vote on this motion can be taken without any unnecessary delay, and I am encouraged by the charge made against me in this morning's press by the Leader of the Opposition when he said I have been trying to provoke the Tories into a filibuster and indicated that they would not fall into that trap. So I am encouraged in my hope that we will be able to have an early vote and that

the opposition will be able to avoid a filibuster. If indeed I had been trying to lure the opposition into that trap of a filibuster, I certainly would have been guilty of trickery.

There are two forms of confidence motion that could have been submitted to clear up this matter. The first would have been a simple statement that this house has confidence in the present government.

An hon. Member: Never.

Mr. Pearson: An hon. gentleman opposite says "never". Perhaps that is the reason we did not introduce that particular motion in that form. That would have been simple but perhaps a shade provocative in its simplicity.

The second motion relates the matter of confidence strictly to the vote on which the government was defeated, and asks the house to decide whether that vote was or was not one of confidence entailing resignation or dissolution. That is all. It does not ask the house to rescind or reconsider any vote. In this form the issue is restricted in one sense, but it is unequivocal and clear in its relation to the question of confidence.

It is in the second form that the motion is now before the house. It is perfectly clear. It reads:

> That this house does not regard its vote on February 19th in connection with third reading of Bill C-193, which has carried in all previous stages, as a vote of non-confidence in the government.

This motion recognizes that the government at all times must retain the confidence of the house to exist; that the question must now be determined whether or not the government does in fact retain the confidence of the house, and that the government has the right to ask explicitly for such determination by the house after the vote we had on Monday night.

Let us look at the constitutional justification for such a motion, which I have no doubt will be attacked by the other side as unconstitutional. I suggest it is universally recognized by constitutional authorities that there are two ways in which the house can express its desire to dismiss a government; either by a strict, clear motion of non-confidence, such as that produced in February, 1963, or by a motion clearly understood to be a motion of non-confidence.

The law of the constitution makes it perfectly clear that a government defeat does not necessarily involve a vote of non-confidence, and there is ample evidence to support this statement. I should like to quote one or two authorities who I think will be recognized by the house as objective and expert. Professor Ivor Jennings, at page 493 in his book "Cabinet Government" writes:

• (11:20 a.m.)

> It must not be thought that a single defeat necessarily demands either resignation or dissolution.

Then a couple of pages later, at page 495, he writes this:

> What the government will treat as a matter of sufficient importance to demand resignation or dissolution is, primarily, a question for the government.

Then he ends with this:

> Whenever the government is defeated, even if on one of the traditional occasions of confidence, the speech from the throne, the budget and the granting of supply, for example, it is still up to the Prime Minister and his colleagues to make the decision as to whether the issue upon which they were defeated was of sufficient importance to entail resignation or dissolution.

Mr. Diefenbaker: You could perpetuate yourself forever under that principle.

Mr. Pearson: I hope the former leader of the opposition will not intervene in this debate until I am finished. Then we will look forward with the greatest possible delight to hearing him.

Those are authorities which should be respected. They are not partisan political authorities. So far as third reading is concerned they are more emphatic. Erskine May, whom we hear quoted a great deal in the house, has this to say in his seventeenth edition at page 571:

> If the question "that the bill be now read a third time"—

This was the question dealt with last Monday night.

> —is negatived, such a vote is not only not necessarily a matter of confidence but is not even necessarily fatal to the further progress of the bill.

We have made it quite clear we are not going to ask for further progress on that bill, but according to this constitutional authority that could have been done. Canadian authorities could be quoted along the same lines. For instance MacGregor Dawson, in his book "The Government of Canada" with which all students of parliament and the constitution of Canada are familiar, writes at page 390:

> Finally, the bill comes to the third reading, which is usually perfunctory with little debate and rare amendments. The principle of the bill is not debatable nor are the detailed provisions, for these have already been settled. The only debatable point is whether the bill should now be read a third time.

Dr. Beauchesne agrees with this. All the authorities I have been able to consult agree, whether it concerns third reading or some other stage, that the government can avail itself of its undoubted right to judge what is or what is not a matter of confidence.

Perhaps the greatest authority on parliamentary procedure in the English speaking world, Professor Berriedale Keith, in his book "The British Cabinet System"—and we follow in these matters the principles and practices of Westminster, writes:

> It rests, therefore, with the government to decide what issues it shall treat as vital, and as demanding that it must resign or dissolve if it is denied support thereon.

He adds that a sudden upset of the government without warning is not equivalent to a vote of confidence, particularly when the government is in a minority position. Other authorities confirm this view, and I am thinking of Carter and Jennings as well as Dr. Eugene Forsey, a recognized Canadian authority on these matters. They all agree that when a government is a minority government it is likely that it may suffer defeats without resignation which might lead to the fall of a majority government.

Dr. Forsey, Mr. Speaker, made some interesting observations on this matter in an article in the *Journal of Political Science and Economics* in 1964, concerning the problems of minority government in Canada. I quote from his article:

> There are certain habits of thought or feeling which we will have to change.
>
> The first is that any government defeat in the House of Commons necessarily means either the government's resignation or a fresh election. This is not so. Of course, defeat on a motion of censure, or want of confidence—

We have one before us now.

> —or on any measure which the government considers vital to its policy is decisive and any government is free to consider even a very minor defeat decisive. But the history of British governments in the XIXth century is studded with defeats which the government simply accepted.

Dr. Forsey concludes:

> We shall certainly have to get rid of the notion that every defeat in the house means a fresh election.

I come now, Mr. Speaker, to our own house and the constitutional authorities; and we do have some in our own House of Commons. I am being very sincere when I say that that great constitutional and parliamentary authority, the hon. member for Winnipeg North Centre (Mr. Knowles), agrees entirely with Dr. Forsey and the other authorities I have quoted, and I am glad to call him to witness. In his remarks to be found in *Hansard* on January 21, 1966 at page 129 the hon. member developed at some length a position which he thought would permit members of the House of Commons to support amendments to the speech from the throne calling for old age security to be increased to $100 a month and old age security to be payable from age 65, both of which at that time were not government policies but were very important changes. The hon. member contended that these steps should be taken by the House of Commons without at the same time, in voting for them, expressing any lack of confidence in the government and thereby forcing an election, even though the government were opposed to the amendments. The hon. member outlined his position as follows, Mr. Speaker:

> We intend...to vote...for the amendment that calls for old age security to be raised... In casting these votes, Mr. Speaker, we are not voting for an election. We are not saying that dissolution must necessarily follow. We are voting for what the words say—

And later:

> If anyone wants to bring before parliament at any time the issue of an election, the issue of dissolution, and if it stands by itself—

And it is standing by itself today, Mr. Speaker.

> —we will take our stand on this issue.

The hon. member marshalled very impressive evidence to support that position. His studies in Canadian parliamentary history led him to conclude that Canadian governments had, and I quote, "received adverse votes dozens, perhaps scores of times" without resigning. He went back to Sir John A. Macdonald, and that is really going back to the father of our country. Nine times in four years his government was defeated without resignation. Indeed, in 1869 they were defeated on a money bill and Sir John, while carrying on, is reported to have been enraged by the result. I can understand how he felt, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Pearson: Sir John explained his defeat in this year as due to the fact that he had, according to his own words, too many "loose fish, shaky fellows" on his side.

Some hon. Members: Hear, hear.

Mr. Pearson: Dr. Forsey had something to say about this. He said:

In a House of Commons where no party has a clear majority while the "loose fish" may be practically extinct—

And they are, of course.

—his place may be taken by loose shoals of fish, shaky groups of fellows... which cannot be depended on by any government.

Those are Dr. Forsey's words. Of course there are groups that cannot be depended upon by any government because they are independent groups, and the government has no right to depend on them. It has a hope that it can depend on their intelligent understanding and good sense. That is all it has the right to hope for. The hon. member for Winnipeg North Centre's exhaustive analysis of Canadian precedents right down the years led him to the firm and unshakable conclusion—

• (11:30 a.m.)

An hon. Member: Which you rejected.

Mr. Pearson: —and I hope it remains, the firm and unshakable conclusion—

An hon. Member: Which you rejected.

Mr. Pearson: —that in cases where a government measure were defeated or amended in parliament—and I quote from page 132—

Then...it is up to the government to decide whether it wants to go to the country...or whether it wants to come and ask parliament whether we should stay here and do our job.

The hon. member for Burnaby-Coquitlam (Mr. Douglas) took exactly the same stand, and indeed the hon. member for Parry Sound-Muskoka (Mr. Aiken) had some wise observations to make in that debate along exactly the same lines.

Mr. Aiken: May I ask the Prime Minister a question?

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member for Parry Sound-Muskoka.

Mr. G. H. Aiken (Parry Sound-Muskoka): I believe the Prime Minister refers to some points having to do with a proposal I made for changes in the constitution. Since those proposals have not been accepted, is he not proving himself wrong under our present constitutional practice?

Mr. Pearson: Mr. Speaker, I was not referring to that; I was referring to some general observations. I wish I had the hon. member's remarks at my finger tips; I could get them in a few moments. I am referring to remarks in which the hon. member said that the defeat of a government need not, on certain occasions, require dissolution or resignation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would the Prime Minister permit a question? Since the Prime Minister is quoting with approval the position I took on January 21, 1966, will he indicate what his attitude was on that occasion toward the stand I took?

Some hon. Members: Oh, oh.

Mr. Pearson: I will indeed, Mr. Speaker. I took the attitude and our government took the attitude that in an important matter of this kind, since increasing pensions by $25 was against government policy at that time, if that measure were carried it would be a vote of no confidence in the government and we would resign.

Some hon. Members: Oh, oh.

Mr. Pearson: And, Mr. Speaker, that decision was made clear in advance.

Some hon. Members: Oh, oh.

Mr. Knowles: Would the Prime Minister permit a further question? Is it a case, then, that he agrees with me only when he is in a corner and needs to get out of it?

Mr. Pearson: I only agree with my hon. friend when he is right.

Some hon. Members: Hear, hear.

Mr. Pearson: He knows what great respect I have for his knowledge and judgment in these constitutional and procedural matters.

Getting back to the hon. member for Burnaby-Coquitlam, on page 75 in this debate on January 20, 1966, he also emphasized the importance of "expression of opinion from the house on vital and essential questions." He said the New Democratic party did not believe that an expression of opinion contained in an amendment to the address in reply to the speech from the throne or an amendment to the budget or a supply motion, even one that defeated the government, necessarily or inherently constituted a motion of no confidence. Then he went on to say:

—if any amendment which merely seeks to get an expression of opinion from the house as a whole were passed, the government—

That is the government which has been defeated.

—has three choices. It can, if it chooses, interpret the passing of the amendment as a want of confidence and can act accordingly. Second, it can accept the amendment as reflecting the views of the majority of members in the House of Commons. Third, it can if it chooses—

And this is the pertinent point on this particular occasion:

—submit on its own initiative a motion of confidence to ascertain whether the house wants a dissolution.

This is what we are doing. I assume therefore that hon. gentlemen will accept the correctness of our procedure in this matter.

Some hon. Members: Hear, hear.

Mr. Pearson: The hon. member for Parry Sound-Muskoka, who I mentioned a moment or two ago, said as reported on page 446 of *Hansard* for January 31, 1966:

It should be a normal and accepted practice that parliament should have the right to amend or reject legislation proposed by the government, or any other official act, without the risk of a general election.

Mr. Aiken: But it is not an accepted practice. I merely proposed that it should be.

Mr. Pearson: I should like to summarize. We believe, Mr. Speaker, on this side that we had no obligation to resign or ask for dissolution on Monday night.

Some hon. Members: Hear, hear.

Mr. Pearson: We believe, Mr. Speaker, that we had every right to carry on the business of government after Monday night's vote, as indeed we are carrying it on today and were not allowed to carry it on Wednesday or Thursday.

We believe that the position taken by the official opposition that no parliamentary business was possible until there was a change in government by resignation or dissolution was untenable, and they have admitted that themselves today.

Some hon. Members: Oh, oh.

Mr. Pearson: It is too bad it was not admitted last Wednesday. We believe we have every right to introduce a specific motion of confidence, which we are doing, and to ask for the verdict of parliament on that motion, which will determine the fate of this government. And parliament will decide after the case for and against confidence has been put.

We are not, as the Leader of the Opposition said on Wednesday night outside the house, if the press reports him accurately, setting aside the rules and conventions of parliament to suit our convenience. On the contrary, this motion is evidence that we are operating within the rules of parliament. If this motion carries, we carry on with our program of legislation because we shall have been authorized by this House of Commons so to do. If this motion is defeated—

An hon. Member: You will ask for another vote.

Mr. Pearson: —that decision, of course, leads to a general election. I ask, Mr. Speaker, is this the time, are these the circumstances, is this a situation in which a general election would help our country—

Mr. Woolliams: It certainly would.

Mr. Pearson: —as it faces immediately, not next month or next year, but as it faces immediately grave financial and constitutional problems which affect our future as a united and stable confederation. That is the question which this House of Commons must decide, and I hope it will decide quickly.

• (11:40 a.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I listened to the Prime Minister for some time, and after listening to him came to a number of conclusions. The first was that he was completely unable to cite any precedent where a government under our parliamentary system had suffered such a crushing defeat on a matter of such fundamental importance to government policy as this government suffered on Monday night yet continued to try to do business with the House of Commons.

The second conclusion I came to, and I say this with some regret, is that the right hon. gentleman seems to be taking quite a different line outside the house than he appears to have been prepared to take within the house in the past few days. We agree, of course, that the government could choose to consider even a minor defeat to be decisive. That is not the question. The question is, can the government choose to ignore a major defeat on a major matter of policy? We say that according to constitutional practice this government has no right to place business before us or to place this motion before the house. We have not waived this stand in any respect—

Some hon. Members: Hear, hear.

Mr. Stanfield: That is still our view, and we are still confident we are right. We are prepared to let the only forum in which this matter can be judged eventually, namely the electorate, the people, settle the question.

Some hon. Members: Hear, hear.

Mr. Stanfield: Two days ago, Mr. Speaker, you said you were not in a position to settle questions of constitutional law; that you had no authority to do so. What does the right hon. gentleman challenge me to do? Obstruct the business of the house to prevent this motion coming before hon. members? We are content, as I say, to leave it to the judgment of the electorate.

The government was twice defeated on Monday night. It was defeated first on a matter involving the very essence of its financial program. Everybody in the house with the exception of some hon. members opposite voted against the measure. Mr. Speaker, if any member of that front bench, including the Prime Minister, had been asked before that vote was taken whether or not it was a vote of confidence, every one of those hon. gentlemen would have said without any hesitation: "Certainly it is".

Some hon. Members: Hear, hear.

Mr. Stanfield: Not only did they believe this before the vote was taken, but you could see in their faces after the vote had been taken that they knew it was a vote of confidence.

Some hon. Members: Hear, hear.

Mr. Starr: Including the Clerk of the House.

Mr. Stanfield: I see in his place the government house leader who, more than anyone else, is responsible on the other side for this particular act of bungling.

Some hon. Members: Oh, oh.

Mr. Stanfield: Perhaps the hon. gentlemen will listen to what I have to say. All this week the Prime Minister has tried to give the people of Canada the impression that it was a snap vote, that it came without warning and that sort of thing. Mr. Speaker, these proposals were opposed during the budget debate which took place before the end of the year. The measure was opposed in committee by the opposition parties. Indeed, the only real filibuster I have seen conducted since I have been here was conducted by ministers of the crown last Monday when this bill was in committee, to try to keep the discussion going until the whip could inform them that there were enough of their supporters present to carry the thing.

Furthermore, why was this bill dealt with on Monday at all? It was dealt with on Monday because the acting leader of the house told our house leader and myself last week that before we could get on with supplementary estimates we had to dispose of this income tax bill.

Mr. Starr: What happens to the supplementary estimates now?

Mr. Stanfield: We were told it had to be dealt with before we could move on to supplementary estimates and that we could proceed with supplementary estimates after the bill had been disposed of. The bill came up on Thursday but it was not completed because—and I say this without offence; I am very sincere about this—it was not completed because the Minister of Finance had to visit a very fine part of Canada in connection with other affairs which have nothing to do with this house. I am not making anything of this; he had every right to do that, but because of this the house went on to other business on Friday. Why did we go back to the tax bill on Monday? It was because the government intended that the bill be dealt with on Monday and disposed of before we could move on to anything else.

This is the situation in which the Prime Minister talks about a snap vote, trickery and so on. The measure came before the house because the government intended that it should, and every member on the other side knew it was to be dealt with before we proceeded to consider supplementary estimates.

Thus the carrying of this measure was regarded as a matter of the greatest importance to the government. It was an urgent matter which had to be dealt with before we could get on with other business. It was not a minor measure. It was the principal fiscal measure in the government's budget presented to the house last December, involving the raising of individual and corporate income taxes. It was the central part of the government's fiscal and economic program, a program of management or mismanagement, whatever your point of view happens to be, intended to raise more money from the Canadian taxpayers and to slow down the economy, to fight inflation by creating more slack in the economy and by creating more unemployment.

This was the measure before the house. I am directing my remarks at the moment, Mr. Speaker, in such a way as to indicate the importance of this bill to the government. Far from being a minor measure it was treated by hon. gentlemen opposite as a measure of the greatest importance. I might say it was so treated by the opposition parties, certainly by this opposition party.

• (11:50 a.m.)

Our principal criticism of this government has been in respect of its economic mismanagement, its fiscal mismanagement, the degree to which it has permitted our competitive position to be eroded in terms of export, the slow rate of economic growth in recent times and, particularly, the growing rate of unemployment. We have been insisting that because of this mismanagement this government has lost the confidence of the country, and that the lack of confidence has been a matter of the greatest importance in respect of the growing difficulties of the country. Indeed, it is a very central factor in the growing economic difficulties of the country. We have emphasized this point for some time, and we had an opportunity to express our point of view in a very tangible way on Monday evening.

Some hon. Members: Hear, hear.

Mr. Stanfield: Mr. Speaker, for several months we have taken the position that these taxes which the government has been trying to impose on the people are a very high price for the Canadian people to pay for the general lack of confidence in this government. We have taken the position that this bill would not cope with inflation; that it would add to the amount of unemployment; that it would bring on a further slowdown in our rate of growth and would therefore bring about further unemployment. Since the debate in December events certainly have confirmed my view and the view I then expressed.

I say this now only to indicate that the wrongness of the bill that was before us last December has become more and more obvious to the members of the opposition parties. So this bill was regarded by the government as a very important and basic part of its program, and was regarded by the official opposition as an essential part of the government's mistaken fiscal and economic mismanagement.

For the government to try to put any business before this house, as it tried to do on Monday evening following two votes, is to make a mockery of voting in this house.

Some hon. Members: Hear, hear.

Mr. Stanfield: The government has chosen to try to ignore that vote. It is now asking this house to ignore that vote. It is making a mockery of the House of Commons. These are matters which relate to our constitution. They reach to the very heart and essence of our constitutional democracy. They relate to the very essence of responsible government or government responsible to parliament.

On Monday evening last the members of this house spoke on a very important matter. The government was defeated on a question which undoubtedly was one involving confidence in the government. The constitution and constitutional practice cannot be flouted. The defeat of the government on a measure of such importance must, under our constitution, be accepted by the government as an indication of a loss of the confidence of this house. This is part of our constitution.

Some hon. Members: Hear, hear.

Mr. Stanfield: It is part of our constitution, and the constitution cannot be flouted. I say again that neither the Prime Minister nor anybody else has cited any precedent in which a defeat on a matter of such fundamental importance has been ignored by the government and not treated as defeat on a matter of confidence. The government was defeated on Monday night by the unanimous opposition of the house; that is, by every member of the opposition voting against this measure. It was defeated because of that; and also, I guess, because of a certain amount of bungling on the other side of the house.

I say in all sincerity that we are accustomed to the bungling on the part of this government. I suggest, however, that some of the remarks which have been made by the Prime Minister are a matter of another sort. I do not enjoy attacking or criticizing any man, especially one who has enjoyed a long and distinguished public career; but I cannot explain simply in terms of strain some of the things my right hon. friend said outside the house. He has spent his time charging the opposition with everything he could think of. He has portrayed the opposition, especially the Conservative opposition, as being irresponsible in pursuing a course which he suggests would endanger the future of the country, and for taking advantage of a leadership situation in the Liberal party. My right hon.

friend seems to have been saying things wildly. I can only assume, therefore, that he said these things because he really did not think there was very much he could say about the merits of the constitutional matter.

Some hon. Members: Hear, hear.

Mr. Stanfield: The Prime Minister chooses to argue that the government has the right to interpret a vote of confidence. I say he is in error, but I do not dispute his right to make this argument. If he chooses to argue that I am wrong concerning the significance I attach to the Monday defeat of the government, then I say I disagree with him; but I do not dispute his right to differ from me in public, or in private so far as that is concerned.

What are we to think when the Prime Minister of this country tries to tell the Canadian people that the opposition is irresponsible because it takes a straightforward and sincere stand on the constitution, a stand which is sincerely taken and clearly based on the best expert opinion concerning what is the right constitutional practice? The Prime Minister attempted to persuade the Canadian people that we are obstructing business. I wish to say that since I have been Leader of the Opposition I have afforded every reasonable accommodation to the government in respect of the conduct of the business of this house.

Some hon. Members: Hear, hear.

Mr. Stanfield: I must say, Mr. Speaker, that the process of accommodation has been all one way. I believe the Prime Minister will know what I mean when I say that. Let me give an example. I do not do this because I make anything of this personally, but upon his return to the country on Tuesday I reached an understanding with the Prime Minister that it was reasonable that the house should adjourn for 24 hours in order to give him an opportunity to review what had happened and consider the situation so far as the government was concerned. Then on the motion to adjourn the house I asked for permission to make a very brief statement. In order to make that statement it was necessary that I have the consent of my hon. friends opposite. That consent was refused.

An hon. Member: By the Prime Minister.

Another hon. Member: The Prime Minister was the first to say no.

Mr. Stanfield: It is strange that the government should take the attitude that it is perfectly all right to refuse this accommodation to me, and then the next day come before this House of Commons to seek unanimous consent to waive notice regarding a very important matter. I can only believe, Mr. Speaker, that my hon. friends opposite have a very strange view as to how matters should be accommodated in this house.

• (12 noon)

Some hon. Members: Hear, hear.

Mr. Stanfield: I hasten to add that this was not the reason we refused permission to proceed on Wednesday, and I hope I never allow any attitude of this sort to influence any attitude I may have toward a matter that is brought before this house. We refused that permission because we took our stand on the constitution. But I do say that I find it extraordinary that in view of the accommodating attitude we have had toward the government and the conduct of business, the Prime Minister at the first opportunity should charge me in public with a desire, or a willingness at least, to obstruct the public business of this country.

Some hon. Members: Shame.

Mr. Starr: He will stoop to anything.

Mr. Stanfield: And if it becomes necessary to conduct business as between the parties at arm's length I hasten to assure the house that the fault is not mine.

Some hon. Members: Hear, hear.

Mr. Stanfield: Mr. Speaker, the Prime Minister has also tried to suggest to the Canadian public that we have to accept the consequences of what we are doing and that we may bring about economic calamity in the country. I am very well aware, as are most Canadians, of the precarious condition of the country, very well aware of the precarious condition to which this government has brought this country—

Some hon. Members: Hear, hear.

Mr. Stanfield: —a condition to which the government has brought this country through bungling, through politicking, through irresponsibility. Some might go so far as to say through stupidity—

Some hon. Members: Hear, hear.

Mr. Stanfield: —and a stupidity which has brought the government to the verge of catastrophe. I am very well aware of this, and I have every intention to behave responsibly,

as do my colleagues. But what are we to think of a government that says it is irresponsible of the opposition to take a stand on the constitution because the government through its own unimaginable incompetence has so undermined the economy that everybody must keep perfectly quiet and not rock the boat, everybody must stay quiet and not disturb this hopelessly incompetent government because if they did it might mean catastrophe?

Some hon. Members: Hear, hear.

Mr. Stanfield: The Prime Minister has said, as I understood him, that there are few things this country needs less than a general election. I am not insisting on a general election, Mr. Speaker. I have never since this difficulty developed insisted on a general election. I have made it very clear to the right hon. gentleman, through media which I am sure he reads, what my position is and what his alternatives are. I have also said that if the Governor General were to invite me to form a government it would be my duty, which I would carry out, to try to examine the possibilities. I say that I am not grasping for power, although the government is clearly insisting on holding on to it.

Some hon. Members: Hear, hear.

Mr. Stanfield: I do not want to be the Prime Minister of this country unless I have the approval of the people.

Some hon. Members: Hear, hear.

Mr. Stanfield: But I am sure that most people in this country feel very much like Cromwell did on a certain occasion when I believe he said: "In the name of God, go".

Some hon. Members: Hear, hear.

Mr. Hamilton: That chicken came home.

Mr. Stanfield: The Prime Minister says there are fewer things this country needs than a general election. Of course this did not deter him in 1965—

Some hon. Members: Oh no.

Mr. Stanfield: —only two years after the previous general election. My hon. friends opposite seem to have a double standard. We are not insisting that the country should have a general election right away but I do say that in fact a general election before too long may be the only way of achieving stability. It may be the only way the people have to get rid of this government. If the Prime Minister says there are few things this country needs less than a general election, I say there are few things this country needs less than this government.

Some hon. Members: Hear, hear.

Mr. Stanfield: Mr. Speaker, my right hon. friend has suggested outside this house to the Canadian public that there was something underhanded, that there was some trickery involved in what happened on Monday night. I notice he takes a different line here in the house where people can answer him. I say again, Mr. Speaker, that we have offered every reasonable accommodation to the government and to the ministers of the government who are candidates for the Liberal leadership, as they should be and as I agree we should. The order of business of the house has frequently been changed in order to meet the convenience of ministers of the government who are candidates for the Liberal leadership and who need to be absent from the house on that account. I mentioned one example in connection with the finance bill. In fact we have frequently done so. We have been prepared to go along with this although it has made the conduct of the business a little haphazard and disorderly. We have absolutely no wish to interfere with the leadership convention of my hon. friends opposite and will certainly go a long way to accommodate them and make certain they can pursue their leadership convention in peace and tranquility.

Some hon. Members: Hear, hear.

Mr. Stanfield: But I do say that no matter how willing we may be to accommodate our hon. friends opposite in this regard we are certainly under no obligation to vote for every measure this government may put before the house.

Some hon. Members: Hear, hear.

Mr. Stanfield: We do not have to pass every bill. We have an obligation to the public to scrutinize every measure carefully. As I say, we voted against this bill on second reading, in committee and, of course, as everybody knows, on third reading. Yet the Prime Minister has given the Canadian people the impression that somehow or other we have taken advantage of the fact that there is to be a leadership convention, that somehow or other we have not afforded the Liberals the same kind of accommodation that they afforded us. I say in all sincerity, Mr. Speaker, that it was the Prime Minister who decided, it

was his decision, when he was going to resign. It was the government's decision as to when the house was going to sit and what business would be put before it, and it is our duty to deal as sincerely and as honestly as we can with the business that comes before the house. Yet when a government measure of this sort is defeated the Prime Minister suggests there is something underhanded and that somehow we have taken advantage of the Liberal party.

• (12:10 p.m.)

Some hon. Members: Shame.

Mr. Stanfield: I am going to get off this subject, Mr. Speaker, because I do not enjoy it particularly.

Some hon. Members: Oh, oh.

Mr. Stanfield: But I must say I was a little upset when the Prime Minister attempted to give the impression in the house yesterday that he had not said there was trickery involved in the proceedings on Monday night, when he tried to give the impression that he had only quoted somebody else who had suggested that there might be trickery involved. I must say I was a little upset that the Prime Minister of this country would tend to slough off such a matter in this way.

Why has the Prime Minister flung charges so wildly since the defeat on Monday night? Why has he attacked the opposition in such a way—I do not know whether "vicious" is too strong a word; certainly he is not a vicious man.

Some hon. Members: Oh, oh.

Mr. Stanfield: I think he must be seriously disturbed by the serious condition into which his government has brought the country, and no doubt he was humiliated by the defeat suffered by the government on Monday night. I think that above all he has been very much aware of the weakness of his case and because of this has tried to distract the Canadian people. To my mind it is a little pathetic.

Some hon. Members: Hear, hear.

Mr. Stanfield: I could go on, Mr. Speaker, and enlarge to the house on why we believe this government does not deserve a vote of confidence quite apart from the issue on Monday night. There is a question of economic mismanagement, the slow rate of economic growth, the attempt to increase taxes, the increasing rate of unemployment and the mounting degree of inflation. Quite apart from anything else, if there was ever a government that deserved a vote of non-confidence surely it is this government.

Some hon. Members: Hear, hear.

Mr. Stanfield: Although the tax measure was defeated, the indications to the Canadian people are that the government is going to continue to collect the tax. It has no legislative authority to do this. It did not have any in the first place. If it was entitled to assume that the bill would pass and collected the tax, certainly the government has no justification at all for its high-handed decision to continue to collect this surcharge, these additional taxes, without any authority at all from the parliament of Canada. There is no need for me to use the usual words in connection with this kind of conduct. It speaks for itself.

I say again, Mr. Speaker, that the introduction of this motion of confidence is contrary to our constitution and a violation of constitutional practice. I say to my hon. friend the Prime Minister that this is the sort of thing that tends to destroy parliament.

Some hon. Members: Hear, hear.

Mr. Stanfield: It is an unfortunate precedent and if it passes it will suggest to governments in the future that they can ignore votes in the house on matters of fundamental importance. It would be a most unfortunate precedent if this should take place. If by any chance it does take place I am sure the Canadian people will correct it at the first opportunity.

Some hon. Members: Hear, hear.

Mr. Stanfield: I also suggest in all sincerity that the motion has been put in as inflammatory a way as it could be. It is not a simple confidence motion, which the Prime Minister first indicated he was going to put before the house. We say, of course, that he had no right to put forward a simple motion of confidence.

Mr. Woolliams: Pickersgillian.

Mr. Stanfield: I really believe that this motion was not drafted in anger. I assume that my hon. friends think through what they are going to do, and I can only assume that the motion is designed to provoke some sort of reaction by the opposition. We respect parliament, Mr. Speaker, even if the government does not seem to do so. We will say what we think is necessary in this debate. We will take the time that we believe to be necessary—we

will not apologize for that—but we will take no more.

My hon. friends opposite are asking the house to swallow itself, to declare that what was clearly a vote of confidence was not a vote of confidence. I do not know what the house will say on a vote, but I say that whatever the house may say the vote on Monday night was a vote of confidence on a fundamental matter and that every hon. member opposite knew it was a vote of confidence on a fundamental matter.

Some hon. Members: Hear, hear.

Mr. Nielsen: They still know it.

Mr. Stanfield: Whatever the outcome may be on this vote when it comes, it will not change the constitution of this country and it will not be allowed to change constitutional practice. Whatever happens, the government was defeated; the government is finished. The government is trying to hang on to power. As I say, Mr. Speaker, the electorate will be the final judge. The electorate sooner or later, and I am a very patient man—

Some hon. Members: Oh, oh.

Mr. Stanfield: —will have an opportunity to express its views. I do not think there is any doubt as to the verdict it will pass on this government, particularly on the behaviour of the government this week.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in introducing this motion of confidence the Prime Minister (Mr. Pearson) has done what every good debater does, namely, when one has a weak case one tries to switch the grounds of the argument. The Prime Minister has spent all his time this morning arguing the government's right to introduce a motion of confidence and he spent no time at all giving the house reasons why it should vote confidence in the government.

Some hon. Members: Hear, hear.

• (12:20 p.m.)

Mr. Douglas: As I said in the house on Wednesday afternoon, we in this party have never denied the government's legal and constitutional right to ask for a vote of confidence. The Prime Minister took a lot of time quoting my friend the hon. member for Winnipeg North Centre (Mr. Knowles), and myself with respect to the things we said in 1966. We stand by what we said. We suggested then that, particularly when there is a minority government, members should have complete freedom as to how they vote. They should have a right to vote on amendments to the budget and in the speech from the throne debate so as to get an expression of opinion without necessarily voting no confidence in the government.

We made it clear that at any time the government could say that a particular measure was a vote of no confidence, and the government's right now or at any time, to ask for a vote of confidence is beyond dispute. We do challenge their moral right to ask for a vote of confidence because, as I pointed out, the vote last Monday night was not an expression of opinion but a vote on a specific piece of legislation having to do with the fundamental right to impose taxes, which is the very basis of democratic government.

Did any member on the government side think that the vote on Monday night was not a vote of confidence? Did the Minister of Finance (Mr. Sharp), who was piloting Bill No. C-193, get up at any time and say that the government would not consider the defeat of the bill as being a vote of no confidence? Did the Minister of Trade and Commerce (Mr. Winters), who was Acting Prime Minister, get up and say on behalf of the government that they did not consider the vote one of confidence or no confidence? Did the constitutional expert, the Minister of Justice (Mr. Trudeau), rise in his place to give us the benefit of his vast knowledge? The minister has just gone to enlarge that knowledge. Did he get up and assure the house that even if we defeated Bill No. C-193 we were not voting no confidence in the government? Of course these ministers did not. The government knew that it was a vote of confidence and that defeat of the measure would be a vote of no confidence. Therefore we contend that while they have the constitutional and legal right to come before the house and ask for a vote of confidence, they certainly have no moral right to do so. The house expressed its lack of confidence in the government last Monday night.

The Prime Minister has made much of the fact that if the opposition parties had agreed to proceed with this confidence motion on Wednesday we could have saved a great deal of time. In the first place I would point out that if the Prime Minister was so anxious to save time we could have proceeded with this motion on Tuesday. It is true that he only got back from Jamaica an hour or two before the house opened, but surely there are some people on the treasury benches capable of drafting a confidence motion. After their display of

incompetence on Monday night probably the Prime Minister did not trust them to draft a motion. In that I heartily concur.

The Prime Minister, I think properly, did not consult me about the matter, but I think he had a right to have 24 hours in which to think the matter over. But if he was entitled to 24 hours to think the matter over, surely the opposition parties were entitled to some time to study a motion which, if hon. members will take the time to look at it, is not a straight confidence motion but a very tricky motion. Now that the Minister of National Health and Welfare (Mr. MacEachen) has elevated the word "trickery" to the status of a parliamentary term which is not slanderous, I want to say that this motion is a piece of trickery.

I can tell the house that the members of the New Democratic party agreed in caucus last Wednesday that if the Prime Minister introduced on Wednesday afternoon a straight vote of confidence we would be prepared to waive the 48 hours notice and proceed with the debate. But instead we got a motion which asked us to repudiate the decision we made on Monday night. It asked us to lie in our teeth and say that when we voted no confidence in the government we did not mean we were voting no confidence. It asked us to say we did not know what we were doing. It was the government that did not know what they were doing.

However, we sense a much more sinister implication in this motion. I have good reason to believe that originally the government intended to bring in a double-barrelled motion which would not only ask for confidence but would put Bill No. C-193 back on the order paper. I am convinced still that the motion now before us was intended to be the first step to bring that about and that if the government had not been caught out on it the motion now before the house, if it had been passed on Wednesday, would have been followed by a motion to put the tax bill back on the order paper, which is contrary to our practice and our rules. The government would be fooling no one if they said now, we will not reintroduce the bill, because they have been caught with their hands in the cookie jar. They were hoping that on Wednesday they would slip this motion through and then today they would introduce another motion to put Bill No. C-193 back on the order paper.

Mr. Woolliams: They might try it yet.

An hon. Member: Their hand is in the till.

Mr. Douglas: Their tail is in the gate. You can describe it any way you like. The fact is that they are in a bad situation.

Not only do we have this very tricky motion before us—it is because this motion was tricky that we insisted on sufficient time to study it and we make no apology for that —but it is important now that we deal with this motion of confidence quickly and expeditiously. So far as the members of this party are concerned we can see no reason for a protracted debate. We are prepared to debate it and to take a vote on it today.

Some hon. Members: Hear, hear.

Mr. Douglas: If the government is sustained in the motion of confidence we can get on with the business of the country. If the government is defeated we should go to the electorate as quickly as possible. But we see no reason for a protracted debate. We make no apology for asking for time to look into what is not a simple motion of confidence but a very sly attempt to circumvent the expressed wish of parliament by putting back on the order paper a piece of legislation which the members of this house have defeated.

In addition to what has been happening inside the house, a great deal has been happening outside. As a matter of fact, the government has been carrying on most of the debate on television because I have come to the conclusion that the government is under the impression that it governs by divine rule and the news service of the C.B.C. There are times when it is very difficult to distinguish between the two. The Prime Minister goes on television and says that there is an organized plot, a manufactured crisis, that there is trickery in this situation.

• (12:30 p.m.)

Mr. Churchill: Shameful.

Mr. Douglas: He comes before the house today, however, and assures us that there was no collusion. The difference is that today he is going to have some speakers following him. I invite the Prime Minister or anyone on that side of the house to indicate that there was trickery or any manufactured crisis or any organized plot on this side of the house with reference to the vote last Monday night. What the government has tried to do has been to cry foul to cover up its own ineptitude and incompetence. The government has botched the handling of this bill from the

very beginning, and they know it. Now the Prime Minister has to find somebody to blame so he has been trying for the past three or four days to blame the opposition. He knows better than anyone else that the responsibility lies with his own ministers. I hope the Prime Minister has learned that never again can he afford to leave the awkward squad in charge when he goes on a holiday.

Some hon. Members: Oh, oh.

Mr. Douglas: So far as the members of this party are concerned we have made it clear from the time the Minister of Finance introduced his mini-budget that we were opposed to this measure. We opposed it in the mini-budget debate. We opposed it at every stage of the discussion of the bill. We contested it in committee last Thursday and again on Monday. The government had adequate warning that there was going to be opposition. The government narrowly averted disaster in a vote in committee by three votes. In spite of that it was the government that went ahead with third reading. It was the government who, instead of prolonging the debate on third reading, allowed it to go to a vote. These are the people who must accept the responsibility if they were caught with their trousers in a nether position. These are the people who botched and bungled the situation.

If the Prime Minister, on returning to Canada, had castigated his ministers, that would have made sense. Instead the Prime Minister endeavours to cook up the concept in Canada that there has been some deep, sinister plot on the part of the opposition groups to take advantage of this poor, defenceless, inept government. The fact is, as everyone knows, that this government has been disintegrating for weeks. The Prime Minister is the one who made the decision to try to carry on a leadership contest and parliament at one and the same time. I think this was a mistake, but it was the Prime Minister's decision. For weeks we have seen members of the cabinet absent a good part of the time. Cabinet ministers who have been here have had to say to most questions, "I will take it as notice", not being completely in touch with their departments. We have seen the economic situation in this country deteriorating steadily. The government has been so preoccupied with the leadership convention that nobody has been minding the store. This has been the situation. If the Prime Minister wants to lay the blame for the embarrassing situation in which he now finds himself, let him put the blame where it belongs and not manufacture some sinister plot which does not exist.

The members of the house who sit to your left, Mr. Speaker, as members of Her Majesty's opposition have a right to oppose measures which they believe are not in the best interests of this country. They have a right to vote against those measures, indeed, they have the duty to vote against those measures, without having to wait and count how many government members there happen to be on the other side. It is not our responsibility to see that the government has been able to muster enough forces from the politicking for the leadership convention to make sure the government can survive. This is not our responsibility. Our responsibility is to vote as our conscience dictates irrespective of whether the government has enough troops here to sustain its own measure.

I should like to discuss, Mr. Speaker, not the relevance of the motion but the motion itself. The Prime Minister really gave no reasons at all to the house why we should vote confidence in his government. He has entirely avoided the fact that the measure about which we are talking is a measure which, in the opinion of this party, was designed to further the inequitable burden of taxation placed upon the middle and lower income groups in this country. This is the real issue. It is the measure itself that the government is asking us to support and to repudiate our vote against it last Monday night.

Let me briefly remind hon. members of what has happened with respect to the government's fiscal policy. In 1966 the Minister of Finance reimposed the personal income tax which the government had taken off just before the 1965 election. At the same time he imposed a refundable tax on corporations which was to be paid back, plus 5 per cent interest. Then in 1967 the Minister of Finance decided that he had put the brakes on too much and he had to put his foot on the accelerator. The difficulty with the Minister of Finance is that for the last three years he has had his foot on the brake at one moment, his foot on the accelerator the next moment, and now he has ended up with his foot in his mouth.

In 1967 he decided he had to put his foot on the accelerator, so what did he do? Did he cancel the tax on personal income? No, he rescinded the refundable tax on corporations.

Then last fall he brought in a mini-budget. Now the foot had to go on the brake again. Did he put the tax back on corporations? No, he put a second tax on the personal income taxpayers, with a ceiling on it, and the proceeds of that tax will go in large measure to pay back the corporations their refundable tax plus the 5 per cent interest.

In the fiscal year 1968-69 this 5 per cent surtax on personal income will yield a revenue of some $185 million, according to the minister's estimate. However, he is going to pay out $230 million in refunds to corporations, plus $14 million in interest, a total of $244 million. In other words, Mr. Speaker, the salary and wage earners of this country, at a time when the cost of living is going up and their purchasing power is being curtailed, will be taxed so that the Minister of Finance can turn around and pay out some $244 million over a period of time to the corporations of this country.

• (12:40 p.m.)

There is an old saying about robbing Peter to pay Paul. The Minister of Finance is robbing Lazarus to pay Dives. He is robbing the poor to pay the rich. This is the measure that the Minister of Finance is now asking us to approve. This is the measure that the Prime Minister is now saying we should in all humility say we are sorry for voting against last Monday night, that we do not want the government to consider that as a vote of no confidence.

I say to the government that this is an unjust tax, that it further accelerates the inequity in our tax structure, that we were opposed to the measure last Monday night and that we are still opposed to it, and that if the government tries to reimpose it we will fight tooth and nail against it. I say to the government that if they try to reimpose that tax or any similar tax which will further widen the gap between the wage and salary earners of Canada on the one hand and the corporations on the other we will fight it and, if possible, force the government to do what they ought to be doing now, take this issue to the voters of the country.

The Prime Minister said on television the other night—this was not in the house, Mr. Speaker, because that is not where debates are carried on any more—that the government must have the money to carry on the business of the country. If the government needs this $185 million badly, then instead of taking $185 million by means of the 5 per cent surtax out of the pockets of the people with modest incomes the government has the power to postpone the refunding of the tax to the corporations. That is quite within its power. If the government needs money, surely the place to get it is from those who have it rather than from those who do not have it.

Not only has the government been trying during the last few days to divert public attention away from this tax by talking about a sinister plot but the Minister of Finance is now trying to arouse public fears by saying that the dollar is on trial. I copied down what the minister said on television last night and I think I have it accurately. He said that the opposition has deliberately created a crisis and the money markets are waiting to see what will happen. I suggest it is not the dollar that is on trial, Mr. Speaker; it is the Minister of Finance who is on trial. It is this government that is on trial, and it has been tried and found wanting. Why is the dollar in a difficult position? Why are investors and the money markets apprehensive? It is because this government for months on end has failed to grapple with the problem of inflation and has failed to bring forward any realistic solution to the present financial crisis in this country. Here is a government that sits in office while unemployment in the month of January went up over 6 per cent.

According to the Economic Council of Canada, a reduction of one percentage point in unemployment would increase our total wealth production by $2 billion a year. A reduction in unemployment to the figure that the Economic Council of Canada said should be a normal figure would increase the gross national product of Canada by billions of dollars. It would result in hundreds of millions of dollars of extra revenue coming into the treasury of Canada without any change being made in the present tax structure. If the country is in bad shape I suggest to the Minister of Finance that he look at the unemployment figures which are the highest we have had since 1964.

I also ask him to look at the high interest rates, for which he must accept responsibility. The government removed the interest rate ceiling from the Bank Act last year. We were assured that competition would have the effect of keeping down interest rates. The prime interest rate of the banks has now been raised to 7 per cent, which I believe is the highest rate since the early twenties.

If the minister is worried about the money situation, let him look at the slowdown in the rate of economic growth in this country. In

constant dollars the per capita increase in the gross national product in Canada in 1967 compared with 1966 was almost nil. There was virtually no growth at all on a per capita basis.

If the minister wants to know why investment circles are apprehensive he has only to look at the cost of living, which has been spiralling. The cost of living increased 4.5 per cent during the last year. In the last four years the cost of living has gone up 14 per cent. What does this mean, Mr. Speaker? It means that a man with a salary of $5,000 a year has had his purchasing power reduced by $700. The reason we are in the present situation is that we are suffering from a cost-push inflation. Both the Minister of Finance and the Minister of Trade and Commerce, who have talked a great deal about restraints, have done absolutely nothing about some of the unwarranted and unjustified increases in the cost of living.

If the minister wants to know why the Canadian dollar may be in trouble, he should look at the fact that ever since he has taken office he has endeavoured to maintain a fixed exchange rate on the one hand and to keep a ceiling on Canada's foreign reserves on the other—a complete contradiction in policy.

The minister might also take a look at the Canadian capital that has been going across the border to the United States largely as the result of the appeal by the President of the United States to U.S. subsidiaries in Canada to return their profits to the United States. I admit that this is a serious situation, Mr. Speaker, but what did the Minister of Finance do about it? One would have expected the Minister of Finance to call in representatives of these foreign subsidiaries and to say to them: Gentlemen, you are operating under Canadian law, with all the benefits of living in a Canadian society; you are operating with Canadian labour and Canadian raw materials; we expect you to conduct your investment policies and financial procedures with the best interests of Canada in mind, not the financial concerns of any other countries. The minister should have told them he would like them to do this on a voluntary basis but that if necessary he would be prepared to introduce legislation in parliament to ensure that they conduct themselves as good corporate citizens of Canada.

[Mr. Douglas.]

• (12:50 p.m.)

Did the minister say this to the corporations, Mr. Speaker? No. While millions of dollars were flowing from Canada into the United States the Minister of Finance got on the telephone to the secretary of the treasury in Washington and said: "Will you please tell these companies doing business in Canada to behave like Canadians rather than Americans?" This is the kind of leadership we have had. This is why the Minister of Finance is now worried about the position of the dollar. If the dollar is in trouble, this government must accept the responsibility.

Some hon. Members: Hear, hear.

Mr. Douglas: We in this party do not want to see a financial crisis but I am telling you, Mr. Speaker, that a financial crisis is much less likely to come from an election than from continuing with a government that is floundering around in a morass of its own ineptitude. This government is like a ship without a compass, without a chart and without a rudder. And last Monday night it was without a skipper. As a matter of fact, while the skipper was off the bridge the crew was shooting craps over who was going to wear the captain's hat.

Some hon. Members: Hear, hear.

Mr. Douglas: The Prime Minister worries about having an election. He was not concerned about calling an election in the fall of 1965, even though only a few months earlier he had told parliament that we would be reassembling after the parliamentary recess. That did not bother him at all then.

The financial soundness of this country will not be as adversely affected by an election as it will be by the continued incompetence and ineptitude of the government. This government has no unity of purpose and no unanimity of opinion. Almost every major issue that has come before them has been set aside because they cannot agree among themselves about what they should do.

Last year the Carter report was presented and the Minister of Finance promised us that we should have a white paper by the fall. Then we were to get it by January 1. Now the Prime Minister has announced that the Carter report is to be put on ice until after the leadership convention—

An hon. Member: It is too hot.

Mr. Douglas: —because he does not want leadership candidates taking opposite positions

on the Carter report. Everybody knows that the cabinet is split down the middle on the Carter report.

The other day the President of the Privy Council (Mr. Gordon) brought down the Watkins report on foreign control of the Canadian economy. The speech from the throne said that the government would bring in a white paper about what the government proposes to do about foreign control of our economy. Did the President of the Privy Council bring down that white paper? No. On the contrary, he had to announce that the government accepted no responsibility for the recommendations of the Watkins commission.

For five years this government has been promising us that we would have a Canada development corporation. At the beginning of this session, on May 8 last, the speech from the throne indicated that a Canada development corporation was to be set up. But has it been? The legislation is not even on the order paper. And why is that, Mr. Speaker? This government is divided about whether we should have a Canada development corporation and what kind of corporation it should be.

This government is like a blind Samson with its hands tied. It cannot agree on what it should do. One part of the government wants to go one way and one part of the government wants to go the other, and in this process of indecision they have brought the country to its present state. How, therefore, can the government now ask us to vote confidence in it, to vote confidence in fiscal, monetary and economic policies that have brought this country to its worst state in several years? The government's stock has not been lower since it took office nearly five years ago. Unemployment is higher, interest rates are higher, the cost of living is higher, and the dollar is much more vulnerable and much weaker.

In this state of affairs I say to the government: You have no right in all conscience to ask us to vote confidence in you and to ask us to repudiate our vote of last Monday night. Our vote last Monday night indicated that we would not and will not support any taxation measure which will further aggravate the present inequities in our taxation structure. One can only say to the government these words, and I paraphrase what Cromwell said 300 years ago to the Long Parliament: "You have sat here too long for any good that you have done. For God's sake, go."

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, must we adjourn at one o'clock? If so, I move the adjournment.

[*English*]

Mr. Speaker: It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. MacEachen: On a point of order, Mr. Speaker, I wonder whether I might suggest to the house that we dispense with private members' hour today and also agree to sit from 8 to 10 p.m. with the normal dinner adjournment.

Mr. Starr: That is agreeable to us.

Some hon. Members: No.

Mr. Speaker: Obviously the minister needs unanimous consent and there is no such consent.

Mr. Starr: We agree to the proposal made by the leader of the house.

Mr. Speaker: I appreciate that the hon. member has agreed on behalf of his party but I definitely heard "nays". However, I will ask the question again. Is there unanimous agreement?

Mr. Douglas: On the point of order, Mr. Speaker, you put both propositions together and maybe some of those who said "nay" did not mean they were opposed to both propositions. If Your Honour were to put them separately it would be possible to clear up this point.

Mr. Speaker: I appreciate that. At the moment, however, one proposition has been put to the house and there is no unanimous agreement. However, the minister could well put a separate proposition forward.

Mr. MacInnis (Cape Breton South): How often is the house leader going to be told how to do things?

Mr. MacEachen: Every time it is necessary. I am glad to learn. Possibly we could agree to waive the private members' hour and continue this debate during that period.

Mr. Howard: I understand there was a disposition to proceed between 5 p.m. and 6 p.m. with a bill relating to the control of air pollution but possibly it would not be appropriate to do so today.

Some hon. Members: Oh, oh.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. MacEachen: Maybe we could get a decision now on the proposition to sit from 8 p.m. to 10 p.m.

An hon. Member: No.

Mr. Speaker: There is no unanimous agreement. This proposition is not accepted.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, before lunch we heard a very eloquent speech by the Prime Minister (Mr. Pearson) who expressed his views about the motion he put to the house on Wednesday.

Later, the leader of the official opposition (Mr. Stanfield) gave his objections. Then the leader of the New Democratic party (Mr. Douglas) talked about the present parliamentary situation.

Mr. Speaker, Jean-Paul Sartre said one day: "When the rich wage war, the poor are always the ones who die." I could say today that when politicians fight each other, the poor are again those who suffer, get poorer and look on, powerless, at a parliamentary spectacle which does not correspond at all to the aspirations of the Canadian people.

In fact, the situation where the parliament now finds itself is due directly to the government managing the national business. Nobody prevented government members from being in the house last Monday. Both the leader of the official opposition and the leader of the New Democratic party are right in blaming the government and even holding them responsible in the circumstances.

However, Mr. Speaker, the Ralliement Créditiste does not want to be any part of parliamentary games involving purely political interests.

It is nice to hear about the good intentions of the leader of the Conservative party when he says that the government has failed dismally in the administration of national business. I would have liked him to propose his solution to the present problem.

• (2:40 p.m.)

Last Monday, the government was defeated. It is a real and actual fact. It was defeated by a vote of 84 to 82 on third reading of Bill No. C-193 designed to amend the Income Tax Act or providing for an increase in the personal income tax. If the government had then introduced Bill No. C-193 with a view to reducing taxes instead of increasing them, it would not find itself in the present situation.

When the government introduced its resolution designed to increase taxes, we opposed it through all stages of procedure and discussion. Since the government, through its Minister of Finance (Mr. Sharp) and all the ministers, has been telling us that Canada was in an alarming economic situation and that inflation was eroding our economy, we felt it was ill-timed to increase personal income tax. As a matter of fact, such an increase would contribute more or less to reduce the purchasing power of Canadian consumers in the face of the abundant riches existing in Canada. If the government had introduced a bill designed to distribute more evenly the actual wealth of Canada, it would not find itself in the present difficult situation of its own making.

Mr. Speaker, since last year, the ministers have been telling us over and over again that the country is in an awkward and dangerous financial situation which should cause us great concern. At the same time, the government has increased interest rates and yet, inflation is being feared. Nevertheless, this is inflation.

Loan companies have been allowed to do likewise. As a matter of fact, they have been allowed to increase their interest rate on housing loans, on pretext that there would be more money available for the construction of homes for the Canadian citizens. However, after the passage of all those measures by parliament, we are not only at the same point, but we are more bogged down than ever.

Some experts of the Central Mortgage and Housing Corporation have established that if a Canadian wanted to build a small $15,000 house, he would have to pay $46,058 spread over a 35-year period. In view of this, how can one declare that such legislation is beneficial to the Canadian people?

While the Minister of Finance and this government allow those increases of interest rates and those tax increases, they are granting loans throughout the world on extremely easy terms.

I have in hand a document which was tabled in the Senate on January 31 last—not so long ago—following a question of Hon. Jean-François Pouliot who had asked what were the countries of the world which had benefited from Canadian loans and at what interest rate. Mr. Speaker, it is worthy of notice that, at the very moment the Canadian people are being burdened with new taxes, at the very moment when the government says that it is unable to restart the Canadian economy, we have been lending, under the Colombo plan, an amount of $3 million, at an interest of ¾ of 1 per cent, for a 50-year period, plus 10 years of grace, which means 60 years. The Canadian government is lending money at a ¾ of 1 per cent, when it is unable to find money at a lower rate than 5, 5½ and 6 per cent. When provincial governments are compelled to borrow at 7½ per cent, the Canadian government manages to lend money at ¾ of 1 per cent for periods up to 60 years.

To India we made a $70 million loan, of which more than $50 million were at zero per cent interest, not ¾ of one per cent interest, but zero per cent, under the pretext that we must give aid to underdeveloped countries. We do not have to go to India to see people in misery. You can see whole poverty-stricken families not only in the city of Montreal, but in every place in Canada where there are unemployed who must live on $36 a week. No need to go to India to see misery when we have plenty at home, but we do not have the courage and we are too heartless to settle those problems.

To Korea, we have made a 37-year loan of $1 million at 3 per cent interest for the development of the dairy industry.

To Pakistan, we have made a loan of $44,263,000 at zero per cent interest for a period of 50 years plus 10 years of grace, that is 60 years.

We lent Thailand $1 million at no interest for a period of 50 years.

We lent the Caribbean Islands $1.8 million at no interest for a period of 60 years.

We lent Jamaica $8.25 million at an average of ¾ of 1 per cent for the construction of rural schools, a bridge, a seaport, a radio system, to buy equipment, to undertake public works, to build small bridges and low-cost housing. Will we have to ask Canadians to go live in Jamaica in order to obtain loans at ¾ of 1 per cent interest?

These are government responsibilities and yet we are asked to raise the income tax.

In 1966, in the space of a single year, we lent Trinidad and Tobago $4.89 million at ¾ of 1 per cent interest.

To the easternmost West Indies, to help the development of the dairy industry, we loaned $250,000 without interest for 60 years.

In Latin America, to Argentina, we loaned $756,000 at ¾ of 1 per cent interest for 60 years.

We loaned Malaysia $1,720,000 at ¾ of 1 per cent for 37 years.

The Central American Bank for Economic Integration was loaned $3,780,000 at ¾ of 1 per cent interest for 60 years.

We loaned Chile $8,640,000, at ¾ of 1 per cent for 60 years for part of the loan, and 3 per cent interest for 37 years for the balance of the loan.

We loaned the Republic of El Salvador, for port facilities, the sum of $3,240,000 at ¾ of 1 per cent for 39 years.

We loaned Mexico $540,000 at ¾ of 1 per cent for 60 years.

To African members of the Commonwealth we loaned $3,500,000 at 6 per cent for 30 years, and $1,600,000 without interest for 60 years.

Those are the official figures of the Department of External Affairs on the loans approved by the Canadian government.

And here is the Canadian parliament discussing whether or not personal income tax should be increased. The right hon. Prime Minister (Mr. Pearson) said in the course of his explanations to the house this morning: "We will find another way of making up for the funds we are losing." We shall surely find another way to raise the money which we lost by the vote taken on Monday night.

• (2:50 p.m.)

The Prime Minister promises, however, that Bill No. C-193 has been definitely set aside, and that it will never come again before the house. However, plans are being made to move another bill in an effort to recuperate the sums of money which the department will lose an account of Monday's vote.

Last night I asked the Minister of National Revenue (Mr. Chrétien): When shall we start paying back the Canadian people the amounts of money collected by the government since January 1 last?" It is not known. However, one thing remains: since the defeat of Bill No. C-193, all the amounts which were paid to the government have been collected illegally.

Motion Respecting House Vote

Mr. Speaker, should the Prime Minister tell us that he will present another measure in order to raise funds, I shall answer him that the Canadian people cannot afford to consider another way to be subject to taxation as advocated in the measure defeated last Monday night.

At this stage I say to the leader of the official opposition who contends strongly that the government exceeds its powers and does not respect tradition, that it was defeated and that Monday's vote is a non-confidence vote against the government, that the members of the Ralliement Créditiste who voted that evening against Bill No. C-193—as they had done on second reading and in committee—voted against the tax increase and not to show their lack of confidence in the government.

Some hon. Members: Oh, oh.

Mr. Caouette: Why, Mr. Speaker? I hear "Oh, oh" from the Conservative side. Precisely because we do not have any more confidence in the Conservative party than we have in the Liberal party. We would not want, at any price, to see the present Leader of the Opposition replace the Prime Minister, because he does not have a solution. It is all very well to tell the government: You are not doing your job, you are giving evidence of irresponsibility. It is all very well for the Conservative party to say that when it sits in the opposition, but I shall remind the Conservatives that when their party had 208 federal members in this house, it was at that time that Canada experienced its highest level of unemployment.

Some hon. Members: Hear, hear.

Mr. Caouette: When the leader of the official opposition says: the government asks us to ignore Monday's vote, it is not at all what I understand. The leader of the official opposition and myself probably did not attend the same school, but I do not understand the motion in that way at all. The motion does not say that we must repudiate the vote taken on Monday, and we agree that the government can introduce this motion. The other day, the leader of the New Democratic party stated that the government had the constitutional right to present its motion but that it did not have the moral right to do so.

Does that mean that the Canadian constitution is immoral? Does that mean, Mr. Speaker, that we must always follow traditions, even if they are not solidly established? Must we always follow the same beaten track as in the last 100 or 200 years? Are we not able in 1968 to take our responsibilities ourselves?

On the one hand, Mr. Speaker, the opposition admits that the government has a right to present its motion. On the other hand, and according to tradition, as soon as a government is defeated, it must go before the electorate.

Reference has been made to events dating back to 1869, 1872, 1876 and 1926, when a government was defeated on a vote and did not call a general election anyway.

If it is true, Mr. Speaker, that on those occasions, according to tradition, the government did not resign and that the Macdonald government, for one, was defeated eleven times and did not resign, then the present government could very well not have moved a motion such as we have before us.

The opposition says that Monday's vote was a non-confidence vote. That is the position of the official opposition and the New Democratic party. On the other hand, the government says this was not a non-confidence vote. In these circumstances, what should we do, what should we say?

The government, through the Prime Minister, says: "We are going to introduce a motion in the house in order to determine whether or not you have confidence in the government".

If the motion asked: Do you have confidence in the government, our group would vote directly and completely against the government. We do not have confidence in the government, and we want them to know it.

However, that is not the text of the motion. It says, and I quote:

> That this house does not regard its vote on February 19th . . . as a vote of non-confidence in the government.

It is a vote of non-confidence with regard to the income tax increase, and I have no sympathy for the government. But I want it to be clearly understood that I do not have any sympathy for the Conservatives either, nor for the New Democratic party.

I sympathize with the Canadian people who witness, at the present time, a political acrobatic game masterminded by the official opposition that refused on Wednesday afternoon to discuss that motion in which a vote could probably have been taken then. But no, the official opposition stood firm on the 48-hour notice, so that yesterday and the day

before yesterday we could not do anything, and it is the taxpayers' money which the Conservatives say they want to save that we spend lightheartedly like that.

• (3:00 p.m.)

Who are those who are afraid of assuming their responsibilities? Let the leader of the official opposition answer that.

Mr. Speaker, the leader of the New Democratic party said at noon that the government was asking us to repudiate Monday's vote. I do not understand very well what the leader of the New Democratic party meant by that. There is nothing in the motion asking us to repudiate Monday's vote. On the contrary, the Prime Minister stated at noon that Monday's vote will not be put again, that Bill No. C-193 will not be re-introduced in the house. He merely asked that Monday night's vote be not regarded as a vote of non-confidence.

Mr. Speaker, as I said at the beginning of my remarks, we do not want to play into the hands of the older political parties, even if the press in general tries to have everyone be a party to the same game.

I was reading in *Le Devoir* this morning an article signed or written by Mr. Pierre-C. O'Neil, and I quote:

Mr. Réal Caouette in a rather ambiguous statement said that he did not consider as a vote of non-confidence—

—It seems to me that this is not ambiguous—

—the vote taken on Monday night and that consequently he reserved himself the right to vote for the government when its motion of confidence is put to the house within a few days. And while he was saying this, some members of his party were still giving to understand that they might be away on voting day.

We are eight in the house today, I believe, and we will be eight when the vote is taken.

As soon as this indecision among the members of Ralliement Créditiste was known, after its leader Mr. Réal Caouette reportedly had an interview with Mr. Jean Marchand the day before, the Conservative and N.D.P. members intimated that they would not drive the government against the wall.

This is the information given out to the public, which will come to the conclusion that the leader of the Ralliement Créditiste had a meeting with the hon. Minister of Manpower and Immigration. I had a meeting last night with the Minister of Manpower and Immigration on the television program "Tirez au Clair", and that is the only place where we met or had any discussion at all.

Mr. Speaker, these are news which certain unscrupulous journalists give out to the public. I realize that I have never been a great favourite with the press, but I do not care about that. I do not ask for preferential treatment from the press. Since we managed to play them a trick in 1962, we will play them another trick at the next opportunity, perhaps within the next three weeks, perhaps in the next five or six months.

Mr. Speaker, such a piece of news broadcast through the province spreads confusion. Now, we are here today to clarify the situation.

At this stage, I will quote from the speech delivered on Wednesday, February 21, by the leader of the New Democratic party, as reported on page 6904 of *Hansard*:

In our system of parliamentary government the most important right is the right to impose taxes.

"To impose taxes". Then, the leader of the New Democratic party agrees with the leader of the Conservative party as well as with the leader of the government. Our most important right is the right to impose taxes.

Then, further on, and I quote:

This government has been denied that right by a majority of members voting on Bill No. C-193.

Some hon. Members: Hear, Hear.

Some hon. Members: Hear, hear.

Mr. Caouette: And this morning, Mr. Speaker, the leader of the New Democratic party suggested the following: Instead of taxing the low wage-earners, let us tax the large undertakings, the large corporations, the contractors, such as those, for instance, who are prospecting for oil in the Canadian north and will spend $11 million without knowing whether or not they will find anything. Let us tax those people, let us tax the producers, the large producers and we shall see an immediate increase in prices, as happens generally. Then, it is the little man who will have to pay; instead of paying a 5 per cent tax, he may have to take a 10 per cent price increase. Will he be better off then?

The leader of the New Democratic party was during 17 years premier of his own province. When did he remove a single tax? Of course, he tried to tax large corporations; only he drove them out of his own province and they set up business elsewhere.

Some hon. Members: Oh, oh.

Mr. Caouette: Mr. Speaker, the solution suggested or submitted by the New Democratic party is not very much different from the one suggested by the Conservatives or the Liberals. Only the solution advocated by the Créditistes differs from all others.

Instead of compelling the low wage-earner to dig deeper in his pockets, let the Minister of Finance go to the sources of money; not to circulating money, but to the source itself, namely the Bank of Canada, of which we should make full use in order to develop our natural resources. By so doing, we would respect the corporations and workers. But no, the Conservatives and the New Democratic party will not consider that solution. The Créditistes alone advocate it, and yet it is accessible to parliament and to the Canadian people.

Mr. Speaker, that is the heart of the matter we are now discussing and trying to clarify. Basically, is it not a monetary question? It is not merely a fiscal matter. If we go to the bottom of things, it is a monetary matter, which the fiscal question follows.

Now, that is precisely the question—I must wait for the interpretation, Mr. Speaker, because I am told that I am doing well at this point—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Caouette: Mr. Speaker, the fiscal question follows the monetary question and that is the one we should face. I feel that if we faced seriously the real problem that exists in Canada, it would be possible to find a solution instead of fooling around and saying: Is it a vote of confidence or non-confidence, etc, etc.?

At this stage, and because we are now facing a problem that concerns the constitution and our parliamentary traditions, I would suggest that the government should add the words "confidence" or "non-confidence" to the bills introduced in the house. If the government did that, we would not encounter the kind of difficult parliamentary situation we are dealing with now.

Mr. Speaker, I shall close my remarks by repeating the wish of the Ralliement des Créditistes. The Canadian people need their government. The Canadian people deserve a more responsible management of their national affairs than they get at the present time. Recently, a federal-provincial conference was held which dealt with bilingualism, the recognition of the French language in the other provinces, as we recognize the English language in the province of Quebec. All the premiers of the Canadian provinces deserve congratulations and the right hon. Prime Minister of Canada ought to be congratulated for having proposed and suggested that linguistic policy in the other provinces.

I shall point out that during my early visits in western Canada, in 1962, I said in Vancouver, in Victoria, in Alberta, in Saskatchewan: give our French minorities the same treatment that we give the English minorities in the province of Quebec, and then it will be easier to talk about national unity or national understanding.

• (3:10 p.m.)

During the last federal-provincial conference, that progressive idea was supported by all provincial premiers as well as by the Canadian Prime Minister.

Now, ladies and gentlemen—

Some hon. Members: Oh, oh.

Mr. Caouette: Mr. Speaker, everybody will agree with me that there are charming ladies in the galleries.

Some hon. Members: Hear, hear.

Mr. Caouette: We also realized during the federal-provincial conference that the question of prime importance was, all in all, the economic situation. The province of Quebec and all the other provinces are asking for increased powers. Mention has been made of a special status, a special treatment, etc. In that connection, the federal government has a great part to play, because it is also true that financial matters come under federal rather than provincial jurisdiction. On the other hand, the main problem of the provinces concerns precisely financial matters.

The premiers of Quebec and Ontario as well as those of the western and maritime provinces told us: We do not have the capital needed. Only the central government can do it because it is the only one which has the right and the power to legislate in that field. When the provinces secure financial powers, they will be able to administer their own business as they please, according to their aspirations and then all talk of a special status will die down. On the other hand, to reach that stage, we need the authority to administer ourselves.

Again that is a matter of finance. If the provinces could borrow at an interest rate of ¾ of 1 per cent today, as India does, if our municipalities could do the same thing, we would have fewer problems to face. All the problems of the municipalities, the provinces and the federal government are the same, that is to say financial problems.

Therefore, we must deal squarely with that problem. If taxes continue to be levied and increased as they are now, when the people lack purchasing power, the federal government will have to assume its responsibilities to the Canadian people, the provinces and the municipalities.

That is why I repeat that the last two or three days have been a complete waste for the Canadian parliament, while the people long for objective and constructive legislation, legislation which would give impetus to our economy.

It is not normal for a country such as ours to have 500,000 unemployed. It is not reasonable, it is even unthinkable, that there should be 75,000 to 80,000 unemployed in the city of Montreal alone. It is unthinkable to see people at grips with extreme poverty in a country of affluence when there is a great surplus of clothing, food and electric appliances. It is not normal to force part of our population to live in abject poverty.

Therefore, I ask the government to introduce legislation capable of alleviating poverty in Canada. It is a good thing to help under-developed countries; we have no objection to this. But let us start by helping those who need it here at home, let us start by putting our own house in order. Since Monday last, the Canadian parliament has been in a turmoil.

Mr. Speaker, I hope this motion will be put to a vote as soon as possible. Like our friends of the New Democratic party, we have no objection to the motion being put to a vote today so that we can get on with the ordinary business of the house on Monday. The money spent when the house engages in terrible discussions on matters that are devoid of interest for the people as a whole increase inflationary pressures which we should be fighting.

If we want our attitude to be meaningful, let us face up to our responsibilities as members of the Conservative party, the New Democratic party, the Liberal party; in short, as members of parliament, let us stop wasting the time of the house and let us proceed with legislation, and the implementation of policies which will help the Canadian people.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, in rising to take part briefly in the special debate this afternoon may I say I am fully aware of the fact that it may be difficult to present arguments which have not already been presented by the preceding speakers. However, I feel we would be remiss if we did not participate in this debate, outline our views on the motion before us and also indicate the position we intend to take on the vote. We in this party are prepared to vote today on this motion or at the earliest possible time because we believe that uncertainty and indecision are not only harmful to this institution but are also doing a disservice to the people right across the nation. Therefore it is not our intention to deal at any length with the motion or to outline our views with respect to the various details of the bill which provided the occasion for this debate.

I should like to refer to some of the statements that were made by the Prime Minister (Mr. Pearson), some of which were refuted the other day, and also to say a word or two about them this afternoon. Once again reference has been made to the dangers which face minority governments and to the fact that in such a situation we have to make allowances vis-à-vis our ordinary practices and the constitutional position. But once again let me say very clearly that we do not consider that the crisis precipitated by the vote on the tax measure was in any way related to the minority position of the Liberal government. I think it has been amply demonstrated and clearly set forth that although there were absentees from other parties only two-thirds of the members of the Liberal party were present in the house on that occasion. Had the Liberal members been present in force there would have been no doubt as to the outcome of that vote. Therefore I believe that the Prime Minister and his government will have to accept full responsibility for the defeat of the government on that issue and not lay it on the doorstep of the electors of this country because they did not elect a greater number of Liberal members.

The Prime Minister indicated that the vote we took the other evening should not be considered a vote of non-confidence. But I would like to say again that so far as our group was concerned, and I believe I can say so far as every member who was present in the house

was concerned, it was a want of confidence motion and everyone who voted expected it would be looked upon in that way. The suggestion is that we were not voting non-confidence on that bill because of the situation which existed and the fact that it was not declared to be a want of confidence motion. I say again that we all expected it would be considered as such and therefore the motion before us today in effect is asking us to set aside our understanding of the situation at that time, to set aside what we believed to be the true situation with regard to the bill, to set aside the objective we had in mind when we voted on the bill, to do away with all of that and in the vote on the motion now before us to imply that we did not intend the previous vote to be one of want of confidence.

• (3:20 p.m.)

Unfortunately the impression has been left across the country that on every stage of the tax bill the house in its entirety voted in favour of the measure. Last night I had a telephone call from one of my constituents. This gentleman said, "Is it right that all of you people supported the government on all of these stages of the bill and then voted against it on third reading?" I said, "most definitely not." He said, "Well, that is the impression we have out here in this part of the country." Whether it was intentional or not, I believe the impression created was that members on the opposition side voted in support of that measure during its various stages. This was certainly not so. As has been pointed out by other speakers, the opposition was consistent throughout the various stages of the bill.

There has been considerable discussion about the constitutionality of that vote and whether the government has a right to bring in a want of confidence motion over and above that vote. This reminds us somewhat of events that took place several years ago. The present Prime Minister was leader of the opposition at that time and he did not even believe that a vote of non-confidence in the government was necessary. He said, "You ought to move over and let us form a government." I believe this position was a little more out of line than that taken by the opposition in the house today.

Once again, Mr. Speaker, reference has been made to the Prime Minister's allegation that there was a plot to defeat the government on the tax issue. I say categorically once again that there was no plot so far as we were concerned. There was no collusion. The Prime Minister said he was not implying that there was collusion. There was no collusion with any other party on that vote. We voted as we believed we should vote. Let me ask the Prime Minister this question. Even if the opposition had combined deliberately to defeat the government, what would have been wrong with a situation like that? I cannot see anything wrong with it. I recall that when the right hon. gentleman was leader of the official opposition the Liberals, in order to upset the government of that day, voted for an amendment submitted by the Social Credit party in which they stated they did not believe but they voted for it to get rid of the government.

Some hon. Members: Oh, oh.

Mr. Patterson: How can the right hon. gentleman now imply there is anything dastardly about the opposition getting together in order to defeat a government when it is felt that government has lost the confidence of this country?

There is another question which I think is fundamental. How would the government have regarded the vote on Bill No. C-193 had they been looking for an excuse to call an election? I do not believe there would have been any discussion about it. I do not believe there would have been any argument. I do not believe they would have thrown up any defence or tried to introduce another confidence motion. They would have gone happily on their way because they would have been anxious to have another election.

The Prime Minister said that the government had to decide whether or not it was in the national interest to have a general election. I wonder whether the right hon. gentleman considered it was in the national interest or in the interest of the Liberal party to have an election in the fall of 1965? I do not believe that entered into their consideration when they made a decision to call an election just two years after the country had experienced an election.

We all know that it is traditional for a government to resign when it loses a vote on an essential measure such as the one which was presented to us the other evening. The Prime Minister brought forward a lot of constitutional experts to give testimony on this matter. Once again I say that had it been the desire of the government to have an election he would not have dragged in all these constitutional experts to say that we ought to do

this or we ought to do the other thing. They would have simply gone ahead and called an election, forcing the country into another period of adjustment during an election campaign merely for the advantage of the party in power.

It is easy to rationalize, Mr. Speaker, but it is difficult to reconcile the position the Liberal party took when they were in opposition and the position they are taking now they are in office. It has been stated today that the government fully intends to balance its budget. Well, that is a new one coming from this government. They have not bothered about the national debt for a long time and it has been increasing until we are now paying about $1,300 million just in interest. They have not been very much concerned about balancing the budget up until this time. They say they are going to balance the budget this year and they state categorically they are going to get this money. There is no question about it; they say they are going to get the money. I do not know whether they are going to bypass parliament or how they are going to do it. However, they say they are going to get the money.

I should like to know how they are going to get the money. Are they going to increase taxes or are they going to cut back their expenditures? I feel this is a fundamental issue. There has been a great deal of talk about cutting back expenditures but there has been more lip service to the idea than practical application of the policy. I believe we have a right to know just how the government is going to handle the situation. Is there going to be a further increase in taxes or a cut-back in expenditures? If there is an attempt to increase taxes further after the defeat of the tax bill the government will face the same opposition that it has faced on this particular issue.

So far as we are concerned, Mr. Speaker, we cannot vote confidence in the present administration. Looking back over the past months we find confused priorities. The government has forced the house to deal with measures and issues that were not fundamental to the economy of this nation. Those measures had nothing to do with the material well-being of this great nation of ours. The government always had some particular plan it was interested in bringing before us, thus taking up time which should have been spent on the discussion of the serious problem the Prime Minister now states is upon us. Because of the confused priority list which we have been forced to accept during the past months we cannot have confidence in this administration. Because of the contradictory policies that have been submitted we are unable to support the government.

Perhaps I could give one or two illustrations. I think of the housing program. The attitude of the government was that we ought to see to it that every Canadian can have his own home. They held out this ideal and then promptly introduced additional taxes on building materials. They promptly made possible a substantial rise in interest rates on mortgages through Central Mortgage and Housing Corporation. They adopted policies that are making it impossible for Canadians to own their own homes.

The government was going to fight inflation. They said: We have to do this, that and the other to fight inflation. Then the government introduced a bill to increase taxes. We all know what effect increased taxes have on the cost of living. It is not the opposition that is fighting them; they are fighting against themselves. A house divided against itself cannot stand, we are told. I believe that even if we did not oppose the government they would collapse on their own because of their inability to face and to solve the major issues that confront us.

• (3:30 p.m.)

We in this group have constantly recommended monetary and fiscal policies that we believe are necessary to meet the needs of the present day. We have presented them in good conscience. We have presented them as our beliefs and in a way that would commend them to the consideraton of the government. It is acknowledged that the present policies are not solving the problems; yet the government will not accept or follow policies that might lead them out of the woods and once more into the light. Therefore I say that in face of the monetary and fiscal policies of this government we cannot vote confidence.

The entire program of the government over the past months is evidence that the government does not know what to do in face of the urgent problems confronting us. We are told today that we cannot have another election, that we cannot upset the government because the country is in a critical position and Canada faces serious economic problems. We are told that an election might upset the balance and tip us over the precipice. I believe it was said today that if the government stays in office it will push us over the precipice anyway. Nevertheless, Mr. Speaker, I do not

believe that this is any reason for voting confidence in the government. All I say is: What a confession to make to this house. The government, having been in office all these years, comes to this house and states that Canada is facing a very difficult situation, that we are facing a crisis and had better not try to change horses at this stage of the game.

The government has brought in this motion, Mr. Speaker. I know the Prime Minister is a great sportsman. He has proven that and we all appreciate that he is interested in these things. However, I do not think the Prime Minister would want to change the rules of the game halfway through the course of the game. He is now asking us in this crisis to change the rules of the game halfway through and allow him to bypass the traditional position of a government in the face of defeat. Many of us agree that some fundamental changes are desirable in our rules of procedure and other matters, but until the rules are changed I say, let us play the game according to the rules.

In conclusion, Mr. Speaker, may I say that the members of this party have fulfilled their promise to endeavour to provide a measure of stability in a minority government situation. The government has failed to produce the goods so we cannot express our confidence in the government in this crucial vote.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker—

Mr. McIntosh: Sorry about that, chief.

Mr. Sharp: May I say to the gentleman who made that opening remark that at any time the Prime Minister (Mr. Pearson) feels I am not discharging my responsibilities to the government or to this parliament I will gladly resign.

Some hon. Members: When?

Mr. Bell (Saint John-Albert): Why wait till spring?

Mr. Sharp: I should add, of course, that I am not anxious to keep the job indefinitely.

This debate, Mr. Speaker, takes place at a critical time in the affairs of our country and in the interests of the nation I urge a speedy and favourable decision on the motion before the house. This is not the time for a prolonged debate that will paralyse this parliament as well as the public business of this country. Nor is this the time to plunge the country into an election. If there seems to be some other alternative available then I should like to say, speaking personally, that I know of no one else in this house who can discharge the function of Prime Minister of this country better than the present Prime Minsiter.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): He is a lame-duck Prime Minister.

Mr. Sharp: My only regret, Mr. Speaker, is that he has decided to move on to better things after April 6. However, that is a decision he has made personally without consultation with any of the rest of us.

I listened with incredulity to the speeches today of the Leader of the Opposition (Mr. Stanfield) and the leader of the New Democratic party. In the first place I listened to the Leader of the Opposition expecting that he would produce some precedents to bolster the constitutional position that he placed before the house today. However, I listened in vain. The Prime Minister certainly won that particular engagement hands down.

Some hon. Members: Oh, oh.

Mr. Sharp: The Prime Minister quoted authorities which have been recognized throughout the British Commonwealth and in all British parliamentary institutions. The only authority that the Leader of the Opposition could quote was himself, and under the circumstances I really think he was outvoted.

The Leader of the Opposition poses as a reasonable and responsible man. He certainly has the manner; he is very quiet and very dignified. But nowhere in his remarks did I detect the slightest recognition of the nature of the problems facing this country. I have come to the conclusion that what the Leader of the Opposition wants at any cost is an election. He wants an election regardless of the consequences. I suggest he wants to have an election as soon as possible before the image that was created at the Conservative leadership convention fades away entirely, and I do not blame him.

I can assure the Leader of the Opposition that the Liberal party has no fear of an election and certainly no fear of the party that is led by my hon. friend. However, this is not the time for an election. Unlike hon. members opposite, the people of Canada do not want an election.

Mr. Churchill: How do you know?

Mr. Sharp: All they want is to have this parliament, which was elected less than two and a half years ago, go about its business and deal with the urgent matters before it. The Leader of the Opposition did speak at considerable length about the problems facing the country. But what did he propose to do about those problems, Mr. Speaker? He proposed either to paralyse parliament or to call an election. They were the two practical alternatives that he put before us, unless, of course, he wanted to suggest that he himself wanted to be prime minister. He was not very enthusiastic about it; he was rather modestly reluctant. In any event I do not think that this would add greatly to the stability of government under the present circumstances. I suggest that the Leader of the Opposition would be better employed carrying on his job as Leader of the Opposition for a little longer. As he went on he might get to like it and would not want to change.

• (3:40 p.m.)

Mr. Starr: You hope.

Mr. Sharp: There are serious problems facing this country, problems of an unprecedented character.

An hon. Member: You made them.

Mr. Sharp: They have arisen for reasons which are mostly beyond the control of the parliament of this country.

Since becoming Minister of Finance I have never hesitated to lay before this house and before the people of this country the nature of the problems that face us. I have done that clearly; indeed, I have been criticized for being so frank. Nor do I think—and I want to make this clear—that the measures the government has proposed have invariably been right. In this very complex world you cannot always be right; you can only hope to be right most of the time.

An hon. Member: What about Monday night?

Mr. Starr: That only applies to the minister, I suppose.

An hon. Member: What about the President of the Privy Council?

Mr. Sharp: And I make no apologies.

Some hon. Members: Oh, oh.

Mr. Starr: I thought the minister was supposed to be an improvement over the previous finance minister.

Mr. Sharp: I make no apology whatever for having, during the time I have been Minister of Finance, altered the direction of our financial and economic policy. Had I hesitated to do so I could have been open to censure. Our circumstances have been changing rapidly. They will change rapidly and as long as I am Minister of Finance I shall try to fit our policies to those circumstances.

An hon. Member: From day to day.

Mr. Sharp: As I listened to the leader of the N.D.P. I came to envy him. I envied his self-assurance. It is quite clear that he knows he has all the answers. Clearly he knows that invariably he is right. He spoke with that self-assurance that has been so pronounced in his demeanour in this house. As I say, I envy him. It must be very pleasant to be happy with oneself and to know that one knows the answers.

An hon. Member: Boy, oh boy.

Mr. Sharp: It must be pleasant to go on in this comfortable fashion. And today we had a magnificent example of that supreme self-confidence, a self-confidence that was so supremely unwarranted.

The hon. gentleman expressed his great concern about inflation, but how does he want to deal with it? I listened very carefully to the remedies he put forward and he suggested that we should deal with inflation by following inflationary policies. We should spend more and tax less. That was the remedy he put forward, apparently as the result of that self-assurance that goes with his economic doctrines.

Mr. Grafftey: Some think this might be a time for humility.

Mr. Sharp: It is this kind of talk that helps to undermine confidence. Of course, it may be that the hon. gentleman never expects to be in office and sees no harm in being so completely irresponsible. He said among other things, for example, that Bill C-193 would impose a tax on individuals in order to repay the refundable tax to corporations. Surely the hon. gentleman knows that such a statement is inaccurate.

Mr. Douglas: Not at all.

Mr. Sharp: Yet he persists in repeating the misstatement as if it were the gospel truth. Perhaps that is a carryover from the years when he was a minister of the gospel and not a member of parliament.

An hon. Member: Cheap.

Mr. Sharp: As I was listening to the hon. member—

An hon. Member: How cheap can you get?

Mr. Sharp: —I could see him building up his platform for the next election by making charges of this sort.

Mr. Starr: What about the minister and the leadership?

Mr. Sharp: And if the Leader of the Opposition is hungry for power, the leader of the N.D.P. positively drools at the prospect of an election. The hon. member for Burnaby-Coquitlam knows that the repayment of the refundable tax was provided for in Bill C-193 by way of a prepayment of corporate tax. All the money for that purpose was provided for in the bill, and I hope that he will correct this inaccuracy. But I suspect that he will go on uttering these statements as if they were gospel truth, even though all the facts are to the contrary. What concerns me about the leader of the N.D.P. is his general attitude of irresponsibility.

An hon. Member: How pompous can you get?

Mr. Sharp: I hope the hon. member has been following events in the United Kingdom where a government of his persuasion is in office. That government has had to devalue its currency. That government has had to go in for tough taxation measures, tough measures of restraint of expenditure. These measures are of unequalled toughness. Why did the government of that country not take the advice of my hon. friend? Or perhaps that is why they got in trouble. Perhaps they got into trouble because they listened to him when he met with them at Chequers when the leaders of the social democratic parties got together to discuss these problems. I know that if the government were to take the advice of the leader of the N.D.P. there would be an economic crisis of major proportion in this country.

Mr. Douglas: There is now.

Mr. Sharp: It would set back its progress for years, and we do not intend to take that advice.

An hon. Member: You did in 1962.

Mr. Sharp: We intend to continue to propose policies to maintain the stability and prosperity of this country. I remind the house that never before in the history of this country has there been such a prolonged period of expansion, such a prolonged period of prosperity and such a period of unexampled increase in the living standard of Canadians.

Mr. Starr: Starting in 1961.

Mr. Sharp: The record of the progress of Canada since this government took office is without precedent and without parallel. I defy anyone on the other side of the house to find a period in the whole history of this country—

Mr. Muir (Cape Breton North and Victoria): When the government has been so bad.

Mr. Sharp: —which will compare with the record of the economic progress of this country since this government has been in office.

Some hon. Members: Hear, hear.

Mr. Sharp: We are now facing a period of difficulty which has been brought on largely by reasons that are beyond our control.

Mr. Stanfield: Well, now.

Mr. Starr: What was the minister doing all the time?

Mr. Ricard: That is irresponsible.

Mr. Sharp: This will require from the government tough decisions and it will require from the people of Canada a high degree of co-operation and restraint. This government intends to do what is necessary and I, as Minister of Finance, intend to discharge my responsibilities.

Mr. Stanfield: You should resign.

Mr. Sharp: The Canadian dollar, as I have said on several previous occasions, is on trial.

An hon. Member: So are you.

Mr. Sharp: Yes, and this government is on trial. I admit that.

An hon. Member: It is not going to survive.

Mr. Sharp: Yes, it is, and it is going to pass this test just as the Canadian dollar is going to pass its test. The world is watching the performance of the Canadian economy—

Mr. Starr: And shuddering.

Mr. Sharp: —and the markets and the prices of Canadian government bonds are

reacting to every development here in parliament. How we act and how we discharge our responsibilities will have a profound effect on the jobs, on the cost of living and on the standard of living of all Canadians.

In my view it is essential that during this session of parliament we should take the fiscal action that is necessary to maintain confidence in the Canadian economy and in the Canadian dollar. If we adjourn or prorogue this session or, as the Leader of the Opposition and the leader of the N.D.P. want, dissolve parliament without making provision to raise additional moneys to pay our bills in the coming fiscal year, the results could be serious. Look at the world around us. The devaluation of the pound sterling is still echoing in the financial markets of the world.

Mr. Pearson: And this is supposed to be our fault.

• (3:50 p.m.)

Mr. Sharp: The United States is having to take most extraordinary measures, some of which were referred to by the leader of the New Democratic party today. Why? To spite us? No. Because of the drain of gold from that country. The most powerful, the most important nation in the world is under attack. And here we are in Canada sitting next to the most powerful country in the world in these circumstances. Interest rates are at the highest levels throughout the world, not just in Canada. Not since the 'twenties have international financial markets been so disturbed and so jittery. These are the circumstances in which the Leader of the Opposition and the leader of the New Democratic party want to project this country into an election. I think it would be the least responsible action that parliament could take.

In the financial measures I placed before the house on November 30 I proposed a limitation on our expenditures and additional taxation designed to bring the budget into approximate balance in the next fiscal year. The estimates brought down by my colleague the President of the Treasury Board (Mr. Benson) demonstrate the government's determination to live within the ceiling on expenditures. Some of the tax proposals, those in the fields of excise taxes and excise duties have been approved by this house and are now before the Senate.

Last Monday the vote on the third reading of the income tax bill was negatived. The government accepts that decision, whatever may have been the circumstances of the vote. The government will put before the house further financial measures. It is essential that our proposals be such as to finance our expenditures in a non-inflationary way and reduce the pressures on the capital market. This is the only responsible course that a government in office can take, and I urge upon this parliament acceptance of that responsibility.

In conclusion, I suggest that we should stop this posturing and bickering as political parties.

Some hon. Members: Oh, oh.

Mr. Sharp: If we do not, we shall certainly be deserving of the censure of the people who have elected us, and I prefer to listen to the voice of the people—

Some hon. Members: Hear, hear.

Mr. Sharp: I prefer to listen to the voice of the people rather than to the voice of Oliver Cromwell, who has been quoted by both the Leader of the Opposition and by the leader of the New Democratic party. And what is the voice of the people saying today? It is saying: Get on with the job.

Some hon. Members: Hear, hear.

Mr. G. W. Baldwin (Peace River): We have all listened with great interest to the speech just delivered, or performed, by the Minister of Finance (Mr. Sharp). He began by telling us he was incredulous. This is not news to us. The Minister of Finance has always been incredulous to us, and never more so than today when one considers the speech he has just made.

He told us the world is watching with interest the performance of the Canadian economy. I grant him this. I have just come back from a trip abroad and I can confirm it. Mr. Speaker, the world is also watching with shock and amazement the horror show which masquerades under the form of the Canadian government today.

The hon. gentleman was humble and modest in his speech. That is understandable, since his government has so much to be modest and humble about. He suggested that the only reasonable inference to be drawn from the speech made by my leader was a demand for an election. I challenge the correctness of that statement. If the Minister of Finance had listened carefully, if he had read what has been stated in the press and reported from our discussions, he would realize there is no such indication that the Conservative party is demanding an election.

The statement which has been made is that the government should follow the responsible, respectable and proper course of action by offering its resignation after having been defeated on a vote which can be interpreted in no other way than as a vote of non-confidence. This is what the Leader of the Opposition has said. This is what the hon. member for Burnaby-Coquitlam (Mr. Douglas) has said. I think it should be made perfectly clear at this time. The Minister of Finance has urged: Let us finish with this business and deal with the problems which face us. Mr. Speaker, that is what parliament did on Monday night. It got rid of the problem which faces us and the country—the government.

Some hon. Members: Hear, hear.

Mr. Baldwin: The minister made much of what the government's accomplishments have been. For my part I should like to paraphrase a remark once made by a distinguished statesman: Never have so many ministers done so little for so many people.

In the first instance I think it must be made absolutely plain that Her Majesty's loyal opposition has not changed and will not change the position it originally took with regard to the status of the government following the events of Monday evening, irrespective of what might be the position of the ministers pursuant to statute. The government has certain privileges and it has certain responsibilities in this house. Those privileges include the constitutional practice, hallowed by hundreds of years, of submitting its resignation following defeat in a vote which can only be interpreted as a vote of no confidence. This is the attitude we took from the beginning. We are taking part in this debate, as we should as responsible and reputable members of parliament, but our position has been made clear as reported in *Hansard* of Wednesday last when I, on behalf of this party, entered a caveat as to the rights of the government with respect to further proceedings in this house.

The vote on Monday night represented a major defeat and cannot be redeemed. The government lost the confidence of the house at that time and I would say to the Prime Minister (Mr. Pearson) in the words of the ancient Persian—

> The Moving Finger writes: and, having writ,
> Moves on; nor all your Piety nor Wit,
> Shall lure it back to cancel half a Line,
> Nor all your Tears wash out a Word of it—

Miss LaMarsh: Just a Jug of Wine and Thou.

[Mr. Baldwin.]

Mr. Baldwin:

> —A Loaf of Bread—and Thou
> Beside me singing in the Wilderness—
> Oh, Wilderness were Paradise enow!

Nor, I might add, any of your allegations of trickery or subterfuge.

I regret very much that the statement made by the Prime Minister today did not constitute a complete and unequivocal repudiation of the remarks he made during the television broadcast on the C.B.C. national hook-up the other night. I admit that all of us in this house hold and express strong views from time to time. We were elected by our constituents to represent them and to put our views before hon. members strongly and firmly. And from time to time we say things particularly in the house, that we ought not to say. But in this case the right hon. gentleman made a series of statements before an audience of millions of people.

To examine the purport of what was said on that occasion one must look at the entire transcript of the broadcast. No other interpretation could be drawn from it but that members of this house who took part in the proceedings on Monday night were guilty of subterfuge and were engaged in conduct which would bring them into disrepute and contempt.

• (4:00 p.m.)

I suggest that the right hon. gentleman review what he said today and review what he said the other day. Then I am sure he would come back into this house and make a full and frank repudiation of the text and intent of what he said the other day. Until he does this I believe a blot or a cloud will stand over the names of all hon. members who participated in the proceedings of this house and who voted last Monday.

There has been some discussion concerning the position of the government on votes of this kind and other votes. The Prime Minister has attempted to set out what in future, no doubt, will be referred to as the Pearson principle on confidence motions. Before dealing with this I think it is essential that the members of the house examine the background and have a look at the present situation concerning democratic processes and the machinery of parliamentary government.

It is becoming increasingly clear, and is becoming a matter of a great deal of concern to all of us who believe in this system, that the powers and rights of the legislature are being steadily diminished while the powers and rights of the executive are growing at an

alarming rate. I do not say this necessarily in respect of the rights and privileges of hon. members as such. However, it is the members of parliament who represent the people of Canada, and it is the rights and individual freedoms and liberties of the people of Canada which day by day, week by week and year by year are being whittled away, cut down and destroyed by the massive monolithic structure of big government. I honestly believe that all members of the house feel this way. Surely it is a matter of the greatest concern that we should examine the position the government has taken in respect of the proceedings of Monday night.

Surely one of the few remaining rights we, as representatives of the people who sent us here, have, is to challenge the government when in the opinion of hon. members of this house, and in particular in the opinion of hon. members of the opposition, the government has embarked upon a course which we consider to be improper and incorrect. The issue in question on Monday is of such magnitude that it involves the very heart and core of the government's spending proposal in respect of the fiscal year and the mini-budget introduced by the Minister of Finance last November. Surely, when the government is defeated on that issue it has no other honourable course than to resign. This is a matter which involves the collection of taxes and seeking to dig deeper into the pockets of the taxpayers of this country.

It is said that during budgetary proposals it is the custom and practice for taxes to be imposed prior to the passage of the legislation. I accept that as being the practice of this parliament. But when a government does this it stakes its life on its ability to obtain from this house and this parliament the legislation which is necessary in order to legalize what heretofore it had been doing illegally. This is not a situation in which one finds it necessary to quote precedent. I suggest that here we have a set of circumstances which are unique and unknown in parliamentary history, for the simple reason that never before has a government which has been defeated on a financial measure of this kind failed to resign. This is the reason hon. members cannot find any precedent.

I am glad to see the Minister of Trade and Commerce (Mr. Winters) in the house. When my leader a short time ago was making a very strong point with regard to the position of the government he said that any cabinet minister who had been sitting in the house prior to the vote on Monday night must have accepted the fact that the vote was a vote of confidence. The only hon. gentleman I could see who shook his head at that was the Minister of Trade and Commerce.

I hold in my hand, Mr. Speaker, the Canada Year Book, 1967. The hon. gentleman has much to do with this publication. At page 86 I find these words:

> When the cabinet (the government) suffers defeat on a government bill or a vote of censure or on a motion of want of confidence in the Commons, the existing government or cabinet must either resign or request a dissolution from the Governor General.

Now, this document is the "family bible" of my hon. friend and a great many people in Canada. Possibly he might see fit to correct this particular passage because as it stands now it is of no value; it is worthless.

Let us examine with clarity, Mr. Speaker, what the result would be if the motion which the government is asking us to accept should be passed. I should like to refer to a very pertinent point made by the hon. member for Fraser Valley (Mr. Patterson). This motion contains within its four corners superfluous and gratuitous phrases which seek to suggest, as the hon. member for Fraser Valley said, that all members of this house who participated in the previous proceedings with regard to this bill had accepted the bill. In part, the wording of the motion is as follows:

> That this house does not regard its vote on February 19th in connection with third reading of Bill C-193, which had carried in all previous stages—

Mr. Speaker, there was no necessity to include these last words in this motion. If these words are to be included, then why not also include the further words, "which in all its previous stages had been opposed vigorously by all members of the opposition parties"? Why not include a statement to the effect that this party and some of the other opposition parties had vigorously and consistently opposed the financial program of this government initiated by the mini-budget of the Minister of Finance last November, and that this party and other opposition parties had consistently advanced the proposition that the government has mismanaged the affairs of this country and has not been able to do those things which need to be done in order to advance the interests of the people of Canada? Why not include those words in the motion? I suggest this is a deliberate attempt, a sly and cunning attempt to deceive the people of Canada with respect to what will be the result of this motion, if passed.

• (4:10 p.m.)

Let me conclude on this note, Mr. Speaker. What will be the effect if this motion is passed? It permits the government to make a decision after the event and not before, as to confidence. We will be breaking new ground. It will then be incumbent upon the government, if this motion is accepted, with respect to any bill placed before the house to state prior to its being put before the house whether or not it is a matter of confidence. Certainly the opposition will insist that this be done. This is the only and inevitable result which comes from the passage of this motion.

Surely, Mr. Speaker, going down through all the years in our parliamentary history, with parliament now being entrusted with the only limitations which can be placed upon the government, surely when a matter of this kind, of this importance, of this consequence has been brought before the house and has been defeated, what other reasonable, honest and logical conclusion can there be but that it is a matter of such gravity that the government has no alternative but to resign?

People have said that there is no difference between members of this party and members of the party which now provides the government. I say there is, and this issue indicates it. Hon. members opposite believe they have a divine right, that they constitute the managerial elite who have the right to govern this country under all conditions and under all circumstances; and if the law, if the rules and regulations of this house, or if the constitutional precedents of hundreds of years interfere they can say, "Oh, we will jump over this law, we will jump over this precedent, we will ignore them." That is the difference.

We in this party believe in the rights of parliament.

Some hon. Members: Hear, hear.

Mr. Baldwin: We abide by the practices and traditions of parliament, and there is illustrated the difference between hon. members opposite and the members of this party. I would hope under those conditions all members who have any regard at all for the privileges and for the traditions of the House of Commons will vote down this motion which is now before the house.

Some hon. Members: Hear, hear.

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I want to begin this afternoon by reassuring the Leader of the Opposition (Mr. Stanfield) on two points: First I want to say to him that there was nothing offensive to him personally intended by any member when unanimous consent was not given to him to speak on Tuesday.

Some hon. Members: Oh, oh.

Mr. Stewart: If unanimous consent had been given it would have applied to all members, and we might then have had a general debate on the matter which is now being debated.

Mr. MacInnis (Cape Breton South): The Prime Minister refused.

Mr. Speaker: May we have order please?

Mr. Stewart: We might then have had a general debate on the matter which is now before the house, a debate far earlier than the hon. gentleman evidently wished.

The second point on which I wish to reassure him was that the Prime Minister (Mr. Pearson) was not being unfriendly to him, the Prime Minister did not wish to upset him, when he used terms such as "trickery" and "manufactured crisis". Those terms are mild, even insipid, when compared with some that have come across the floor of this house from the quarter in which the hon. member now sits.

Mr. Monteith: The Prime Minister did not use those terms in the house.

Mr. Stewart: It is well to remember, sir, that other people have used expressions outside this house since last Monday night. For example, the Leader of the Opposition himself accused the government of trying in a "high-handed and presumptuous way" to make a "farce of parliament".

Some hon. Members: Hear, hear.

Mr. Stewart: I can assure you, sir, that that harsh and inaccurate statement made outside the house and applauded within the house will not be regarded by the Prime Minister as something that should upset him greatly.

This morning the Leader of the Opposition insisted that last Monday two questions were decided by one vote, and decided conclusively. The first of these questions was whether or not Bill C-193 would then be read a third time, and the second question was whether or not the government had lost the confidence of the house. I think, sir, that there is no dispute on the first of these points.

The motion for the third reading then of Bill C-193 was defeated. It was defeated by a vote of 84 to 82.

But there is dispute on the second question. The Conservative opposition says, and my hon. friend from Peace River has just now reasserted, that the vote taken last Monday night was conclusive as to the attitude of the house toward the government. We on this side of the house take a different view. We believe that the Conservative opposition is taking what I will call a mechanistic view of our constitution.

Members of the Conservative opposition are insisting that in this one vote recorded Monday night the whole attitude of the house was reflected conclusively and ultimately. They are suggesting that in this one vote the whole view on the government of all the membership was summed up. I do not think that this is accurate. I think that to endorse this view of our constitution is really to be just a little fatuous. They say this, and they say they are adducing the precedents of the centuries. But I say they have not yet adduced a precedent. What we have heard is a quotation, by an unnamed writer, a quotation from the Canada Year Book. That may be an excellent source for statistical information, but I have never before heard it quoted as a great authoritative source in the field of constitutional law and practice.

Mr. Muir (Cape Breton North and Victoria): Bob Winters endorses it.

Miss LaMarsh: That is all the *Globe and Mail* could find, too.

Mr. Stewart: When we come to this matter of how a vote in this house shall be interpreted, there are, I suggest, two parties who are principally involved. In the first place the question of the interpretation of a vote is a question for the prime minister. The reason for this under our constitution is perfectly evident. A prime minister, holding office, has certain great and heavy responsibilities, and sir, it is for a prime minister to decide what support he must have, what co-operation he must enjoy, in the house if he is to continue to sustain his responsibilities. That is why over the years the first decision as to the significance of a vote taken in the House of Commons has been for the Prime Minister to make.

I have brought along an authority with me, sir. It is not the Canada Year Book. It is not a book endorsed by any member of the present government or even by any member of the shadow cabinet opposite. It is a book by Arthur Berriedale Keith, entitled "The British Cabinet System." Although the quotation I wish to put before the house is somewhat long, sir, it is so germane to the discussion before us that I hope you will bear with me. I quote from page 215 as follows:

> It rests, therefore, with the government to decide what issues it shall treat as vital, and as demanding that it must resign or dissolve if it is denied support thereon. It is, however, more and more the practice for ministries to restrict the freedom of the members, by insisting on making the vote a matter of confidence.

• (4:20 p.m.)

> The days are gone when the Melbourne ministry suffered repeated defeats with equanimity, and dissolved only when an actual vote of non-confidence was carried by a majority of one, after it had refrained from resignation on a defeat on the sugar duties. The coalition ministry in 1853 accepted minor defeats without serious difficulties. Lord Rosebery's ministry treated a defeat on the address in 1894 with calm, but the vote was a snap one, and though such votes discredit a ministry, or at least suggest that its members are slack in their allegiance, or the whips rather below par, still resignation is by no means essential. On this occasion the government subsequently secured the rejection of the amended address and the passage of the original version. In June, 1895, the same administration was defeated on an amendment in supply reducing the appropriation for the parliament buildings. The vote was small and the government remained in office. But when they were defeated again, a week later, on the army estimates they resigned. This second vote was also a snap vote, but appears to have been taken seriously, not on its own merits, but because it came at the end of a period of very small majorities. It was more striking, when in 1905 Mr. Balfour was defeated on an Irish issue in committee of supply, without resigning or dissolving.

Then the author goes on to discuss the position of minority governments. He says this:

> The position, of course, is different when a government is distinctly a minority government, as in 1886, when Lord Salisbury advised Lord R. Churchill to make it clear that the government would not treat private members' bills as raising issues of confidence. But he did not suggest indifference to the fate of governmental proposals. On the other hand, Mr. MacDonald in 1924 announced that his government would not go out—or, we may presume, dissolve—on defeats, not on principle, but would do so if a vote of no-confidence was carried. In fact it was defeated ten times between January and August, and the defeat, which it deemed decisive, was one on a comparatively minor issue, which the Liberals were most anxious not to treat as one demanding resignation or dissolution.

There, sir, is a genuine authority. By saying that I do not wish to denigrate the statistical authority of the Canada Year Book.

If the question of the significance of a vote is in the first place one for the Prime Minister and the government, in the second place it certainly is a matter for the House of Commons. On this occasion which we are now discussing, brought on by the vote which took place here last Monday, the Prime Minister has not, as did other prime ministers as suggested by the passage I have just read to the house, decided to ignore what has taken place. He has realized that the House of Commons is directly involved here because the motion before the house last Monday dealt with a bill of great importance.

Consequently, the Prime Minister has now come to the house asking the house to interpret the meaning of its vote last Monday. This is not unusual. I refer you to another example, sir. As recently as 1944 in Great Britain the government of the day lost a measure by a vote in committee of the whole, as we would say.

Mr. Bell (Carleton): Yes, in committee of the whole.

An hon. Member: That is different.

Mr. Stewart: It lost a measure in committee of the whole by a vote of 117 to 116. The following day the prime minister, Mr. Churchill, had this to say:

> It would not be possible for His Majesty's government to leave matters where they stood when the motion to report progress was accepted. At this very serious time in the progress of the war, there must be no doubt or question of the support which the government enjoy in the House of Commons. Accordingly we have decided, as the first business on the next sitting day, to resume the committee stage of the education bill, and to delete clause 82, as amended, entirely from the measure. This act of deletion will be regarded as a vote of confidence in the present administration. If the government do not secure an adequate majority, it will entail the usual constitutional consequences. Should the house agree to the deletion of the clause, the government propose to move to reinstate the original clause, without the amendment, on the report stage, and to treat its passage throughout as a matter of confidence.

I should add, just to complete the story, that the motion was carried by a vote of 425 to 23. What the prime minister of Great Britain, Mr. Churchill, did on that occasion was not only to put aside a decision made in committee of the whole on a bill, but also to insist, under confidence, that the committee of the whole reinstate the clause as put before the committee by the government. This is going far, far beyond what the present government is asking in this instance. All the present government is asking in this instance is that the house make a distinction between two questions: first, the question on the third reading of the bill that was before the house last Monday and, second, the question of confidence. It is the second question that is now being debated in this house.

Mr. Nielsen: Mr. Speaker, would the hon. member permit a question?

Mr. Stewart: If I have time, Mr. Speaker, when I have concluded my speech.

Mr. Muir (Cape Breton North and Victoria): Don't take him away from his notes; he will never get back to them.

Mr. Stewart: The course the Prime Minister has taken is the one counselled by various constitutional authorities and counselled also by certain newspapers. I have here a quotation from the Halifax *Chronicle-Herald*. In this editorial, which has some unflattering things to say about this government, we find these words:

> Mr. Pearson can ask for a vote of confidence in his government.

This is what the Prime Minister is doing. It was suggested this morning by the Leader of the Opposition that the motion that has been put before the house is inflammatory. I think if we read the motion we will see that this is not true. The motion is not asking members on this side or members opposite to confer a kind of blanket blessing and endorsation on the policies, past actions and future expectations of the present Liberal government. It would be foolish, I think, to propose to embarrass hon. members opposite in that way. The government has put before the house a motion which is very carefully drawn to one question, namely the significance of the vote here last Monday. It is essential for hon. members to decide whether or not the taint of non-confidence pertains to the vote that took place. There is no question as to the effect of the main decision; but the question is, does it also bear the taint of non-confidence? That is what the house now has to decide. That is what is in dispute here this afternoon. I think there is really nothing very deceptive about the motion.

The Conservatives have said that the vote that took place last Monday is parallel to the vote that took place here on February 5, 1963. I think they are wrong in saying that. In the first place, what was then before the house was a supply motion to which an amendment had been moved, and as if to make the matter doubly sure there was a subamendment

submitted by hon. gentlemen in the Social Credit party which spelled out—if it had not been a brief amendment and subamendment I would say, in chapter and verse—non-confidence in the then government. Second, as has been suggested, the motion that was defeated here last Monday was preceded by the successful passage of earlier motions.

I think it would be very unfortunate if anyone thought there was any suggestion that all these motions were carried unanimously. These were decisions of the house, just as the decision on the motion for third reading was a decision of the house. There is no suggestion that all hon. members on this or on the other side unanimously acclaimed each of the several clauses, or indeed the bill at the resolution or the second reading stage. But it is true that just as the motion for the third reading of the bill was defeated by the house, so the motions for the earlier stages of the bill were carried by the house.

• (4:30 p.m.)

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order arising from what the hon. member has just said about the earlier motion being carried in committee. I would draw Your Honour's attention to the fact that following the vote a question of privilege was raised regarding the fact that some Liberal members had walked in from behind the curtain and had thus abused the voting procedure of the house.

Mr. Stewart: The third point I want to submit brings our attention to the attendance and to the mood of the house on that occasion. I think we have only to read the record to see that there were elements of comedy and tragedy about it which we need not now review. It is all these differences which make it impossible and improper to draw a parallel between the vote last Monday and the vote which took place on Tuesday, February 5, 1963. I am suggesting that the genuine parallel is between the vote taken in 1963 and the vote which will take place on the motion now before us.

There is another point which I want to make. It is that the Conservatives have adopted a really untenable position. They say that the house has no confidence in the government. This is a perfectly reasonable position for them to take, in view of their interpretation of the vote. They insist, however, that in their view there should not be another opportunity for the genuine attitude of the house to be tested. So one is driven by inexorable logic to the conclusion that they think that either their reading of the vote last Monday was incorrect or that since that day there has been a change in attitude of the house toward the government.

They cannot have it both ways. If they believe, as they say, that this government has lost the confidence of the house, then I should have thought that it was incumbent upon them to take whatever steps were necessary to bring about the expulsion of this government immediately on Tuesday. Let me correct that, sir and say, on Wednesday or Thursday.

Mr. Crouse: It is we who accommodated you. Get your facts straight.

Mr. Muir (Cape Breton North and Victoria): The Prime Minister begged for 24 hours.

Mr. Stewart: Presumably also they would want to expedite the vote today. If on February 19 the opposition had defeated the government and if the government had not then taken cognizance of this vote in the house and had insisted on going on with business, the opposition would have found a remedy. The remedy they would have found would have been a vote of non-confidence or vote of censure. This is what they would have done.

But, the Prime Minister has brought in a motion, and consequently they will have nothing to do with it. They are not happy because the proposal to test the confidence of the house comes from this side rather than from their own side. If this were their remedy, they would rejoice in it. On the other hand, because it comes from this side of the house they boggle and buck.

The people of Canada do not want an election at this time.

Mr. Crouse: That is what you say.

Mr. Stewart: I am submitting this as an argument. I believe that the Prime Minister should not inflict an election upon the people of this country at this time, in view of the uncertain nature of that vote. Consequently I say that it is the duty of the Prime Minister, not just his right, to test the attitude of the house. I am sure that the house will speak with an unequivocal voice.

If the house is prepared to let the government continue, then the government will continue and there will be no immediate election. On the other hand, if the house decides it is not prepared to let the government carry on,

then there will be an election. It seems to me that this important question should not be decided by what one or the other side of the house says is its interpretation of the vote which took place here last Monday. This is why I say, supported by better constitutional authorities than the Canada Year Book, that the Prime Minister is fulfilling his duty when he brings such a motion before the house to give the house an opportunity to state its view unequivocally, and I say it will be the responsibility of the house in every quarter and through each of its members to decide what shall be done.

As I look back over the events of this week I have the impression of a kind of high fantasy. It started on Monday night, but I will not detail the things which happened then.

Mr. MacInnis (Cape Breton South): It's too painful.

Mr. Stewart: It is on the record, and anyone who reads can refer to the record.

Mr. Hales: You would like to change the record if you could.

Mr. Woolliams: He is trying to change the record now.

Mr. Hales: Would the hon. member permit a question? Does he recall the situation on Monday night? After the vote was taken, the President of the Treasury Board (Mr. Benson) rose to bring in further business. We said, no, we would not do any further business. The house then took a vote, which was a vote of confidence, on a motion by the hon. member for Kamloops (Mr. Fulton) which resulted in 79 to 78 votes against the government. That was a vote of non-confidence.

Mr. Stewart: The hon. gentleman is entirely free to develop any argument that he wishes in his own time. I certainly do not dispute that he can use the record to support his argument. I would hesitate to do so because there are certain other things which appear on the record such as, for example, the suggestion that there was no unanimous consent. As I said, we get the impression of high fantasy.

Mr. MacInnis (Cape Breton South): You are reflecting on Mr. Speaker.

Mr. Stewart: Then, after Monday, we find that the opposition takes the view that the government should be thrown out, and yet from day to day it delays the final test which could have the effect which it so ardently desires.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order, which again arises from the remarks made by the hon. member for Antigonish-Guysborough who keeps insisting on describing what the opposition did from day to day. Let me pound it into his head, and let it be understood clearly, that it was the Prime Minister who requested a 24 hour recess.

Mr. Speaker: Perhaps I should be allowed to suggest that this is not really a point of order, but more a point of debate, and the hon. member for Antigonish-Guysborough should be allowed to continue his speech.

Mr. Stewart: I am very anxious that the hon. member for Cape Breton South be at ease. Let me say to reassure him, that there is no doubt in my mind, or that of any hon. member, that it was agreed we should not proceed on Tuesday, and that it was gracious of the Leader of the Opposition not to wish to go on with the regular business on Tuesday.

Mr. MacInnis (Cape Breton South): You are twisting it. It was the Prime Minister's wish.

An hon. Member: What about Wednesday and Thursday?

Mr. MacInnis (Cape Breton South): You keep getting into trouble.

Mr. Muir (Cape Breton North and Victoria): You always put your foot in your mouth. Be more careful.

Mr. Speaker: May we have improved order, please.

Mr. Stewart: I have the greatest sympathy for the hon. member for Cape Breton South and also for his leader.

• (4:40 p.m.)

An hon. Member: You are going to need it.

Mr. Stewart: I think, sir, the time has come when the House of Commons should focus its attention upon the nation's business. I do not dispute that there is room for argument as to the interpretation of the vote last Monday. I think it is well that we should have this argument and settle the matter conclusively. However, we should not have, as the Leader of the Opposition has suggested, an election precipitated in this country because of what certain hon. members think is the effect of the vote recorded last Monday.

I believe the hon. member for Yukon (Mr. Nielsen) had a question. If he still thinks it is worth while, I shall be happy to try to deal with it.

Mr. Nielsen: I should like to put the question because it is nice to have a reply from an expert in constitutional matters. The hon. member cited an example in which a decision was made in committee of the whole and the house sent the particular clause back. I presume the house acted on the basis of a motion to do so. If the house had defeated that reference and the government had been defeated at that stage, would the hon. member think that would have been a motion of confidence?

Mr. Stewart: I think the answer to that is a matter of record. The Prime Minister had risen in his place and said that not only the expurgation of the amended clause but also the reinstatement of the original clause would be treated by the government as a matter of confidence. This was clearly stated in advance.

Mr. Nielsen: That being so, does it not follow that the motion in the house last Monday night would have the same effect, its having come from committee of the whole?

Mr. Stewart: No, Mr. Speaker, the vote which will come on the motion now under debate is the one which will reveal the genuine attitude of this House of Commons.

Hon. George Hees (Northumberland): Mr. Speaker, the motion we have before us claims that a vote taken in this house last Monday on a money bill, the most important kind of bill that any parliament can have come before it, does not constitute a vote of confidence. It is the government that claims this is not a vote of confidence. I believe therefore it would be a good thing to ascertain exactly what this government, by the printed word, says ought to be the procedure in cases of this kind. I have before me the Canada Year Book for 1967.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Hees: The Canada Year Book is described in its frontispiece as the official statistical annual of the resources, history, institutions and social and economic conditions of Canada. It is published—

Some hon. Members: Oh, oh.

Mr. Hees: You are not going to be so happy when you hear what it says. It is published each year under the authority of the Minister of Trade and Commerce, who is now Hon. Robert Winters.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member should be allowed to make his speech.

Mr. Hees: Thank you, Mr. Speaker.

This volume is produced by the Dominion Bureau of Statistics. This is the government's bible of what is done in Canada each year, how it is done and how it should be done. If that is not the case, then the government has no right to publish a book of this kind, making the claims that I have set out. The Minister of Trade and Commerce knows exactly what I am talking about. This book was produced under his authority. I know, because at one time it was produced under my authority. I know the care that goes into the publication of it, and I know that this book contains an outline of things as they are and as they should be in this country.

Now, Mr. Speaker, this is what this government which, unfortunately, has been in office for five years and has had an opportunity to change anything in this book, has to say. I have the last installment, 1967, and when you turn to page 86 line 6, you find this is what the government says is the proper procedure in this country of ours in 1968:

> When the cabinet (the government) suffers defeat on a government bill or a vote of censure or on a motion of want of confidence in the Commons, the existing government must either resign or request a dissolution from the Governor General.

That is what this government says should be its course of conduct after the defeat of a government bill. There is no mention of a money bill; but money bills are the most important bills that come before this parliament. Having said that, and having specified exactly what the right procedure should be, this government refuses to call an election and refuses to resign. This government demands the right to stay in office, to cling to power. This Liberal party loves to cling to power. They know quite well, as a result of the last two Gallup polls, that if an election were held the country would indicate it had lost confidence in them. They would no longer be the government.

In contrast to the attitude the Liberal party adopts when in power, I should like to outline their attitude when in opposition. The Liberal party is in power today and will not resign, as its own publication indicates it must. I should like you to turn back some ten

years, to January 20, 1958, when this Liberal party was in opposition. The present Prime Minister (Mr. Pearson) had just been elected as leader of the opposition, and had moved his first motion of non-confidence in this house. That motion is set out in the right-hand column of page 3520 of *Hansard* for 1957-58. The present Prime Minister outlined a number of reasons he felt the Conservative government should not hold office, and then he finished up with this classic phrase:

> His Excellency's advisers should, in the opinion of this house, submit their resignation forthwith.

The government had not been defeated in the house on any measure. We had won every vote that had come before the house during the eight or nine months in which we had been in office; yet this Liberal party leader demanded that, without even a vote going against us, without even going to the people, the government should submit its resignation. This made the then leader of the opposition the laughing stock of the country and of the House of Commons, when he had the stupidity to put forward a motion of that kind. He did, and the party was behind it.

This was the attitude they adopted at that time. Today, when they have been defeated on a money bill on which a vote was called by a Liberal Deputy Speaker, a vote which was agreed to by a Liberal Minister of Finance, a vote which was called by a Liberal Acting Prime Minister, we are accused of trickery. It is claimed that this is not a vote of lack of confidence that we have won, but that it is some kind of trickery, some kind of buffoonery, and they refuse to give up the office to which they so desperately cling. They know that it will not be long before the people throw them out.

Now, Mr. Speaker, I suggest it is about time we made it very clear we were serious in what we did on Monday night. I want to reiterate briefly why it is we voted against that money bill. First of all, Mr. Speaker, we felt that this was a completely unjustified measure. This was the imposition of an additional 5 per cent tax on the backs of the people to pay for the overspending indulged in by the government. Just to give the house an idea how the government has overspent, Mr. Speaker, during the first four years it was in office the government increased expenditure by no less than $3 billion. This represents an increase each and every year of 12½ per cent.

• (4:50 p.m.)

Last year, Mr. Speaker, the government told us that they were retrenching, that economies were going to be made. They had been advising everyone in the country to pull in their horns and to practise economies. The government said they would give the lead and show how this should be done. Therefore, Mr. Speaker, you would have expected that, with all this talk going on last year and all this free advice given by the Minister of Finance (Mr. Sharp), he and the government would have been economizing. You would have thought that they would be cutting down.

I should like to put on the record what in fact transpired. The only figures available to me so far are for the first nine months of 1967, and they show increased expenditures during that period over the previous year. The Dominion Bureau of Statistics figures show an increase in the first nine months of 1967 over the first nine months of 1966 of no less than $1 billion. This is an increase, not of 12½ per cent a year, which was the rate of increase for the first four years of the government's occupation of office: That increase was not good enough. These figures represent an increase of no less than 15 per cent. That is the kind of economy that this government has been indulging in, Mr. Speaker.

The President of the Treasury Board (Mr. Benson) and the Minister of Finance told us very gaily last fall that we could expect all kinds of economies, not only in the next budget but also a great many cut-backs in the present year's expenditures. We pressed them about this and discovered that they made no cut-backs whatever in the present year's spending.

What is the position in the next fiscal year, Mr. Speaker? The government are making a great to-do about spending, they claim, only 4½ per cent more than this year. If you add the main expenditures and the supplementary estimates together and compare the two years, Mr. Speaker, you will find that this coming year the government is planning to spend 8 per cent more than they have spent during the present year. That is the actual figure—8 per cent more.

Miss LaMarsh: Surely the hon. member, who was once a member of the privy council, realizes—

Some hon. Members: Sit down.

Mr. Speaker: Order, please.

Miss LaMarsh: Mr. Speaker, I have a question to pose to my hon. friend, who I know is always so willing—

Mr. Speaker: Order, please. The minister can ask a question only if the hon. member who has the floor will allow one.

Mr. Hees: Mr. Speaker, as I expect to use my time I will be glad to answer the hon. and charming lady's question later.

Miss LaMarsh: Perhaps over lunch, then?

Mr. Hees: No, Mr. Speaker, I have no intention of ever asking the Secretary of State (Miss LaMarsh) to lunch, or anything else.

Miss LaMarsh: Mr. Speaker, on a matter of privilege—

Mr. Speaker: Order, please.

Some hon. Members: Sit down. Order.

Miss LaMarsh: Mr. Speaker—

Mr. Ricard: Don't you know you should sit down when the Speaker rises from the chair?

Mr. Speaker: Order. The minister should know that she should resume her seat when the Speaker has the floor. Would the minister kindly indicate for what purpose she wants the floor at this time?

Miss LaMarsh: I rise on a matter of privilege, Mr. Speaker. It seems to me that the hon. gentleman has demonstrated that there is only a certain kind of woman that he knows would have lunch with him.

Some hon. Members: Oh, oh.

Mr. Hees: Mr. Speaker, I remember during the last election campaign, when I had the pleasure of running against another charming lady who was a member of this house, she made the same kind of remark; and in reply I will make the same kind of comment about the Secretary of State as I made about the other lady. Every time I was asked what I thought of my opponent, I said—and I say it of the Secretary of State—"She is a very nice lady".

Now, Mr. Speaker, if I may continue, the Minister of Finance and the President of the Treasury Board claimed great credit for the so-called cuts that they were going to make in next year's budget, and we have seen those expenditures listed in the papers we have already received. But all they have done, Mr. Speaker, is exactly what every minister of finance has done, when every year the various departments come before him to have their estimates examined. The estimates are inflated to include every item that every department would want to put forward. Naturally the minister then cuts them down to size.

That, Mr. Speaker, is what has been done this year. There has been no reduction whatever in expenditure over and above the reductions that are made in any normal year. If I may give an example, the position is the same as that of a man who goes home in the evening and whose wife says to him: "Jim, I've great news for you. I'm going to save us $500 next year." The man says: "Well, that's a wonderful thing. This is great news and I'll take you out to dinner to celebrate". Then the man asks his wife how she is going to save the $500 and she replies: "I decided to go out and buy a fur coat and then changed my mind. Therefore I save you $500. However, I must tell you that I am going to increase our expenditure by 8 per cent during the coming year, so you must think I am a very good housekeeper". That, Mr. Speaker, is exactly what this government has done, and that is all it has done.

This overspending, Mr. Speaker, this refusal to cut your coat according to your cloth, has resulted in massive deficits. It is the reason that as taxpayers we are being called upon to increase our payments to the government by an extra 5 per cent. The original measure was defeated. The proposed measure, when it is introduced in some other form, is going to be fought tooth and nail by the opposition. We are going to give it exactly the same treatment that the other measure received last Monday night, because we believe that this sort of tax increase is completely unjustified.

The second reason we oppose the measure is because it is inflationary. You and I know, Mr. Speaker, that the only way we can provide jobs in this country for our people and increase our standard of living is by being able to sell our products in Canada and abroad and meet competition. If costs go up our chances of selling our goods are reduced very materially. Nobody is going to buy something just because it is made by Canadians. It must be attractive and be reasonably priced.

What this tax increase will do, Mr. Speaker, is raise the cost of the goods that we buy and sell. We all know very well that organized labour will simply add the extra 5 per

cent tax increase to the increase they were going to ask for anyway. Their demands, as we know, are always granted by management, and this will make it that much more difficult to sell our products in the export and home markets.

Third, Mr. Speaker, we object to this 5 per cent tax increase because once again it increases the already very high cost of living in this country.

Our main reason for opposing the measure is because we have no confidence in the government, in view of what they are doing to the economy of the country. On many occasions during the past two years we have made speeches and asked questions about what the government is doing. We produced figures that are given to us by the government's own statistical agency, the Dominion Bureau of Statistics. Let us see exactly what this government is doing and you will see why some members in this house have no confidence in the government and why the people in the country, according to the Gallup polls, are losing confidence increasingly every day. Let us look at the cost of living. Today it costs exactly $1.05 to buy what could be bought one year ago for $1. That is the extent of the inflation that has gone on in this country for the past 12 months. In the past four years the cost of living has gone up by 14 per cent. Could anyone have confidence in a government that permits such a thing to take place? My answer is, no, you cannot have confidence.

• (5:00 p.m.)

Unemployment has reached its highest point in four years, having gone up to 6.1 per cent of the labour force. On various occasions I asked the Prime Minister what new policies he would introduce to combat unemployment, and he simply laughed the matter off, as did the Minister of Finance and as did all those other ministers who were asked that question. We bring this situation to their attention, only to be given the same smirking answer. They duck the question; obviously they are not interested. The only people who are interested in the unemployed seem to be the members on this side of the house and the unemployed themselves, who are very interested indeed.

Take the question of productivity: A country can only stay competitive if it can keep its costs level with those of its competitors. Great Britain had to devalue its currency a short time ago simply because that country's productivity was not increasing at the rate

[Mr. Hees.]

that its main competitors were increasing their productivity. Competitors' products sold more cheaply not only in the export markets but in Great Britain itself, and Great Britain was forced to devalue her currency.

Exactly the same thing will take place in this country within two years, at the very outside, if this government does not do a great deal more to combat decreasing productivity. Let us see just how much it is decreasing. In the 20 years between 1945 and 1965 our productivity increased each year by an average of 3.4 per cent. This kept us level with the increased productivity of our main competitors. But in 1966 our productivity increased only by 2 per cent, and in the first nine months of this year, as compared with the first nine months of last year—and these are the latest figures that are available—our productivity increased only by four-tenths of one per cent. Our rate of increase in productivity is steadily going down. That means that our chances of selling our goods against competition, both in Canada and in the export markets, are decreasing every day. I pointed this out to the Prime Minister, to the Minister of Finance and to the Minister of Industry. I have asked them what they are going to do to increase productivity. I have suggested taxation incentives to encourage industries to buy new machinery, new plant and new production systems that will make it possible for them to increase productivity in the way that our main competitors are increasing theirs.

When I mention these matters to the Minister of Finance, he just laughs. He says that what we are doing is satisfactory, that it is good enough, that our policies will give us increased productivity. He started saying that nearly two years ago, and ever since he started giving me those kind of answers, our productivity has gone down, and down, and down.

Let us look at what this government refuses to do to increase our productivity. One way to increase productivity is by training manpower, by giving our people greater skills, by training them to adapt to the new technologies. There is no place in today's world for a person who is mentally or physically unskilled. People must have the new skills. We knew that, and so the Conservative government in 1961 and 1962 established the manpower training program. In conjunction with the provinces, we enabled to be built no less than 224 new training schools. We enlarged 130 others and we provided an additional training facility for 140,000 young men and women every year.

What has this government been doing, Mr. Speaker. That program continued quite successfully until last April 30, and then the Minister of Manpower and Immigration brought in a brand new program with brand new rules. The proof of the pudding is in the eating so let us look at the results of this training program. When the minister changed the program to bring in the new rules, in Ontario there were 19,500 people who were enrolled in the training program and learning new skills to make them better able to do a job and to increase their productivity. Seven months later, after the minister had brought in his new program, you would think that the enrolment numbers would have increased by 50 per cent, or something like that. Instead we find that there was a decrease of 43 per cent in enrolment. It was down to 11,200 persons, and it is going down every day.

Enrolment is decreasing because the program is impractical. This minister does not know what he is talking about and neither do his officials. They will not listen to the Ontario authorities; they will not listen to the people who had a good program going. So the one program that can increase this country's productivity is going down the drain. That is why we have no confidence in this government; that is why we voted non-confidence the other day.

Take a look at manufacturing production, something on which we rely to a major extent to give the people of this country employment. In the 20 years between 1945 and 1965 manufacturing production increased in this country at an average of 5 per cent per year. According to the figures we have for last year, the increase last year over the year before had dropped from the average of 5 per cent a year to 1.1 per cent a year. That was one fifth of the average increase for the previous 20-year period. And what is being done by this great Department of Industry, which is spending hundreds of millions of dollars each year to do a job which was done for a fraction of that sum previously? Back in the days when the party to which I belong formed the government, we had the department of defence production, and the industry section in the Department of Trade and Commerce. We had productive industries then. Now this government has set up this fantastically expensive Department of Industry, and manufacturing production has dropped. The increase has dropped to one fifth of what it was.

We have no confidence in this government because they are mishandling the economy of the country—and this includes the employment of our people and the prosperity of the country—and are taking it downhill at an ever increasing pace.

To sell our goods we must keep our costs low; we must keep our production costs competitive. Let us look at what this government has done to our main costs of production, costs that affect the ability of Canadians to sell goods and provide jobs. First let us look at the cost of money. It is the highest in history. And why is it the highest in history? Because the cost of money is directly influenced by the rate of interest on government bonds. If the people have confidence in the government, the interest rate charged or paid on government bonds is low. If the confidence that the people have in the government is low, then the cost of the money that the government must borrow is high. Today the rate of interest charged on government bonds is the highest in the history of this country. What is the result? The cost of the money that farmers, businessmen, storekeepers and individuals need to produce their goods is the highest that it has ever been, and the rate is going up every day.

Let us look at labour costs, since these are an integral part of our costs of production. Everybody would like to see people who work for a living get a very good increase every year. The more they can get, the happier we would be. But again, whenever we price ourselves out of the market by raising our costs, our goods are not sold and there are no repeat orders. Workers are no longer employed in the factories to make more goods, and unemployment develops. So by paying higher increases in wages each year than our competitors, we are simply denying jobs to our people. It is as simple as that.

• (5:10 p.m.)

What happened last year? Due to the fiscal, economic and other policies of this government the cost of labour in Canada increased by 8.7 per cent as compared with 4.4 per cent in the United States. It is not possible to double the increase in one of our prime costs without losing sales or jobs. Why did this happen? It happened because of something this government did 18 months ago when it intervened in three labour disputes—the longshoremen's strike in Montreal, the threatened C.B.C. strike and the threatened strike on the St. Lawrence seaway. In each case they saw to it that a 30 per cent wage increase was

awarded. Well, everybody would like to get a 30 per cent wage increase every year; but you cannot do it and remain competitive.

This began the fashion. Workers said that if the government insisted on 30 per cent wage increases they would take no less.

Another thing the government did was to make an illegal strike legal, by dealing with a union in circumstances of an illegal or wildcat strike. They dealt with the Montreal dockworkers who were out on an illegal strike. Were the dockworkers penalized? No; they were given a 30 per cent wage increase. This undermines the position of any labour leader who is conscientious and tries to do an honest job. If he goes to his union and recommends workers to seek a reasonable increase in wages or tells them not to go out on an illegal strike because they have a contract which requires them to stay on the job until a certain date, his members say to him: Don't talk that way to us; if you cannot take us out on a wildcat and get a 30 per cent wage increase, we will get the fellow who did the job in Montreal. Any honest labour leader finds his position undermined, and this is one of the reasons labour costs have gone so high today.

Finally, on July 1 we shall face one of the most severe economic threats this country has ever faced, due to the wholesale dumping of cheap foreign goods which will start in the most unprecedented volume any of us have ever seen. What is dumping? Dumping is carried out because in the big producing countries they have massive runs and cannot afford to start up again, even if a product has been well received. However, lest retailers should demand more than had been expected the manufacturers overrun to the extent of 5 or 10 per cent and then, at the end of the season, if there is no demand for these goods, they look for a market in which they can dump them.

So far, we have been protected in Canada by provisions known as fair market value legislation, which we refined while in office. This makes it necessary for an exporter to show that the goods he is sending into this country are offered at the same market value as they possessed in his own country. This government threw all that protection out the window when it signed the agreement in Geneva. The new agreement will allow people to send goods to this country in any quantity, unless it can be proved that damage is done to our whole industry as a result. This has to be determined before a board in Ottawa, and anyone with experience knows it would take months before such a board would reach a decision on whether an industry was injured or not. Meanwhile whole industries, whole sections of the country would be obliterated. This is what will happen starting on July 1.

I could go on and on but time does not allow. I think I have given the house an idea why practical men in this country have no confidence in this government, one composed of men who have no knowledge of business affairs and who, what's more, don't give a damn about business affairs; all they want is to stay in government. They want to hang on to power because they love power, they love to govern, they think they govern by divine right. The measure upon which they were defeated was a money bill involving taxation and there is nothing more important in our national life than the determination of the taxes the people shall pay. In their own Canada Year Book hon. members opposite say that when the government is defeated on a money bill it has no alternative but to resign.

Are they resigning? No, they are hanging on because they are desperately seeking to hold on to power as long as they can, knowing that the last two Gallup polls say they are deader than the dodo. When the people of Canada learn what they have been doing to the economy of this country, what they have been doing to parliamentary rights and procedures and for the protection of individuals against tyrants and dictators such as themselves, the electorate will look after them in a very effective manner—and very, very soon, I hope.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it has been said repeatedly for some time that the person who wanted to destroy the country and harm parliament was the member for Lapointe. Well, after hearing what the Liberals said about the Conservatives, and what the Conservatives and the New Democrats said about the Liberals, I am led to believe that I am the only member who does not wish to destroy parliament. It is rather the two old-line parties who intend to destroy it by the charges they have been hurling at each other—to the effect that their role is not to destroy parliament—and all kinds of charges that have never been levelled against me. Since the Tories and the Grits, the Conservatives and the Liberals, want to destroy parliament, I shall therefore leave it to them to do so.

As for me, I adopted right from the start a very well defined and clear attitude on the

meaning of the vote last Monday night. From the start, I said, and I repeat it, that when we voted on Bill No. C-193, we defeated that bill and nothing else. We did not vote on a motion of confidence in the government, but on Bill No. C-193.

Because this bill was intended to increase taxes, we are told that it becomes a vote of confidence or non-confidence. Mr. Speaker, if one consults the standing orders of the house, one realizes that there is nothing, absolutely nothing in the standing orders which stipulates that voting against a bill constitutes a defeat for the government.

The Leader of the Official Opposition (Mr. Stanfield) referred to the constitutional right. He said that, constitutionally, after having been defeated on a money bill, the government should resign.

I am now holding the constitution of Canada. I shall send it through a messenger to the one who represents the Leader of the Opposition. I challenge anyone to find in that constitution a section, a line, a paragraph—the member for Ontario (Mr. Starr) is sitting besides the Leader of the Opposition, he can check—that stipulates that the government is overthrown when a bill is defeated.

I am sorry, I sent the French copy. It is a supreme insult.

Mr. Lewis: It is an accident?

Mr. Grégoire: It is only by accident. It is the copy which I looked at.

I challenge the hon. member for Ontario to find anything in the constitution which says that a government, which is defeated on any bill must resign.

In fact, the provisional reprint of the standing orders of the house dated May 8, 1967—it is all very well to remind us what happened in 1868, 1887, 1920 or 1930, however there is one thing which has priority, and it is the standing orders of the House of Commons—does not specify anything on this subject. However, one standing order relates very closely to the case under consideration at the present time.

Standing order 56, paragraph 4, subparagraph (e), reads:

> When a motion "That Mr. Speaker do now leave the chair" is susperseded by the adoption of an amendment at any time before the expiry of either the said two days or the time carried forward from a former debate, as the case may be, a like motion may be forthwith made by a minister of the crown.

Which means that if a supply motion is put forward and defeated, the government is not necessarily defeated. It says that a minister may rise forthwith to move a like motion, that is to move once more that Mr. Speaker do leave the chair.

Under that standing order, if it is a financial matter, if the Speaker is requested to leave the chair for the house to meet in committee of the whole and to discuss supply, and if the proposal is not accepted by the whole house, it is superseded by an amendment duly voted on. Then, it is not necessarily a want of confidence vote, but a minister—and it is specified a minister of the crown—may make forthwith a like motion and then, it becomes a matter of confidence.

• (5:20 p.m.)

That is exactly what happens at the present time and nothing further is provided in our standing orders.

Mr. Speaker, for a much deeper reason, I think that it is intentionally that our standing orders do not provide anything more specific and that there is no mention thereof in the constitution. In fact, if we accept the principle by which, when a government bill is defeated, the government itself is defeated and a new election must take place, all members are forced to let their party's interests come before those of their electors. If, for a Liberal member, the fact that he votes against a bill, means that he votes against his party, then he has to choose between his party or his electors, and an hon. member should not be placed in a position where he would have to put a political party before his electors.

He is elected first by his constituents; if he belongs to a party, it is accidental but that is not the main reason why he was elected. He was elected first of all by his constituents and that case should be used to establish a very clear precedent, namely that each time a bill is introduced by the government, even a member of the party in office, that is, in the circumstances, a Liberal member, can vote against it without that being taken as a vote against the government. In my opinion, we have now striking evidence that the Liberal members, who are in office, can vote against a bill introduced by the government if they feel that it does not please their electors or if it goes against their conscience without running the risk of defeating the government or forcing an election.

Before what happened this week, no member of the party in office could be assured of that, but with the motion of the Prime Minister (Mr. Pearson), all Liberal members now

have the assurance that defeating the government on a bill does not mean defeating the government itself, but rejecting the bill only. So, if in 15 days, the government comes back with a bill to increase another tax, and if a Liberal member feels that his constituents are against such an increase in taxes, he may say: My constituents do not want me to vote in favour of the bill, but that does not mean that I vote against my party; that means I vote for my constituents.

If I asked all Liberal members here: Are your constituents approving an increase of the income tax? They would all answer: No.

In the circumstances, it is their duty to vote against this bill.

Since our situation was not yet clear, and since the Liberal members were not sure that it would necessarily mean another election, they put the party above their constituents.

Therefore, we are now creating a precedent which will prevail for a long time, according to which the members commonly known as back-benchers, who are too seldom asked for their opinion and too often stopped from expressing their ideas and convictions, will be able to vote at any time against measures introduced by the government without it meaning that they are beating their own party, a minister, the leader of their party or the government, and without it necessarily leading to an election.

As for the members of the official opposition, the Conservatives who hope one day—I am not sure when—to come to power, the precedent set today will give them the same opportunity to vote against a measure presented by their government if they decide that the measure is a bad one and that it is contrary to the interests of their constituents.

This does not mean that the government is bad. It merely means that the bill introduced by the minister and the government is bad.

I shall give an example. Three or four months ago, the United States President, Mr. Johnson, asked the American Congress to vote a 10 per cent tax increase. Congress refused. Mr. Johnson is still President of the United States. The American congress voted against the 10 per cent tax increase asked by President Johnson. It was not any more serious than that. Mr. Johnson is still President of the United States.

It is the same thing in the present case. Democracy only exists when each and every member can actually vote on every piece of legislation as they see fit, according to their conscience and the interests of their constituents, rather than according to party lines.

It seems to me that the experience resulting from the precedent in the United States and the one we now have in the house should show us that true democracy is not a matter of supporting the party first, but rather the people we represent. But that was not clear in the minds of hon. members.

I am convinced that before the vote on Monday, 95 per cent of the Liberal members who voted for the bill were convinced that voting against the bill meant voting against the government and that an election would follow. But today it has become an extraordinary power for the Liberal members. They will now be able to vote against any estimate, motion or amendment introduced by the government without it being a vote of non-confidence.

It is as simple as that. You can vote against a measure, a bill, but not necessarily against the government. Hon. members should try to benefit from the lesson, and direct their vote in the future, not towards a minister of the government—he will stay there, a motion of non-confidence is necessary to defeat him —but thinking of their constituents. In 1963, that is what took place. The motion ended by those words: This government no longer has the confidence of the people. That was specific. But defeat a bill, that is not specific. The interests of the people must come before the interests of the party; we can defeat a measure without defeating the government, and we now have the best example of that.

Monday we defeated a finance bill, a bill asking for a tax increase. But this did not indicate a lack of confidence in the government. It simply meant that we objected to a tax increase.

That is how I understood it, Mr. Speaker. When I voted on Monday evening, I did not vote for or against the government. Every time I am asked to vote on a bill, I study it. If I think it is a good one, I vote for it; if it goes against my ideas or principles, I vote against it. I am not concerned whether the government is Tory or Grit. I examine what I am voting against or what I am voting for. On Monday, I voted against Bill No. C-193 which asked for an increase in personal income tax, and that is all I voted against.

A new measure was introduced in the house today. Because there was some doubt, we are asked to show our confidence in the government. The Conservative party said no, we do not have confidence in the government.

Mr. Speaker, as far as I am concerned, and as the hon. member for Villeneuve (Mr. Caouette) said, whether or not the Grits or the Tories, the Liberals or Conservatives are in power, it is pretty well the same thing. I have seen them in office. I have seen the Conservatives in office, and the Liberals in the opposition. Now, the Liberals are saying exactly the same thing the Conservatives said when they were on this side of the house. And the Conservatives on that side of the house are saying and doing exactly what the Liberals were doing when they were on that side. As far as I am concerned, it is the same thing. Put them all in the same bag and then pull out, two of them, you can not tell which is which. It is the same thing for me.

Then, whether we renew or refuse confidence to the Liberal party, depending on what the Conservative party will do, will we be any better, Mr. Speaker?

• (5:30 p.m.)

I am proud of that choice, very impartially. I do not intend to destroy parliament or the economy of the country. No. I shall try to reason out my problem; in the first place, there is no difference between the two old line parties. However, I say to myself: still, there is a slight difference. When a political party, as is the case with the Liberal party at present, is cornered, with its hands up in the air, and its pants down, it feels badly, and it is willing to say: No, I shall never do it again.

An hon. Member: So, let it pull up its pants.

Mr. Grégoire: That's just it, it pulls up its pants and says: I shall not do it again. That is the difference.

But if the Conservative party were to come back to power—suppose there was an election and it should be returned to power with a good majority—it would say: This is the legacy we took over from the Liberals. It would be in no hurry to get a move on, because its position would be secure.

But the Liberals are now cornered whether we like it or not.

There are 129 Liberal members plus one, namely the member for Trois-Rivières (Mr. Mongrain) who said he would vote for the Liberals, which gives 130 members. On the other side of the house, there are 130 other members. This gives us even numbers. In addition, there is my vote; the Speaker votes only in the case of a tie.

Now, this is the way I reason it out. I say to myself, one party is no better than the other. Under the present circumstances, the Liberal party is cornered and as it has to struggle a bit more, we may stand a chance of getting it to shake a leg a bit more than the others. The Liberal party knows it is in a difficult position. We do not need elections, and it knows it. It will be defeated and, now, it must be ready to accept a compromise. If not, nothing will work. If it agrees to make concessions, then I am willing to co-operate. Why? Because I tell myself that under the present circumstances, they will try a bit harder than before. They are cornered, they do not want to move. There is no need for elections, they are crying "Uncle", no more no less. So now all is well, they are saying "Uncle".

Mr. Speaker, it is a fact, there are 130 of them. They are saying, "Uncle". I am willing to help. That, in truth, is the present situation.

And so, Mr. Speaker, I have a very clear amendment to move, which does not hold any grudge against anyone, which will harm no one, but which, if passed, will at least force the Liberals to act.

My amendment reads as follows:

I move—

I have found someone to second my amendment, Mr. Speaker. I asked my friend the hon. member for York-Humber (Mr. Cowan) to second my motion. Further after he has seen my amendment I am convinced that the hon. member for Villeneuve (Mr. Caouette) will also support me, to allow a debate on the amendment since I am alone against 130.

With his British fair play, my friend from York-Humber agreed; all I asked him to do was to support me. He is free to vote against the amendment, Mr. Speaker. All he is doing is to enable me to move my amendment and to discuss it. I am convinced that some other members of this house would have done likewise if I had explained the problem to them. Furthermore, the hon. member for Kootenay-West (Mr. Herridge) who is not here at present, would have also seconded my amendment. I am sure that the hon. member for Villeneuve would have done the same had he known.

So, I propose, seconded by the hon. member for York-Humber:

That the motion be amended by deleting all the words following the word "that" and by substituting the following therefor:

Motion Respecting House Vote

"The house, while recognizing that the rejection of Bill No. C-193 on third reading forbids the government to increase the personal income tax for this year, is nevertheless disposed to renew its confidence in the government provided that it takes immediate steps to restore the economy of the country and to alleviate the serious unemployment problem, in particular by the following means:

The immediate reduction of interest rates for housing construction.

Mr. Caouette: Three quarters of 1 per cent.

Mr. Grégoire: You will approve that.

To continue:

The reinstatement of a 6 per cent ceiling for interest rates charged by banks.

An hon. Member: That is still too high.

Mr. Grégoire: Third, and I insist on this one:

The guarantee that everything will be done to keep the St. Lawrence and the Saguenay continually open to winter navigation.

Mr. Speaker, there is unemployment in my riding. I also thought of my riding.

The construction, to be undertaken as soon as possible, of a supporting wall from Rivière-aux-Sables to Jonquière.

I thought of the hon. member for Villeneuve; it is always possible to become allies. His air terminal is known to be unsatisfactory.

The building of an air terminal at Rouyn airport, in the riding of Villeneuve.

Now, I also tried to obtain the co-operation of the Minister of Manpower and Immigration (Mr. Marchand), and that of the hon. members for Quebec South (Mr. Cantin) and for Lévis (Mr. Guay), and of all those residing in or near Quebec city.

Harbour improvement work to be started as soon as possible in Quebec city harbour, as requested by the Quebec city municipal council.

Here is another matter that the Minister of Manpower and Immigration wishes to discuss:

The increase in the number of months of eligibility for the manpower training course, under the Manpower Retraining Act.

Those are very specific requests, Mr. Speaker.

Furthermore, the Government undertakes not to interfere again in the field of educational television which comes under provincial jurisdiction.

This government will also see to it that Bill C-186 is passed during this session.

[Mr. Grégoire.]

With that, I made enemies of my friends of the New Democratic Party.

This government will also see to it that the Quebec government, be handed back its authority over all measures of social welfare with tax compensation, according to the requests made by the Quebec government.

I thought of mentioning the monarchy, —which would have pleased the hon. member of Lotbinière (Mr. Choquete)—but I changed my mind.

If the government agrees to all those measures, this house will renew its confidence in it.

The Speaker: The hon. member knows that his motion must be seconded. He indicated that the hon. member for York-Humber (Mr. Cowan) was prepared to do so, but inasmuch as I cannot see anything in the motion which refers to the York-Humber constituency, I assume that the hon. member will decline to support the motion of the hon. member for Lapointe.

• (5:40 p.m.)

[*English*]

Mr. Cowan: Yes, Mr. Speaker.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I continue speaking on my amendment?

Mr. Speaker: Order. Would the hon. member be so kind as to wait for the decision of the Chair as to whether or not his amendment is in order. I believe the hon. member himself must have had some doubts when drafting the amendment; perhaps he could indicate to what degree he believes this motion is in order.

Mr. Grégoire: I do not believe at all I should have to explain it, since you have read it to the house. You said: "The hon. member for Lapointe, seconded by the hon. member for York-Humber, moves.. Shall I dispense"? So it is before the house and you cannot reverse your decision.

Mr. Speaker: The hon. member knows that the motion has to be read before the house so as to give the hon. members the opportunity to help the Chair decide whether the motion is in order or not. If any arguments are to be raised on that point, I shall hear them and shall be able to give my ruling afterwards.

Mr. Grégoire: Mr. Speaker, in the circumstances I believe the motion speaks for itself and should be accepted.

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. For obvious reasons the motion is clearly out of order. It is as much out of order, as frivolous and as vexatious as the government motion appearing on the order paper and which is now before the house.

Mr. Speaker: I had invited the hon. member for Lapointe to indicate whether he had any arguments to make on the point of procedure.

[*Translation*]

The hon. member who is an expert on matters of procedure will recognize that this amendment goes far beyond the very limited scope of the motion now under consideration. It is a substantive motion or proposal which could be discussed only after notice or unanimous consent of the house. For those reasons, I deem the motion out of order.

Mr. Grégoire: Mr. Speaker, convinced that my amendment was in order, I had not finished my remarks. If you had read it in full instead of dispensing with it, I feel that—

Mr. Speaker: Order. I gave my ruling on that matter and I did not have to read the motion, because I heard it while the hon. member read it slowly and clearly. That was enough to enable me to reach the ruling I have just made.

Mr. Grégoire: Then, Mr. Speaker, as there remains a few minutes, may I continue my remarks?

I think that my program would restore confidence in the government. I am of the opinion that they should say something, state clearly what they advocate. But we have heard nothing at all on that subject. They should tell us exactly what they intend to do to justify the confidence of parliament. If they do not do so, I will not be ready to vote for them. If they have intentions, let them say so and we will then form an opinion. But if they say nothing, as did all Liberal members who spoke today—we see that they want to continue as in the past—I am not ready to support the government.

Moreover, if they want to tell us, to specify why they deserve the confidence of parliament, and what they intend to do, instead of telling us: If there are elections, there will be a dollar crisis—which is to frighten us, and I am no longer afraid of that—we will be able to reach a decision. Let them tell us exactly what they intend to do and why we should renew them our confidence. So I ask them this question: Do they intend to restore the economy, to lower unemployment in the country? Do they intend to act, to do something? If they answer yes, I shall support them. However, if they are not ready to tell us why we should put our confidence in them, I am not ready to support them.

That is why, in the end, it is up to the government to tell us what they intend to do, and on that we shall judge whether we should support them, not on what they have done in the past, for that is none too brilliant, none too outstanding. Besides, if we must judge on past record it is not worthwhile changing governments.

If they intend to improve the situation, to take measures to lower unemployment and restore the economy, let them say so, and we shall judge them according to their intentions and not in any blind fashion.

[*English*]

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, after listening to this somewhat lengthy debate, I would with your permission read the motion that is before the house once more so as to get the motion before hon. members in such form that the points I intend to make in reference to it will be clear on the record. As has been said by other speakers, this is a very unusual motion. It is a sort of left-handed method of bringing something before the house after the government has been fired. The motion reads as follows:

> That this house does not regard its vote on February 19th in connection with third reading of Bill C-193, which had carried in all previous stages, as a vote of non-confidence in the government.

First of all, when you analyse and read the motion it seems to me that if the government felt it was on sound ground it would have brought in a simple motion of confidence or no confidence. What the government is trying to do—and if there are any tricks of the trade at all, they are on the other side of the chamber—is to revive a tax which has been voted down by the opposition, in total. That is what the government is trying to do. If they sneak this motion under the wire, they will try to bring back the tax in question.

I think at this stage it would pay to repeat our position, as far as the constitutional question in this situation is concerned. I repeat, Mr. Speaker, that we take the position that the government was defeated on so vital and fundamental a matter embracing their whole program and fiscal policy that the Prime Minister (Mr. Pearson) now has a constitutional duty to the country. What is that constitutional duty? I suggest that the constitutional duty which he has to the country is the same constitutional duty that my party had on February 5, 1963, at which time the then prime minister, on his government's defeat, asked that the house be adjourned. I think the gentlemanly thing to do at this time would be to follow the same procedure.

• (5:50 p.m.)

I should like to refer to page 3463 of *Hansard* of February 5, 1963. However, before doing so I should like to say, after listening to government spokesmen today, that the impression is left that they think the mere terms of the bill or the mere statement that it is a vote of confidence or non-confidence alters the situation. I suggest to you, sir, that words in that regard do not alter the situation. If a bill is of such importance as this one, then the vote on it constitutes a vote of confidence in the government and it does not require a statement to this effect.

As I said, the situation last Monday was identical with the situation on February 5, 1963. At that time the main question before the house was that of nuclear weapons. Government supporters, who were then in opposition, voted down the Conservative government of that day. It is true that the motion before the house at that time was worded in such a way that it was only a motion of confidence. The point I want to make is that is a bill before the house is voted upon, regardless of whether it is on second or third reading, and is then defeated, that is the end of it. If it is a vital matter, it is a motion of confidence, and if it is defeated, the government should consider itself defeated just as effectively as if there were a straight motion of confidence before the house. I might point out that last Monday night the acting Prime Minister seemed to be completely lost. What did the prime minister and Conservative leader do on February 5, 1963? He said the following:

Mr. Diefenbaker: Mr. Speaker, I shall advise His Excellency the Governor General tomorrow.

I move, seconded by the hon. member for Winnipeg South Centre (Mr. Churchill), the adjournment of the house.

[Mr. Woolliams.]

The house was then adjourned and the leader of the Conservative government went to the Governor General and asked for dissolution. If this government gets away with what it wishes to do, I say it will destroy the very institution of parliament; it will destroy representative and responsible government. As my good friend behind me said, the government is setting up a dictatorship. We now have a king reigning in Canada for the first time, king Pearson I. He will not abdicate, nor will he quit when he is fired. He is like a tenant who will not leave when he is ejected.

That is exactly the position of this government. Surely there was an onus on the Prime Minister to go to the Governor General. If he did not wish to dissolve the house and go to the country, he should have asked the Governor General to ask someone else to form a government, someone who would have the confidence of the house and of the country.

As did all hon. members, I listened with interest to the Prime Minister speaking in the house today, and I listened to him on television. He gave us the impression in his appearance on television that he would quote from certain authorities to show that he had the legal and constitutional right to do what he was attempting to do—and which I and my party say his government has no constitutional right to do. Yet he never quoted from any authority. He merely referred to Jennings, who deals with situations when amendments are moved in a speech from the throne or on a budget and there is some question as to whether or not, when the government is defeated, the vote is to be considered a vote of confidence.

Ever since the government took office we have opposed their financial and economic policies. We have opposed the Gordon budget, we have opposed the sales tax, and we have opposed all the economic programs of this government. We have warned them that they would get into the financial debacle they face now.

The government takes great pride in Canada's image overseas. The house will recall that in 1962 and 1963, when the Liberal party which was then in opposition tried to blast the Diefenbaker government, its spokesmen referred to Canada's image abroad. I would like to read now an article in *The Economist* of September/October 1967. I believe it expresses the view of this party and of the Canadian people as a result of which the government has been fired, and is out. It has been defeated, not only on its tax bill but

because the vote on the bill was a vote of confidence, since the bill deals with the whole economic program of the government. The article to which I refer appeared in an independent magazine which is recognized throughout the commonwealth and the United States as an authority on economics. This is what appears at page viii of *The Economist* for September/October 1967 and we agree with what is said here with reference to the policies of the Liberal government. It reads as follows:

Mr. Sharp, alas, cannot avoid the responsibility for inadequate fiscal action, the need for which he now seems belatedly to have realized. His budget did not revive last year's expansion, but it did nothing to stem the rise in costs and prices. Worst of all, it pushed interest rates higher, because the public was unwilling to absorb bonds, and generated a further increase in the money supply. There have been few examples of such a violent swing of the levers of economic control. Policies that would have been admirably suited to cope with a state of excessive under-utilisation of resources were continued well after demand was clearly pressing too hard on the limits of supply. This was not the fault of business, which was trying to cope with its own cost squeeze, but the fault of government,—

Why do they not come to grips with the question when every national newspaper in Canada has said to the government in the last few months that it has overspent, and that it has run the country into blue ruin. The article continues:

—but the fault of government, which ought to have been far more sensitive to the signals that the economy was making to it. When the governor of the bank was warning Canada against the impossibility of getting a quart, Ottawa seemed to be going for half a gallon.

This is a half gallon government. When they only had a quart of milk they asked for a gallon.

Mr. Nielsen: It is a half pint government.

Mr. Woolliams: As my friend says, it is a half pint government. May I call it six o'clock, Mr. Speaker.

Mr. Speaker: Order, please. It being six o'clock this house stands adjourned.

Mr. Woolliams: Before adjourning, Mr. Speaker, may I say that the Minister of Agriculture (Mr. Greene) made some remark about a half wit. I would say to him that the reception he received from 2,000 ranchers in Calgary proves they know who the half-witted Minister of Agriculture is.

Mr. Speaker: Order, please. It being six o'clock the house stands adjourned until 2.30 p.m. Monday afternoon.

At six o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME VI