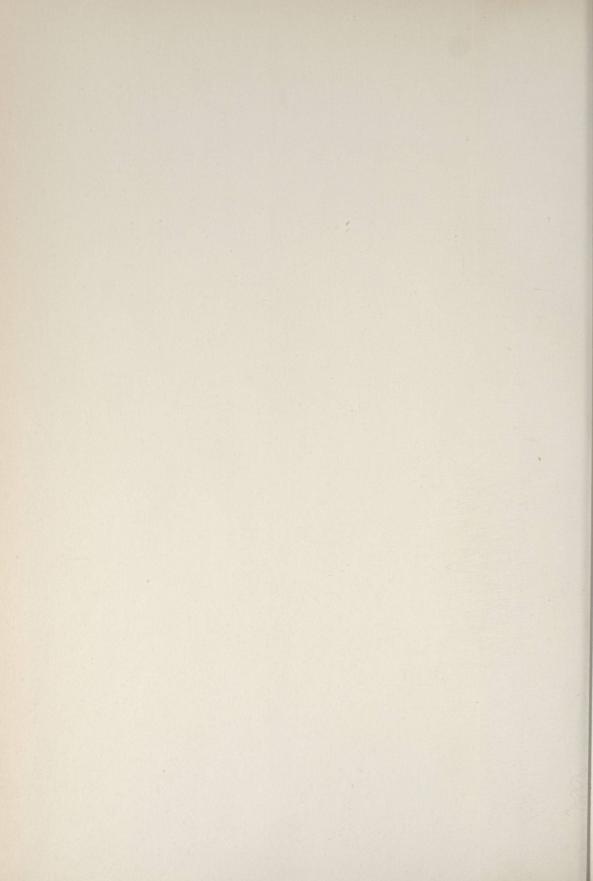
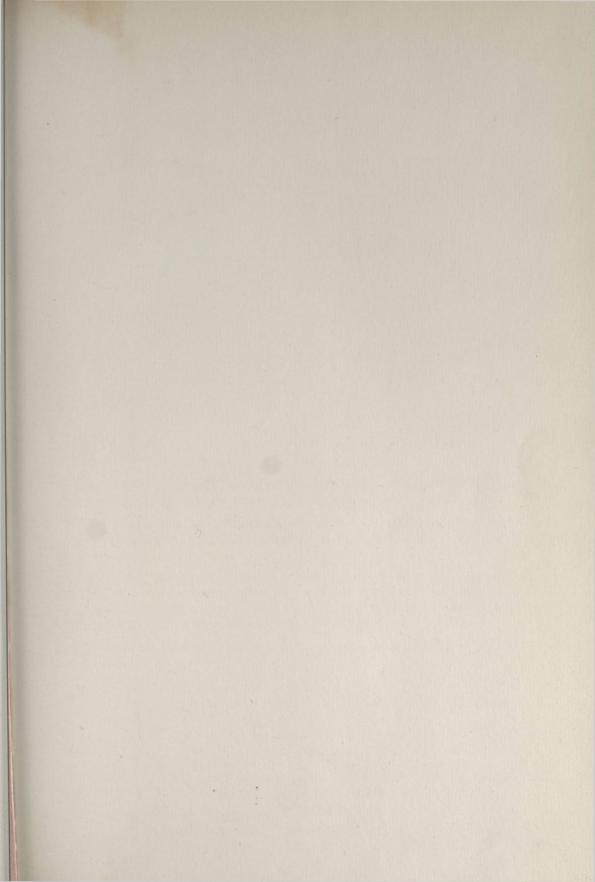
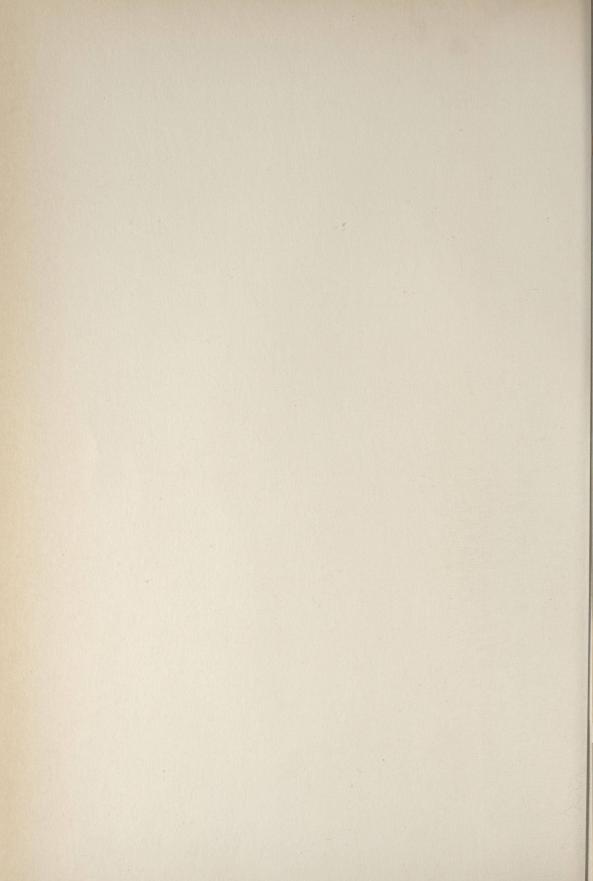


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No. 200

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, FEBRUARY 3, 1967.

11.00 o'clock a.m.

PRAYERS.

Mr. Richard, from the Special Joint Committee on the Public Service, presented the Sixth Report of the said Committee, which is as follows:

Bill C-170, An Act respecting employer and employee relations in the Public Service of Canada, was referred to your Committee on Tuesday, May 31, 1966.

Since that date, your Committee has held forty-eight meetings and heard the evidence of forty-seven witnesses. Following most helpful representations by numerous groups and individuals within and without the Public Service of Canada, your Committee undertook a detailed study of the Bill.

Your Committee has agreed to report the said Bill with the following amendments:

Clause 2

Paragraph 2(j), delete "53" and substitute "52" therefor line 19 page 2.

Insert new subparagraph 2(m)(v) after line 46 page 2:

"2(m)(v) a person who is a member or special constable of the Royal Canadian Mounted Police or who is employed by that Force under terms and conditions substantially the same as those of a member thereof,"

Re-number subparagraph 2(m)(v) as 2(m)(vi)

Re-number subparagraph 2(m) (vi) as 2(m) (vii)

Re-number subparagraph 2(m)(vii) page 3 as 2(m)(viii);

Insert in new subparagraph 2(m) (viii) the words "or confidential" before the word "capacity" line 1 page 3,

Substitute a comma for the semicolon at the end of line 1 page 3 and add the following words immediately thereafter:

"and for the purposes of this paragraph a person does not cease to be employed in the Public Service by reason only of his ceasing to work as a result of a strike or by reason only of his discharge contrary to this or any other Act of Parliament:"

Paragraph 2(n), add the words "for the purposes of this Act" after the word "employees" line 5 page 3.

Subparagraph 2(o)(i), substitute "I" for "II" line 11 page 3, and substitute the words "Treasury Board" for "separate employer concerned" lines 12 and 13 page 3.

Subparagraph 2(o)(ii), reduce the capital letters in "Public Service" line 15 page 3 to lower case; delete the comma and words "the Treasury Board" on the same line and substitute the following words therefor: "of Canada specified in Part II of Schedule A, the separate employer concerned".

Paragraph 2(p), add the words "on his own behalf or on behalf of himself and one or more other employees" after the word "employee" line 18 page 3.

Subparagraph 2(p)(i), add the words "or confidential" before the word "capacity" line 24 page 3.

Subparagraph 2(p) (ii), add the words "or confidential" before the word "capacity" line 33 page 3.

Paragraph 2(q), add the word "period" after the word "certification" in the marginal note; and delete all the words after the word "means" lines 34 to 39 inclusive page 3, substituting therefor: ", in respect of employees in any occupational category, the period ending on the day specified in Column III of Schedule B applicable to that occupational category;"

Subparagraph 2(r) (iii), add the words "and foreign service" after the word "administrative" line 44 page 3.

Paragraph 2(r), delete the words "specified and defined by the Governor in Council by any order made under subsection (1) of section 26 or thereafter" lines 48 to 50 page 3.

Paragraph 2(s), substitute the words "specified and defined by the Public Service Commission under subsection (1) of section 26" for the words "within an occupational category" line 2 page 4.

Paragraph 2(u), add the words "or confidential" after the word "managerial" in the marginal note and in line 9 page 4.

Subparagraph 2(u) (i), substitute the words "the" for the word "other" line 15 page 4, and insert the word "other" after the word "any" line 16 page 4.

Subparagraph 2(u) (iv), substitute the word "administrator" for the word "officer" line 33 page 4.

Subparagraph 2(u)(v), insert the words "on behalf of the employer" after the word "formally" line 38 page 4.

Subparagraph 2(u) (vii), substitute the words "who in the opinion of the Board should not be included" for the words "for whom membership" lines 45 and 46 page 4, and delete line 47 page 4.

Clause 5

Re-number old clause as sub-clause 5(1).

Delete from the old clause the words "Part I or Part II of" line 3 page 6.

Insert in the old clause the words "Part I or Part II thereof" after "Schedule A" line 3 page 6.

Delete the words ", unless there are no longer any employees employed in or under that portion or if it is a corporation excluded from the operation of Part I of the Industrial Relations and Disputes Investigation Act", lines 4 to 7 page 6, add immediately after "Schedule A" the following words:

"except that where that portion

- (a) no longer has any employees, or
- (b) is a corporation that has been excluded from the provisions of Part I of the Industrial Relations and Disputes Investigation Act,

he is not required to add the name of that portion to the other part of Schedule A."

Add new sub-clause 5(2) together with marginal note:

"(2) Where the Governor in Council deletes from one part of where Schedule A the name of any corporation that has been excluded corporation deleted from from the provisions of Part I of the Industrial Relations and Dis- one part of putes Investigation Act and does not thereupon add the name of and not that corporation to the other part of Schedule A, the exclusion of added to other part. that corporation from the provisions of Part I of that Act ceases to have effect."

Clause 7

Delete the words "to group and classify positions therein" lines 15 and 16 and substitute the words "and classify positions therein" for the word "employees" line 16 page 6.

Clause 8

Sub-clause 8(1), add the words "or confidential" after the word "managerial" line 17 page 6.

Sub-clause 8(2), add the words "or confidential" after the word "managerial" line 15 page 7.

Delete sub-clause 8(3) and marginal note.

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Clause 9

Add the words "or confidential" after the word "managerial" in lines 23 and 27 page 7 sub-clauses 9(1) and (2).

Clause 13

Sub-clause 13(1) in the French version, substitute the words "n'est pas admissible à occuper un poste de" for the words "ne peut être nommée" line 9 page 9.

Clause 16

Paragraph 16(2)(b), substitute the words "in such a manner as to ensure the number of members" for the words ", including one member" line 30, and substitute the words "equals the number of members" for the words "and one member" line 32 page 9.

Sub-clause 16(3), add the words ", except that where both the Chairman and the Vice-Chairman are present at any meeting of the Board only the Chairman may vote" after the word "be" line 38 page 9.

Clause 17

Sub-clause 17(1), delete the words "and has supervision over and direction of the work and the staff of the Board" lines 40 and 41 page 9, and substitute the following marginal note for the old one:

"Chairman to be chief executive officer."

Sub-clause 17(2), delete the words "and other staff" from the marginal note;

Delete the words "and such other officers and employees as the Board deems necessary for the performance of its duties" lines 1 to 3 page 10;

Substitute "Public Service Employment Act, who shall subject to the direction of the Chairman have supervision over and direction of the work and staff of the Board" for the words "Civil Service Act" line 4 page 10.

Add a new sub-clause 17(3) and marginal note:

(3) Such other officers and employees as the Board deems necessary for the performance of its duties shall be appointed under the provisions of the *Public Service Employment Act*."

Re-number old sub-clause 17(3) as 17(4),

Delete the words "on behalf of the Board" line 5 page 10,

Delete the commas after the words "appoint" and "of" line 6, page 10.

Add the words ", subject to the approval of the Governor in Council," after the words "appoint and" line 6 page 10.

Clause 19

Paragraph 19(1) (f), add the words "in respect of a bargaining unit or any employee included therein" before the word "where" line 43 page 10;

Delete paragraph 19(1)(k) lines 24 to 29 page 11 and substitute therefor:

"(k) the authority vested in a council of employee organizations that shall be considered appropriate authority within the meaning of paragraph (b) of subsection (2) of section 28;"

"Other staff

Clause 20

Sub-clause 20(1), substitute the word "shall" for "may" line 38 page 11.

Clause 23

Clause 23, delete the word "shall" line 29 page 13 and substitute therefor "or either of the parties may";

Substitute the words "but the referral of any such question to the Board shall not operate to suspend any proceedings in connection with that matter unless the Arbitration Tribunal or adjudicator, as the case may be, determines that the nature of the question warrants a suspension of the proceedings or unless the Board directs the suspension thereof" for the words "and thereupon any proceedings in connection with that matter shall, unless the Board otherwise directs, be suspended until the question is decided by the Board" lines 31 to 34 page 13.

Clause 26

Delete Clause 26 in toto with marginal notes lines 1 to 29 inclusive page 14 and substitute therefor:

"26. (1) The Public Service Commission shall, within fifteen specificadays after the coming into force of this Act, specify and define the tion of several occupational groups within each occupational category enumerated in subparagraphs (i) to (v) of paragraph (r) of section 2, in such manner as to comprise therein all employees in the Public Service in respect of whom Her Majesty as represented by the Treasury Board is the employer, and shall thereupon cause notice of its action and of the occupational groups so specified and defined by it to be published in the Canada Gazette.

(2) The Public Service Commission, in specifying and defining Groups to be the several occupational groups within each occupational category specified on basis of pursuant to subsection (1), shall specify and define those groups on program of the basis of the grouping of positions and employees, according to classification the duties and responsibilities thereof, under the program of classi-revision. fication revision undertaken by the Civil Service Commission prior to the coming into force of this Act.

(3) As soon as possible after the coming into force of this Act when the Board shall, for each occupational category, specify the day on application and after which an application for certification as bargaining agent cation may for a bargaining unit comprised of employees included in that occu- be made. pational category may be made by an employee organization, which day shall not, for any occupational category, be later than the sixtieth day after the coming into force of this Act.

(4) During the initial certification period, a unit of employees in Bargaining respect of whom Her Majesty as represented by the Treasury Board units is the employer may be determined by the Board as a unit appropri-during initial ate for collective bargaining only if that unit is comprised of

certification

(a) all of the employees in an occupational group;

(b) all of the employees in an occupational group other than employees whose duties include the supervision of other employees in that occupational group; or

(c) all of the employees in an occupational group whose duties include the supervision of other employees in that occupational group.

Where objection filed.

- (5) Subsection (4) does not apply where, upon an application for certification as bargaining agent for a proposed bargaining unit,
 - (a) the employee organization making the application, or any employee organization whose members include employees in the proposed bargaining unit, has filed with the Board an objection to the determination of a bargaining unit in consequence of the application on the basis specified in subsection (4), on the ground that such a bargaining unit would not permit satisfactory representation of employees included therein, and, for that reason, would not constitute a unit of employees appropriate for collective bargaining, and
 - (b) the Board, after considering the objection, is satisfied that such a bargaining unit would not, for that reason, constitute a unit of employees appropriate for collective bargaining.

Times relating to commencement of collective bargaining during initial certification period.

- (6) During the initial certification period, in respect of each occupational category,
 - (a) notice to bargain collectively may be given in respect of a bargaining unit comprised of employees included in that occupational category only after the day specified in Column I of Schedule B applicable to that occupational category; and
 - (b) a collective agreement may be entered into or an arbitral award rendered in respect of a bargaining unit comprised of employees included in that occupational category only after the day specified in Column II of Schedule B applicable to that occupational category;

and any collective agreement entered into or arbitral award rendered during the initial certification period in respect of a bargaining unit comprised of employees included in that occupational category shall remain in effect until the day specified in Column III of Schedule B applicable to that occupational category, and no longer.

Other occupational categories.

- (7) Where, during the initial certification period, an occupationally-related category of employees is determined by the Board to be an occupational category for the purpose of this Act, the Board shall, at the time of making the determination,
 - (a) specify the day corresponding to that described in subsection (3) which shall apply in relation to that occupational category as though it were specified by the Board under that subsection; and
 - (b) specify the days corresponding to those described in Columns I, II and III of Schedule B which shall apply in relation to that occupational category as though they were specified in Columns I, II and III of Schedule B, respectively."

Clause 27

Delete the "s" at the end of the word "sections" and "29 and" line 33 page 14.

Clause 28

Delete the "s" at the end of the word "sections" and "29 and" line 3 page 15 sub-clause (1).

Delete paragraph 28(1)(b) lines 11 to 18 inclusive and substitute therefor:

"(b) each of the employee organizations forming the council has vested appropriate authority in the council to enable it to discharge the duties and responsibilities of a bargaining agent."

Re-number sub-clause 28(3) as Clause 29 and insert the words "of section 28" after "subsection (2)" line 20 page 15.

Clause 29

Delete old Clause 29 in toto with marginal note lines 25 to 29 inclusive page 15.

Clause 31

Substitute the words "six months" in marginal note for the words "one year".

Clause 32

Sub-clause 32(1),

Substitute "4" for "3" in the brackets, line 33 page 16.

Sub-clause 32(3),

Delete therefrom ", or whose duties or responsibilities are such that in the opinion of the Board his inclusion in the bargaining unit as a member thereof would not be appropriate or advisable"

lines 3 to 6 page 17.

Clause 34

Paragraph 34(d).

Delete the words "act for the members of the organization in the regulation of relations between the employer and such members" lines 33 to 36 page 17 and substitute therefor "make the application"

Clause 35

Paragraph 35(1)(b),

Add the word "and" after the semicolon line 9 page 18.

Paragraph 35(1)(c),

Delete the word "and" after the semicolon line 13 page 18.

Delete paragraph 35(1)(d) lines 14 to 17 inclusive.

Clause 36

Delete the words "as condition of certification" from marginal note.

Sub-clause 36(1)

Substitute "Subject to subsection (2) of section 37, every" for the words "No employee organization shall be certified by the Board as" lines 34 and 35 page 18;

Delete the words "until the employee organization has specified" line 36 and substitute the word "shall" therefor:

Add the word "specify" after the word "prescribed" line 37:

Substitute the word "it" for the words "the employee organization" lines 39 and 40:

Substitute the words "in respect of" for the words "if it is subsequently certified by the Board as bargaining agent for that" lines 40 and 41.

Sub-clause 36(2)

Substitute the words "a bargaining agent" for the words "an employee organization" line 43 page 18;

Substitute the words "in respect of" for the words "if it is subsequently certified as bargaining agent for" lines 44 and 45;

Substitute the words "bargaining agent" for the words "employee organization and if it is satisfied that the other requirements for certification established by this Act are met" line 47 to 49;

Substitute the words "bargaining agent" for the words "employee organization" line 1 page 19;

Substitute "bargaining agent" for "employee organization" lines 6 and 7.

Sub-clause 36(3)

Delete in toto with marginal note lines 8 to 13 inclusive page 19.

Clause 37

Sub-clause 37(1)

Delete the words "certification to record" from the marginal note and substitute the words "to be recorded" therefor, after the word "disputes":

Delete the old sub-clause 37(1) lines 14 to 18 inclusive and substitute

"(1) Where a bargaining agent for a bargaining unit has specified the process for resolution of a dispute as provided in subsection (1) of section 36, the Board shall record, as part of the certification of the bargaining agent for that bargaining unit, the process so specified."

Sub-clause 37(2)

Substitute the words "a bargaining agent" for "an employee organization" line 20, page 19;

Add the words "subsection (1) of" before the word "section" line 20;

Add the words "of this section shall" after the word "subsection (1)" line 21;

Delete the words "as part of its certification as bargaining agent for a bargaining unit shall, notwithstanding that another employee organization may subsequently be certified as bargaining agent for the same bargaining unit," lines 21 to 25;

Substitute the words "from the day on which any notice to bargain collectively in respect of that bargaining unit is given next following the specification of the process" for the words "during the period of three years immediately following the day on which the first collective agreement or arbitral award binding on the employer and the bargaining agent that specified the process comes into force in respect of that bargaining unit" lines 26 to 31.

Clause 38

Sub-clause 38(2)

Delete in toto with marginal note lines 38 to 45 inclusive page 19 and substitute therefor:

"(2) The Board shall record an alteration in the process for Alteration resolution of a dispute made pursuant to an application under sub-to be included. section (1) in the same manner as is provided in subsection (1) of section 37 in relation to the initial specification of the process for resolution of a dispute."

Sub-clause 38(3)

Delete in toto with marginal note lines 46 to 48 inclusive page 19 and substitute therefor:

"(3) An alteration in the process for resolution of a dispute Effective applicable to a bargaining unit becomes effective on the day that date and any notice to bargain collectively is given next following the alteration and remains in effect until the process for resolution of a dispute is again altered pursuant to subsection (2)."

Sub-clauses 38(4) and (5)

Delete sub-clauses 38(4) and (5) in toto with marginal notes lines 1 to 16 inclusive page 20.

Clause 39

Sub-clause 39(3)

Add the word "sex," after the word "of" line 36 page 20;

Substitute the word "national" for the words "creed, colour, nationality, ancestry or place of" line 37;

Add the words ", colour or religion" after the word "origin" line 37.

Clause 43

Sub-clause 43(1)

Delete the words "it appears to" after the word "time" line 3 page 23;

Add the words "is satisfied" after the word "Board" line 3; Substitute the word "shall" for the word "may" line 6. Clause 49

Sub-clause 49(1)

Delete the words "the employees in" line 27 page 24,

Add the words "and the process for resolution of a dispute applicable to that bargaining unit has been specified as provided in subsection (1) of section 36," after the word "unit" line 28.

Clause 51

Paragraph 51(a)

Delete the words "the negotiating relationship between the parties has been terminated and" lines 25 to 27 page 25.

Subparagraph 51(a)(ii)

Add the words "a collective agreement has been entered into or" after the word "and" line 41 page 25.

Clause 52

Delete Clause 52 in toto with marginal notes lines 14 to 23 inclusive page 26.

Clause 53

Re-number as Clause 52.

Clause 54

Re-number as Clause 53.

Clause 55

Sub-clause 55(1)

Substitute the words "Treasury Board" for "Minister" in the marginal note;

Re-number as Clause 54:

Delete the words "Minister who presides over the" line 37 page 26:

Substitute the words "in such manner as may be provided for by any rules or procedures determined by it pursuant to section 3 of the Financial Administration Act" for "on behalf of the Treasury Board and with the approval of the Governor in Council" lines 38 and 39.

Sub-clause 55(2)

Re-number as Clause 55.

Clause 56

Paragraph 56(2)(b)

Substitute the letter "C" for the letter "B" after the word "Schedule" line 38 page 27.

Clause 57

Paragraph 57(2)(b)

Substitute "(6) of section 26" for "(3)" line 4 page 28;

Delete sub-clause 57(3) in toto with marginal note lines 7 to 16 inclusive page 28;

Delete sub-clause 57(4) in toto with marginal note lines 17 to 23 inclusive page 28;

Sub-clause 57(5)

Re-number as sub-clause 57(3) and delete "or (3)" line 24.

Clause 58

Add a comma after the word "employer" line 31 page 28;

Substitute the word "on" for "and" line 31;

Add the words "and its constituent elements," after the word "thereto" line 32.

Clause 63

Sub-clause 63(1)

Substitute the words "Secretary of the Board" for the word "Chairman" line 39 page 30.

Sub-clause 63(1) French version

Substitute the word "une" for the word "aucune" line 39 page 32.

Paragraph 63(1)(a)

Delete the words "the negotiating relationship between the parties has not been terminated" lines 1 to 3 page 31 and substitute therefor "no collective agreement has been entered into by the parties and no request for arbitration has been made by either party since the commencement of the bargaining".

Clause 64

Sub-clause 64(1)

Substitute "Secretary of the Board" for the word "Chairman" line 19 page 31;

Substitute the word "Secretary" for the word "Chairman" lines 20 and 22:

Substitute the words "arbitration was requested" for "negotiating relationship between them was terminated" lines 25 and 26.

Clause 67

Re-number as sub-clause 67(1).

Add new sub-clause 67(2) and marginal note:

"(2) Where, at any time before an arbitral award is rendered Where in respect of the matters in dispute referred by the Chairman to the agreement Arbitration Tribunal, the parties reach agreement on any such matter quently and enter into a collective agreement in respect thereof, the matters reached. in dispute so referred to the Arbitration Tribunal shall be deemed not to include that matter and no arbitral award shall be rendered by the Arbitration Tribunal in respect thereof."

Clause 68

Delete the words "and have regard to" line 20 page 32.

Clause 70

Sub-clause 70(3)

Substitute the words "arbitration was requested in respect thereof" for "the negotiating relationship between them was terminated" lines 25 and 26 page 33;

Sub-clause 70(4)

Substitute the words "to be limited to bargaining unit" for "not to contain informational material" in the marginal note;

Delete the words "and shall not contain reasons or any material for informational purposes or otherwise that does not relate directly to the fixing of those terms and conditions" lines 30 to 32 page 33.

Clause 71

Sub-clause 71(2)

Delete the words "rendered by chairman" from the marginal note;

Substitute the words "A decision of a majority of the members of the Arbitration Tribunal in respect of the matters in dispute, or where a majority of such members cannot agree on the terms of the arbitral award to be rendered in respect thereof" for the words "Where not all the members of the Arbitration Tribunal agree on the terms of an arbitral award that is to be made" lines 38 to 40 page 33;

Substitute the word "of" for "rendered by" line 40.

Clause 72

Sub-clause 72(2)

Add a comma and two new paragraphs after the word "before" line 27 page 34:

- "(a) in the case of an arbitral award rendered during the initial certification period, a day six months before the day specified in Column II of Schedule B applicable to the occupational category in which the employees in respect of whom the award is made are included; and
 - (b) in any other case,"

Clause 73

Sub-clause 73(2)

Add the words "Subject to sub-section (6) o fsection 26," before the word "no" line 9 page 35;

Add the words "or more than two years" after the word "year" line 12:

Delete sub-clause 73(3) and marginal note lines 14 to 24 inclusive page 35.

Clause 75

Delete the words "The Chairman may refer back to the Arbitration Tribunal any matter in dispute referred to the Arbitration Tribunal where it appears to him that the matter has not been resolved by the arbitral award made in consequence thereof" and substitute therefor "Where in respect of an arbitral award it appears

to either of the parties that the Arbitration Tribunal has failed to deal with any matter in dispute referred to it by the Chairman, such party may, within seven days from the day the award is rendered, refer the matter back to the Arbitration Tribunal" Lines 35 to 39.

Clause 78

Paragraph 78(1)(a)

Substitute "52" for "53" line 22 page 36.

Sub-clause 78(2)

Add the words ", but before establishing such a board the Chairman shall notify the parties of his intention to do so" after the word "agreement" line 40.

Clause 79

Sub-clause 79(5)

Substitute "Board" for the words "bargaining agent for the bargaining unit" line 41 page 37.

Clause 83

Delete the words "prepared by him" line 3 page 39.

Clause 94

Substitute the word "employee" for the word "person" lines 2, 10 and 19 page 43.

Clause 95

Sub-clause 95(1)

Add the words "Subject to any regulation made by the Board under paragraph (d) of subsection (1) of section 99," before the word "no" line 26 page 43.

Clause 96

Paragraph 96(1)(a)

Delete marginal note and substitute therefor

"Hearing of grievance."

Delete "(a)" line 3 page 44

Substitute a period for "; and" line 4.

Paragraph 96(1)(b)

Re-number as sub-clause 96(2) and add a new marginal note thereto "Decision on grievance."

Add the words "the adjudicator shall" before the word "render" line 5 page 44.

Substitute for the words "file it with the Board." after line 6 page 44 the following new paragraphs

- "(a) send a copy thereof to each party and his or its representative, and to the bargaining agent, if any, for the bargaining unit to which the employee whose grievance it is belongs,
 - (b) deposit a copy of the decision with the Secretary of the Board."

Sub-clause 96(2)

Re-number as Sub-clause 96(3)

Delete "(a)" line 8 page 44

Substitute a comma for the semicolon line 9

Delete "(b)" and the words "of the board on a grievance" line 10

Delete the words ", and shall be filed by him with the Board" lines 11 and 12

Delete old sub-clause 96(3) in toto with marginal note lines 13 to 19 inclusive page 44.

Sub-clause 96(5)

Substitute the words "bargaining agent" for "employee organization" in the marginal note and lines 24-25 and 25-26 page 44.

Clause 97

Sub-clause 97(2)

Delete the words "the person whose grievance it is" line 42 page 44 and substitute therefor "and the employee whose grievance it is, is represented in the adjudication proceedings by the bargaining agent for the bargaining unit to which the employee belongs, the bargaining agent"

"Recovery.

Add new sub-clause 97(3) after line 4 page 45 and marginal note

(3) Any amount that by subsection (2) is payable to the Board by a bargaining agent may be recovered as a debt due to the Crown by the bargaining agent which shall, for the purposes of this subsection, be deemed to be a person."

Clause 99

Delete marginal note of sub-clause 99(1) and substitute therefor "Regulations re procedures for presentation of grievances."

Delete the words "the adjudication of grievances and the conduct of hearings thereon and, without limiting the generality of the foregoing, may make" lines 27 to 30 page 45 sub-clause 99(1) and substitute the word "including" therefor.

Insert the word "and" after the semi-colon line 40 page 45 paragraph 99(1)(d).

Delete paragraphs 99(1)(e) to (j) lines 41 to 43 inclusive page 45 and lines 1 to 16 inclusive page 46.

Re-number paragraph 99(1)(k) line 17 page 46 as paragraph 99(1)(e).

Delete the semi-colon and the word "and" line 19 page 46 and substitute a period therefor.

Delete paragraph 99(1)(1) lines 20 to 23 inclusive page 46.

Re-number sub-clause 99(2) as Sub-clause 99(4).

Insert new Sub-clauses 99(2) and (3) and marginal notes:

"Applicalations.

(2) Any regulations made by the Board under subsection (1) tion of regu- in relation to the procedure for the presentation of grievances shall not apply in respect of employees included in a bargaining unit for which a bargaining agent has been certified by the Board, to the extent that such regulations are inconsistent with any provisions contained in a collective agreement entered into by the bargaining agent and the employer applicable to those employees.

(3) The Board may make regulations in relation to the ad-Regulations judication of grievances, including regulations respecting tion of the ad-Regulations readjudication of grievances, including regulations respecting

- (a) the manner in which and the time within which a grievances. grievance may be referred to adjudication after it has been presented up to and including the final level in the grievance process, and the manner in which and the time within which a grievance referred to adjudication shall be referred by the chief adjudicator to an adjudicator;
- (b) the manner in which and the time within which boards of adjudication are to be established;
- (c) the procedure to be followed by adjudicators; and
- (d) the form of decisions rendered by adjudicators."

Clause 103

Sub-clause 103(1)

Add the words ", after affording an opportunity to the employee organization to be heard on the application," after the word "Board" line 44 page 47.

Sub-clause 103(2)

Add the words ", after affording an opportunity to the employer to be heard on the application," after the word "Board" line 8 page 48.

Clause 109

Substitute "D" for "C" after the word "Schedule" line 11 page 49.

Clause 113

Sub-clause 113(2)

Substitute the words "excludes any coroporation" for "acts to, or has heretofore acted to, exclude in whole or in part a corporation established to perform any function or duty on behalf of the Government of Canada" lines 9 to 12 page 50.

Substitute "shall" for "may" line 14.

Substitute the words "add the name of that corporation to Part I or Part II of Schedule A" for "in respect of that corporation or part thereof,

- (a) where it is added to Schedule A to this Act, apply, or
- (b) where it is added to Schedule A to this Act, confirm its exclusion from,

the provisions of the said Part I"

Clause 114

Delete sub-clause 114(2) in toto with marginal note lines 24 to 26 inclusive page 50 and re-number sub-clause 114(1) as Clause 114.

Schedule A

Delete the words "(except the positions therein of members of the force)" after the words "Royal Canadian Mounted Police" page 51. Schedule B

Reletter Schedule B as Schedule C

Delete "Civil Service Act"

Add "Public Service Employment Act" in alphabetical order page 53

Add new Schedule B

SCHEDIILE B

Initial Certification Period

	Thereat Certification I erioa			
	Column I (Day after which notice to bargain collectively may be given)	Column II (Day after which collective agreement may be entered into or arbitral award rendered)	Column III (Day on which collective agreement or arbitral award ceases to be in effect)	
Operational Category Scientific and Professional	Feb. 28, 1967	Mar. 31, 1967	Sept. 30, 1968	
Category Technical	Oct. 31, 1967	Dec. 31, 1967	June 30, 1969	
Category Administrative and Foreign Service	Oct. 31, 1967	Dec. 31, 1967	June 30, 1969	
Category Administrative	Jan. 31, 1968	Mar. 31, 1968	Sept. 30, 1969	
Support Category	Jan. 31, 1968	Mar. 31, 1968	Sept. 30, 1969	

Schedule C

Reletter Schedule C as Schedule D page 53.

Your Committee is concerned about the position of public servants who, under the proposed legislation (Section 2(u)), will be excluded from bargaining units because of their managerial or executive responsibilities, or because they occupy positions confidential to management.

Under the administrative and legislative procedures now in effect, staff associations that are members of the National Joint Council are authorized to make representations to the Civil Service Commission and the Treasury Board with respect to salaries and other terms and conditions of employment of classified civil servants, including many who, because they have managerial responsibilities, will be excluded from bargaining units under the provisions of this legislation.

Your Committee urges the Government to establish, not later than six months after this legislation comes into effect, special administrative mechanisms and procedures which will provide those who are excluded from bargaining units with an opportunity to make representations relating to their salaries and other terms and conditions of employment, in such manner and fashion as will provide assurance that their views on these matters are taken into account and have a bearing on the determination of their salaries and other terms and conditions of employment.

For this purpose, your Committee recommends the creation of an Advisory Committee, comparable to the Franks Committee (Standing Advisory Committee for the higher grades in the Civil Service) in Great Britain, which should, in its terms of reference, be required to consider the salaries and other terms and conditions of persons excluded from bargaining units in a regular and systematic fashion, to afford representatives of such persons a full opportunity to be heard during its consideration of these matters, and, with due regard to the salaries and other terms and conditions of employment that have been established for employees as the result of collective bargaining, advise the Government on the appropriateness of the salaries and other conditions of employment applicable to such persons.

Your Committee has noted that the employees of the Senate, the House of Commons and the Library of Parliament are not included in Bill C-170 but are covered by other Acts.

Your Committee recommends that consideration be given to the introduction of legislation to amend the Senate and House of Commons Act, the House of Commons Act and the Library of Parliament Act to extend to the employees thereunder advantages and rights similar to those provided public servants under Bill C-170.

Your Committee recommends that the Government consider legislation to continue the Pay Research Bureau and to provide for the data collected thereby to be available to the bargaining parties under Bill C-170.

Your Committee has ordered a reprint of the Bill, as amended.

A copy of the Minutes of Proceedings and Evidence relating to this Bill (Issues Nos. 6 to 14 inclusive, 18 to 23 inclusive, 25 and 26) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 40 to the Journals).

Mr. Richard, from the Special Joint Committee on the Public Service, presented the Seventh Report of the said Committee, which is as follows:

Bill C-181, An Act respecting employment in the Public Service of Canada, was referred to your Committee on Monday, June 6, 1966.

Your Committee has agreed to report the said Bill with the following amendments:

Clause 5

Paragraph 5(a), insert the words "or from within" after the word "to" line 14 page 4.

Insert new paragraph 5(d) after line 21 page 4:

"(d) establish boards to make recommendations to the Commission on matters referred to such boards under section 6, to render decisions on appeals made to such boards under

sections 21 and 31 and to render decisions on matters referred to such boards under section 32;"

Re-letter paragraph 5(e) line 27 page 4 as paragraph 5(f).

Clause 6

Insert the words "and inquiries under section 32" after "31" line 36 page 4 sub-clause 6(1) and delete the words "the conduct of" line 35 page 4.

Sub-clause 6(2), delete all the words after the word "opinion" line 37 page 4 and substitute the following therefor:

- "(a) that a person who has been or is about to be appointed to or from within the Public Service pursuant to authority granted by it under this section, does not have the qualifications that are necessary to perform the duties of the position he occupies or would occupy, or
 - (b) that the appointment of a person to or from within the Public Service pursuant to authority granted by it under this section has been or would be in contravention of the terms and conditions under which the authority was granted.

the Commission, notwithstanding anything in this Act but subject to subsection (3), shall revoke the appointment or direct that the appointment not be made, as the case may be, and may thereupon appoint that person at a level that in the opinion of the Commission is commensurate with his qualifications."

Insert new sub-clause 6(3) and marginal note before line 1 page 5:

"Idem.

(3) An appointment from within the Public Service may be revoked by the Commission pursuant to subsection (2) only upon the recommendation of a board established by it to conduct an inquiry at which the employee and the deputy head concerned, or their representatives, are given an opportunity of being heard."

Re-number sub-clause 6(3) line 1 page 5 as sub-clause 6(4).

Delete sub-clause 6(4) lines 4 to 9 inclusive page 5 and substitute the following therefor:

"(5) Subject to subsection (6) a deputy head may authorize one or more persons under his jurisdiction to exercise and perform any of the powers, functions or duties of the deputy head under this Act including, subject to the approval of the Commission and in accordance with the authority granted by it under this section, any of the powers, functions and duties that the Commission has authorized the deputy head to exercise and perform."

Re-number sub-clause 6(5) line 10 page 5 as sub-clause 6(6).

Clause 7

Delete comma after the word "Commission" line 24 page 5 and substitute the word "or" therefor.

Delete the words "or an officer of the Commission" line 25 page 5.

Clause 8

Delete the words "of persons to the Public Service" line 31 page 5 and substitute the following therefor: "to or from within the Public Service of persons".

Clause 10

Insert the words "or from within" after the word "to" line 1 page 6.

Insert the words "of personnel selection designed to establish the merit of candidates" after the word "process" line 5.

Clause 12

Sub-clause 12(2), insert the word "sex" and a comma thereafter in line 24 page 6 after the word "of".

New sub-clause 12(3) and marginal note, insert after line 25 page 6:

"(3) The Commission shall from time to time consult with Consultarepresentatives of any employee organization certified as bargaining tion. agent under the Public Service Staff Regulations Act or with the employer as defined in that Act, with respect to the selection standards that may be prescribed under subsection (1) or the principles governing the appraisal, promotion, demotion, transfer, lay-off or release of employees, at the request of such representatives or of the employer or where in the opinion of the Commission such consultation is necessary or desirable."

Clause 14

Delete Clause 14 and marginal note lines 37 to 40 inclusive page 6 and substitute the following therefor:

- "14. (1) The Commission shall give such notice of a proposed Notice. competition as in its opinion will give all eligible persons a reasonable opportunity of making an application.
- (2) A notice under subsection (1) shall be given in both the Idem. English and French languages together, unless the Commission otherwise directs in any case or class of cases."

Clause 16

Delete sub-clause 16(2) and marginal note lines 11 to 16 inclusive page 7 and substitute the following therefor:

"(2) An examination, test or interview under this section, when Languages conducted for the purpose of determining the education, knowledge in which examination and experience of the candidate or any other matter referred to in to be section 12 except language, shall be conducted in the English or conducted.

French language or both, at the option of the candidate, and when conducted for the purpose of determining the qualifications of the candidate in the knowledge and use of the English or French language or both, or of a third language, shall be conducted in the language or languages in the knowledge and use of which his qualifications are to be determined."

Clause 21

Delete lines 23 to 32 inclusive page 9 and substitute the following therefor:

"may, within such period as the Commission prescribes, appeal against the appointment to a board established by the Commission to conduct an inquiry at which the person appealing and the deputy head concerned, or their representatives, are given an opportunity of being heard, and upon being notified of the board's decision on the inquiry the Commission shall,

(c) if the appointment has been made, confirm or revoke the appointment, or

(d) if the appointment has not been made, make or not make the appointment,

accordingly as the decision of the board requires."

Clause 22

Delete the words "notwithstanding any other Act," line 33 page 9.

Clause 26

Insert the words ", in writing," after the word "accepts" line 12 page 10.

Clause 27

Insert the words "for reasons over which, in the opinion of the deputy head, the employee has no control or otherwise than" after the word "than" line 15 page 10.

Clause 28

Delete sub-clause 28(4) and marginal note lines 38 to 42 inclusive page 10 and substitute the following therefor:

"Idem.

(4) Where a deputy head gives notice that he intends to reject an employee for cause pursuant to subsection (3) he shall furnish to the Commission his reasons therefor.

Idem.

- (5) Notwithstanding anything in this Act, a person who ceases to be an employee pursuant to subsection (3)
 - (a) shall, if the appointment held by him was made from within the Public Service, and
 - (b) may, in any other case,

be placed by the Commission on such eligible list and in such place thereon as in the opinion of the Commission is commensurate with his qualifications."

Clause 31

Delete sub-clause 31(3) lines 11 to 20 inclusive page 12 and substitute the following therefor:

"(3) Within such period after receiving the notice in writing mentioned in subsection (2) as the Commission prescribes, the

employee may appeal against the recommendation of the deputy head to a board established by the Commission to conduct an inquiry at which the employee and the deputy head concerned, or their representatives, are given an opportunity of being heard, and upon being notified of the board's decision on the inquiry the Commission shall.

(a) notify the deputy head concerned that his recommendation will not be acted upon, or

(b) appoint the employee to a position at a lower maximum rate of pay, or release the employee,

accordingly as the decision of the board requires."

Sub-clause 31(4), delete the words "taken to the Commission" line 21 page 12 and substitute the word "made" therefor.

Clause 32

Delete Clause 32 in toto with marginal notes lines 29 to 44 inclusive page 12 and substitute therefor:

"32. (1) No deputy head and, except as authorized under this Political section, no employee, shall

- (a) engage in work for, on behalf of or against a candidate for election as a member of the House of Commons, a member of the legislature of a province or a member of the Council of the Yukon Territory or the Northwest Territories, or engage in work for, on behalf of or against a political party: or
- (b) be a candidate for election as a member described in paragraph (a).
- (2) A person does not contravene subsection (1) by reason Excepted only of his attending a political meeting or contributing money for activities. the funds of a candidate for election as a member described in paragraph (a) of subsection (1) or money for the funds of a political party.
- (3) Notwithstanding any other Act, upon application made to Leave the Commission by an employee the Commission may, if it is of of absence. the opinion that the usefulness to the Public Service of the employee in the position he then occupies would not be impaired by reason of his having been a candidate for election as a member described in paragraph (a) of subsection (1), grant to the employee leave of absence without pay to seek nomination as a candidate and to be a candidate for election as such a member, for a period ending on the day on which the results of the election are officially declared or on such earlier day as may be requested by the employee if he has ceased to be a candidate.
- (4) Forthwith upon granting any leave of absence under sub-Notice. section (3), the Commission shall cause notice of its action to be published in the Canada Gazette.
- (5) An employee who is declared elected as a member described Effect in paragraph (a) of subsection (1) thereupon ceases to be an of election. employee.
- (6) Where any allegation is made to the Commission by a person Inquiry. who is or has been a candidate for election as a member described in paragraph (a) of subsection (1), that a deputy head or employee has contravened subsection (1), the allegation shall be referred to

a board established by the Commission to conduct an inquiry at which the person making the allegation and the deputy head or employee concerned, or their representatives, are given an opportunity of being heard, and upon being notified of the board's decision on the inquiry the Commission,

(a) in the case of a deputy head, shall report the decision to the Governor in Council who may, if the board has decided that the deputy head has contravened subsection

(1), dismiss him; and

(b) in the case of an employee, may, if the board has decided that the employee has contravened subsection (1), dismiss the employee.

Application of ss. (6).

(7) In the application of subsection (6) to any person, the expression "deputy head" does not include a person for whose removal from office, otherwise than by the termination of his appointment at pleasure, express provision is made by this or any other Act.

Clause 45

Insert the words ", the nature of any action taken by it under subsection (1) or (4) of section 6," after the word "year" line 15 page 16.

Delete the word "of" after the word "and" line 16 page 16.

There was no provision in the original Bill allowing any political activity for employees of the Public Service. Your Committee has amended the said Bill to permit certain political rights. The consensus is that the whole question of political participation by public servants should be reviewed after the next general election in the light of experience and knowledge gained to that time. Interested groups might then wish to make more specific representations for the consideration of Parliament.

Your Committee has ordered a reprint of the Bill, as amended.

A copy of the Minutes of Proceedings and Evidence relating to this Bill (Issues Nos. 6 to 8 inclusive, 10 to 12 inclusive, 14 to 17 inclusive, 23, 25 and 26) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 41 to the Journals).

Mr. Richard, from the Special Joint Committee on the Public Service, presented the Eighth Report of the said Committee, which is as follows:

Bill C-182, An Act to amend the Financial Administration Act was referred to your Committee on Monday June 6, 1966.

Your Committee has agreed to report the said Bill with the following amendments:

Clause 3

Insert the words "including its responsibilities in relation to employer and employee relations" after the word "management" line 45 page 2.

Insert a comma after the word "service" line 45 page 2.

Delete the words "or dismiss" line 46 page 4.

Insert the words "or, after an inquiry conducted in accordance with regulations of the Governor in Council by a person appointed by the Governor in Council at which the person has been given an opportunity of being heard, to dismiss any such person" immediately after the word "service" line 47 page 4.

Your Committee has ordered a reprint of the Bill, as amended.

A copy of the Minutes of Proceedings and Evidence relating to this Bill (Issues Nos. 6 to 8 inclusive, 13, 14, 24 to 26 inclusive) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 42 to the Journals).

On motion of Mr. Pilon, seconded by Mr. Allmand, it was ordered,—That the name of Mr. Guay be substituted for that of Mr. Choquette on the Special Joint Committee respecting Mr. Justice Landreville;

And that a Message be sent to the Senate to acquaint Their Honours thereof.

The Order being read for the Second Reading of Bill C-261, An Act to establish the Canada Deposit Corporation;

Mr. Sharp, seconded by Mr. McIlraith, moved,—That the said bill be now read a second time.

And debate arising thereon;

By unanimous consent, the sitting was suspended between 1.00 o'clock p.m. and 2.00 o'clock p.m.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. McIlraith, —That Bill C-261, An Act to establish the Canada Deposit Corporation, be now read a second time.

After further debate, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Bill C-204, An Act to provide for the establishment of a Canadian Film Development Corporation, was again considered in Committee of the Whole, and progress having been made and reported the Committee obtained leave to consider it again later this day.

By unanimous consent, at 5.15 o'clock p.m., the House resumed consideration in Committee of the Whole of Bill C-204, An Act to provide for the establishment of a Canadian Film Development Corporation, which was reported with an amendment and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,—That the names of Messrs. Laniel, Rock, Andras and Macaluso be substituted for those of Messrs. Dubé, Forest, Crossman and Hopkins on the Standing Committee on National Defence.

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Barnett be substituted for that of Mr. Howard on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Gundlock be substituted for that of Mr. Herridge on the Standing Committee on Agriculture, Forestry and Rural Development.

A Message was received from the Senate, as follows:

Ordered,—That a Message be sent to the House of Commons to inform that House that the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of both Houses to consider and from time to time report upon the subject-matter of the following proposed resolution: "That the Government be authorized to take such steps as may be necessary to provide that 'O Canada' shall be the National Anthem of Canada while 'God Save the Queen' shall be the Royal Anthem in Canada";

That the Senate designate six Members of the Senate to be members of the Joint Committee, namely the Honourable Senators Bourget, Davey, Gélinas, Smith (Queens-Shelburne), White and Yusyk;

That the Committee have the power to sit during sittings and adjournments of the Senate.

By unanimous consent, it was ordered,—That Order numbered 9 under the heading of "Private Bills", being Bill C-239, An Act respecting The Bell Telephone Company of Canada, be renumbered Order number 1 under the heading of "Private Bills".

On motion of Mr. McIlraith, seconded by Mr. Favreau, it was ordered,—That during the two-week period beginning February 6, 1967, the sitting of the House shall be suspended from 7.00 o'clock p.m. to 8.00 o'clock p.m. on Mondays, Tuesdays, and Thursdays, and from 1.00 o'clock p.m. until 2.00 o'clock p.m. on Fridays.

At six o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

*No. 2,573—Mr. Ricard—February 3—

In what publications, and how many times, has the notice calling for tenders appeared for the sale or lease of the grain elevators in the Harbour of the City of Quebec?

No. 2,574-Mr. Reid-February 3

Does the First National City Bank of New York have any investments in Canada in the financial field at present other than the Mercantile Bank and, if so (a) what are the names of the companies it has invested in and what is the extent of their investment in these companies (b) what is the nature and extent of the business of these companies in which the First National City Bank of New York has an interest (c) do these institutions raise money in the Canadian market and, if so, how much have they raised during the last seven years, by year, and to what use are these funds put?

No. 2,575—Mr. Jorgenson—February 3

- 1. How many countries have received interest free loans from Canada since 1963, and what are their names?
- 2. What were the amounts of these loans and on what dates were they made?
- 3. Through what agency are they made and what are the terms of the loans?

No. 2,576—Mr. Prittie—February 3

- 1. Has the Department of Indian Affairs and Northern Development been informed that a number of irreplaceable totem poles at the University of British Columbia are rotting because of lack of a museum in which to preserve them?
- 2. Has the University of British Columbia requested the Department for financial assistance to construct a museum for the preservation of these totem poles?
- 3. If the answer to Part 2 is yes, what reply did the Department make to the University of British Columbia?

No. 2,577—Mr. Prittie—February 3

1. Has the Skeena Totem Pole Restoration Committee of Hazelton, British Columbia, requested assistance of the Department of Indian Affairs and North-

ern Development in the restoration and preservation of totem poles in the villages of Kispiox, Kitseguecla, Kitanmax, Kitwancool and Kitwanga?

2. If the answer to Part 1 is yes, what was the reply of the Department?

Notices of Motions for the Production of Papers-On Wednesday next

No. 205-Mr. Langlois (Mégantic)-February 3

That an Order of the House do issue for a copy of all letters, telegrams or copies of letters exchanged between A. G. Heakes and the Acting Registrar General since January 1, 1967.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Monday, February 6	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	8.00 p.m.
	Tuesday, February 7	
	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m. 3.30 p.m.
112-N	Consumer Credit and Cost of Living (Joint)	9.30 a.m.
209 W.B.	Drug Costs and Prices	9.30 a.m.
307 W.B.	Public Accounts (In Camera)	9.30 a.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
307 W.B.	Indian Affairs, Human Rights and Citizenship and Immigration	1.00 p.m.
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.
112-N	Divorce (Joint)	3.30 p.m.
	Wednesday, February 8	
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, February 9	
209 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
208 W.B.	Northern Affairs and National Resources	9.30 a.m.
	Public Service (Joint) (Pensions)	9.30 a.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
209 W.B.	Drug Costs and Prices	1.00 p.m.
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 10	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 201

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, FEBRUARY 6, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Pearson, a Member of the Queen's Privy Council, laid before the House,—Copies of letters dated January 26, and February 1, 1967, exchanged between the Prime Minister of Canada and the Premier of the Province of Ontario with reference to a proposed conference on the future of Confederation.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. McIntosh be substituted for that of Mr. Stefanson on the Standing Committee on National Defence.

On motion of Mr. Laflamme, seconded by Mr. Stanbury, the First Report of the Special Joint Committee of the Senate and the House of Commons respecting Mr. Justice Landreville, presented to the House on Thursday, February 2, 1967, was concurred in.

Pursuant to Standing Order 39(4), the following four Questions were made Orders of the House for Returns, namely:

No. 2,355-Mr. Stanbury

What action is being taken and is planned to implement the recommendations of the Economic Council of Canada, that Canada increase the export of end products?

V 201-1

No. 2.412-Mr. LeBlanc (Rimouski)

For each of the past five years, what were the gross and net totals for tolls collected at each of the following wharves: Rivière-du-Loup (main wharf), Rivière-du-Loup (river wharf), Rimouski East, Point-au-Père, Matane, Trois-Pistoles, Cap Chat, Ste-Flavie, Ste-Anne des Monts, Mont-Louis, Marsoui, Gaspé, Sandy Beach, Chandler, Forestville, Baie Comeau, Sept-Iles, Havre St.-Pierre, Province of Quebec, plus Bathurst and Dalhousie, Province of New Brunswick?

No. 2,456-Mr. Lefebvre

- 1. What projects have been approved this winter under the winter works program in (a) the County of Pontiac (b) the County of Temiskaming, and how large are they?
- 2. What was the total sum paid to each municipality, taken individually in (a) the County of Pontiac (b) the County of Temiskaming, under last year's program?
- 3. Have all the municipalities of these two counties received payment for winter works completed last year?
- Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,—Return to the foregoing Orders.

*No. 2,498—Mr. Herridge

- 1. What was the total amount of the indemnity received to December 31, 1966, by each Trustee of the Board of Trustees of the Maritime Transportation Unions since the Board was established?
- 2. What amount did each receive for expenses since the Board was established up to December 31, 1966?
- 3. How many persons have been employed by the Board of Trustees of the Maritime Transportation Unions since it was established up to December 31, 1966, and what is the amount of salaries and expenses received by each employee to December 31, 1966?
- 4. What is the total amount of other expenses incurred by the Board of Trustees of the Maritime Transportation Unions from the date the Board was established until December 31, 1966?

Mr. Nicholson, a Member of the Queen's Privy Council, presented,—Return to the foregoing Order.

The House resumed the adjourned debate on the motion of Mr. Sharp, seconded by Mr. Hellyer,-That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget):

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,—That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made in the oppressive burden of general taxation whose effects at this time will

intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing;

By unanimous consent, at 6.00 o'clock p.m., the sitting was suspended until 8.00 o'clock p.m.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Hellyer, -That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,—That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made in the oppressive burden of general taxation whose effects at this time will intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing;

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,-That the names of Messrs. Brown and Matte be substituted for those of Messrs. Loiselle and Rochon on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.04 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,-Return to an Order of the House, dated October 19, 1966, for a copy of all letter, directives, memoranda or other documents sent by the Minister or any official of the Department of Justice to Chief Justices, Chief Judges, Registrars or other judicial or court officers, since January 1, 1966, with respect to judges acting as commissioners, arbitrators or members of boards of conciliation.—(Notice of Motion for the Production of Papers No. 162).

At 10.24 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,578—Mr. Ryan—February 6

What have been the total all-inclusive costs of Canada's representation on each of the three international commissions in Indo-China, in each full fiscal year, since the Geneva agreements were entered into, and what amounts of such costs has Canada borne in each case?

No. 2,579-Mr. Ryan-February 6

How many persons are (a) directly and indirectly employed by Canada for the three international commissions in Indo-China and their inspection teams (b) directly or indirectly employed by Canada domestically and in any other parts of the world, other than Indo-China, by reason of Canada's representation on the said three international commissions?

No. 2,580-Mr. Ryan-February 6

Is the government considering the introduction of the Zip Code system for bulk mailings in Canada?

No. 2,581-Mr. Kennedy-February 6

What facilities, broadcast and printed, with Canadian content, are made available to our Canadian Armed Services and their families serving abroad e.g. in N.W. Europe and the Middle East, in order to keep them currently informed on Canadian affairs?

MEETINGS OF COMMITTEES

Room	Committee	Hour
mile to the	(Subject to change from day to day)	
	Tuesday, February 7	
208 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m. 3.30 p.m.
112-N	Consumer Credit and Cost of Living (Joint)	9.30 a.m.
209 W.B.	Drug Costs and Prices	9.30 a.m.
307 W.B.	Public Accounts (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	{10.00 a.m. 8.00 p.m.
308-W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
307 W.B.	Indian Affairs, Human Rights and Citizenship and Immigration	1.00 p.m.
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.
617A Con- federation Building	Consumer Credit and Cost of Living (Joint)	3.00 p.m.
112-N	Divorce (Joint)	3.30 p.m.
	Wednesday, February 8	
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, February 9	
209 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
112-N	Public Service (Joint) (Pensions)	10.00 a.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$ \begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
209 W.B.	Drug Costs and Prices	1.00 p.m.
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.
307 W.B.	Mr. Justice Landreville (Joint)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 10	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
256–S	Penitentiaries (Joint)	9.30 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 202

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, FEBRUARY 7, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Hales, from the Standing Committee on Public Accounts, presented the Tenth Report of the said Committee, which is as follows:

1. Your Committee held meetings on October 25 and November 1, 1966 in the course of which the following officers were in attendance:

from the Canadian Broadcasting Corporation:

Mr. J. Alphonse Ouimet, President

Mr. J. P. Gilmore, Vice-President—Planning

Mr. Guy Coderre, Vice-President—Administration

Mr. V. F. Davies, Vice-President-Finance

from the Department of National Defence:

Mr. E. B. Armstrong, Deputy Minister

Dr. J. C. Arnell, Assistant Deputy Minister-Finance

Mr. O. D. Turner, Assistant Director of Finance—Domestic

from the Department of Defence Production:

Mr. G. W. Hunter, Deputy Minister

Mr. J. R. Rutledge, Director of Shipbuilding

from Canadian Arsenals Limited:

Mr. J. R. Brisson, President

from Defence Construction (1951) Limited:

Mr. A. G. Bland, President

and from the Auditor General's Office:

Mr. A. M. Henderson, Auditor General

Mr. George Long, Assistant Auditor General

V 202-1

Mr. A. B. Stokes, Audit Director Mr. J. R. Douglas, Audit Director

Mr. F. A. Matthews, Assistant Audit Director

Mr. J. M. Laroche, Assistant Audit Director

Mr. A. G. Cross, Assistant Audit Director

- 2. The following is a report on the work done by your Committee at these meetings.
 - 3. In the course of its meetings your Committee gave consideration to:
 - (a) the action, or lack of action, by departments as a result of previous recommendations made by the Committee. In its final report your Committee intends to list items brought to the attention of the House, the number acted upon and those that remain outstanding.
 - (b) the following paragraphs in the Reports of the Auditor General:

	For the fiscal year ended	
	March 31, 1964	March 31, 1965
Summary of Expenditure and Revenue		12 to 49
Comments on Expenditure and Revenue		
Transactions:		
Canadian Broadcasting Corporation		56
Citizenship and Immigration		58
Defence Production		59, 60
External Affairs	49	61
National Defence		73(3), 74, 76, 78, 79, 80, 81, 82
	49	73(3), 74, 76, 78,

DEPARTMENT OF EXTERNAL AFFAIRS

4. Department of External Affairs missions abroad

The Committee noted the circumstances surrounding losses of public funds suffered by the Department of External Affairs at missions abroad which might have been prevented had test verifications of the financial and accounting records been carried out by the Department, possibly in conjunction with its inspection procedures.

The Committee believes that test verification work of this nature is essential to the maintenance of any effective system of internal financial control, particularly in a department as widespread in its ramifications as External Affairs. The Committee recommends that the Department establish a small internal audit staff without delay to carry out periodic examinations of the financial transactions and related administrative procedures at its embassies and missions abroad. Such a staff unit should be responsible directly to an officer senior enough at departmental headquarters to act upon its findings without undue delay and copies of its reports should be made available to the Auditor General.

CANADIAN BROADCASTING CORPORATION

5. Salaries and wages paid for work not performed

The practice of the Canadian Broadcasting Corporation in making payments to employees for scheduled hours during daily or weekly tours of duty

in excess of actual hours of attendance was discussed by the Committee with the President and senior officers of the Corporation. It was noted that such payments aggregate \$450,000 per annum.

While recognizing that payments of this nature must continue to be made in accordance with the provisions of the union agreements, the Committee recommends that the payments be eliminated by the management of the Corporation as and when the present union agreements come up for renewal. The Committee considers that public funds should not be disbursed for work not performed and that it is the responsibility of the managements of Crown corporations to ensure that taxpayer's money is not used for non-productive work of this nature.

DEPARTMENT OF DEFENCE PRODUCTION

6. Surplus in Defence Production Revolving Fund

The practice of the Department of Defence Production in retaining in its Revolving Fund a surplus, derived from interest earned and profits made on strategic material inventories disposed of amounting to \$1,818,000 at March 31, 1965, was discussed with the Deputy Minister and senior officials of the Department of Defence Production. The Committee noted that the Defence Production Act is silent with respect to the treatment of a surplus in the Revolving Fund although the Financial Administration Act requires that a surplus in a revolving fund be transferred annually from the revolving fund and recorded as revenue of the year. It also noted that this surplus has not been transferred from the Revolving Fund as revenue for the reason that the Department wishes to retain it in the Revolving Fund as protection against possible losses on similar transactions in future.

The Committee is of the opinion that accumulation of revenues against which future losses might be charged weakens parliamentary control of public funds. If a loss occurs because amounts due to the Crown cannot be collected, or if a write-off is required because some strategic material stockpiled by the Government can only be liquidated below cost, then Parliament should be informed of and be given an opportunity to discuss such losses by means of a prompt request for an appropriation to recoup the Revolving Fund.

Accordingly the Committee recommends that the surplus in the Defence Production Revolving Fund be transferred annually from that Fund as budgetary revenue.

DEPARTMENT OF NATIONAL DEFENCE

7. Transportation on leave allowance

The Committee noted that since the introduction of special economy rates by the Railways, amounts paid to servicemen by the Department of National Defence under its regulations for long journeys have been in excess of actual rail fares.

The Committee recommends that the Department of National Defence take steps to bring its transportation allowance into line with current rail rates.

8. Proposed removal allowance

The Committee heard the suggestion from one of its members that it would be mutually advantageous to the Crown and to servicemen concerned were members of the armed forces who are being transferred given the option

of having their household furniture moved at public expense or receiving a cash allowance equivalent to 90% of the estimated costs of moving the furniture. The Committee recommends that the Department of National Defence give consideration to recommending the establishment of such a cash allowance and that it advise the Chairman of the Committee and the Auditor General of its decision.

9. Questionable charge to Vote 15 of the Department of National Defence
The Committee noted the circumstances under which the cost of transporting a McGill University medical team to Easter Island (which is owned by Chile and is located 1,200 miles off the west cost of South America), amounting to \$215,000, was charged to the Royal Canadian Navy appropria-

tion (Vote 15).

In the opinion of the Committee this expenditure represented a contribution to an outside organization and should not have been undertaken without specific parliamentary approval.

10. Excessive payments to municipal school board

The Committee heard from the Deputy Minister the circumstances leading up to the overpayment of an estimated \$200,000 to a municipal school board and of subsequent problems in seeking to recover this amount. It understands that proposals have been made to effect recovery over a period of years. It urges the Department to see to it that full recovery is made and to adopt businesslike procedures designed to ensure that such overpayments do not occur in future. The Committee feels that the correctness of payments made in any year should be confirmed immediately following the close of the year and if an overpayment has occurred it should be recovered within the next few months. It can see no excuse for overpayments accumulating over a period of ten years.

A copy of the relevant Minutes of Proceedings and Evidence (Nos. 22 and 23) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 43 to the Journals).

Mr. Hales, from the Standing Committee on Public Accounts, presented the Eleventh Report of the said Committee, which is as follows:

1. Your Committee met on November 3, 1966 at which time the following officers from Central Mortgage and Housing Corporation were in attendance:

Mr. H. W. Hignett, President

Mr. Jean Lupien, Vice-President Mr. R. W. Desbarats, Comptroller

Mr. K. D. Tapping, Secretary to the Board of Directors

2. The following is a report on the work done by your Committee at the meeting.

CENTRAL MORTGAGE AND HOUSING CORPORATION

3. Appointment of auditors of the Corporation

In response to questions from the Committee as to why the Auditor General of Canada is not the auditor or a joint auditor of Central Mortgage and Housing Corporation, the President of the Corporation pointed out to the Committee that under section 31 of Part III of the Central Mortgage and Housing Cor-

poration Act, the Minister, with the approval of the Governor in Council, appoints two auditors to audit the affairs of the Corporation. He stated that an auditor so appointed serves for a term of two years and cannot be reappointed until one year following and that the auditors are required to submit a report to the Minister within ten weeks of the end of the Corporation's fiscal year.

In connection with the foregoing, the Committee has noted the statutory provisions of the Central Mortgage and Housing Corporation Act relating to audit which read as follows:

- 31. (1) The Minister, with the approval of the Governor in Council, shall appoint two auditors to hold office for a term not exceeding two years, to audit the affairs of the Corporation.
- (2) No person is eligible to be an auditor unless he resides in Canada, is an accountant who has for at least six years preceding the date of his appointment practised his profession in Canada, and is a member in good standing of an institute or association of accountants incorporated under the authority of the legislature of any province of Canada.
- (3) No person is eligible to be an auditor if he or any member of his firm has been auditor for two successive years during the three next preceding years.
- (4) When any vacancy occurs in the office of the auditor of the Corporation, notice thereof shall forthwith be given by the Corporation to the Minister who thereupon shall appoint some other auditor to serve until the last day of February next following.
- (5) No director or officer of the Corporation and no member of a firm of auditors of which a director is a member, is eligible for appointment as an auditor.
- (6) The Minister may from time to time require the auditors to report to him upon the adequacy of the procedure adopted by the Corporation for the protection of its creditors and as to the sufficiency of their procedure in auditing the affairs of the Corporation; and the Minister may, in his discretion, enlarge or extend the scope of the audit or direct that any other procedure be established or that any other examination be made by the auditors as the public interest may seem to require.
- (7) A copy of every report made by the auditors to the Corporation under this section shall be transmitted to the Minister by the auditors at the same time as such report is transmitted to the Corporation.

In accordance with its recommendations to the House in 1964 and again in 1966, the Committee strongly reiterates that the Auditor General of Canada should be the auditor or a joint auditor of all Crown corporations, agencies and public instrumentalities owned or controlled by the Crown wherever they may be and report thereon to the House.

The Committee therefore recommends that the Auditor General of Canada be appointed the auditor or joint auditor of Central Mortgage and Housing Corporation.

4. Reports of the Auditors

The Committee asked the President and Comptroller of the Corporation if, in addition to their statutory report to the Minister which is tabled in the House, the present auditors provided the management or the Minister with any reports containing observations and comments by the auditors on the operations of the Corporation for the year under review. The Comptroller

of the Corporation stated that a separate report along these lines is provided by the External Auditors but that it had never been tabled in the House or supplied to a Public Accounts Committee of the House.

In response to further questioning the President stated that the separate report dealing with the activities of the Corporation was placed in the hands of the Minister and that he did not think the management of the Corporation could undertake to make it available to the Committee because "it is not a Corporation document in that sense".

At the direction of the Committee, its Clerk wrote to the President of the Corporation on November 8, 1966 to request copies of these separate audit reports. He was advised by the President on December 1 that "the Corporation is unable to comply with your request that the reports prepared by the External Auditors be forwarded to you".

According to our terms of reference and powers granted, the Committee is of the opinion that it is entitled to be furnished with copies of all reports made by the External Auditors of any Crown corporation and requests that the Minister responsible for Central Mortgage and Housing Corporation instruct the Corporation to make these available to the Committee for the fiscal years ended December 31, 1963 and December 31, 1964 and to do so without further delay.

5. Securities held by Mortgage Insurance Fund

The Committee noted that the Balance Sheet of the Mortgage Insurance Fund of the Corporation showed securities issued and guaranteed by the Government of Canada as assets having an amortized cost on the books of the Fund of \$85,927,540 at December 31, 1964. In response to questions by the members of the Committee, the Comptroller of the Corporation stated that the current market value of this portfolio at that date approximated \$81,595,000.

The Committee recommends that in future the Corporation disclose the market value of securities of this nature in its financial statements by means of either a parenthetical note against the item on the statement or a footnote to the Balance Sheet.

6. Statement of Net Income

The Committee noted that in the Statement of Net Income issued by the Corporation, Administrative Salaries and Expenses appeared as one figure, namely \$14,599,145 at December 31, 1964 without any breakdown or detail excepting four footnotes disclosing certain items therein as called for by the Canada Corporations Act.

The Committee believes that it would be more informative to Parliament if this figure were broken down by the Corporation in future into its major categories or areas of expense in accordance with generally accepted accounting practice and the practice followed by other Crown corporations on their financial statements.

A copy of the relevant Minutes of Proceedings and Evidence (No. 24) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 44 to the Journals).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the name of Messrs. Mackasey and Macdonald (Rosedale) be substituted for those of Messrs. Munro and Macaluso on the Standing Committee on Finance, Trade and Economic Affairs.

On motion of Mr. Roxburgh for Mr. Klein, seconded by Mr. Legault, the Second Report of the Special Joint Committee of the Senate and House of Commons on Immigration, presented to the House on Tuesday, January 31, 1967, was concurred in.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. Hellver,—That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,-That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made in the oppressive burden of general taxation whose effects at this time will intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing;

By unanimous consent, at 6.00 o'clock p.m., the sitting was suspended until 8.00 o'clock p.m.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Hellyer, -That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,—That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made in the oppressive burden of general taxation whose effects at this time will intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing;

(Proceedings on Adjournment Motion)

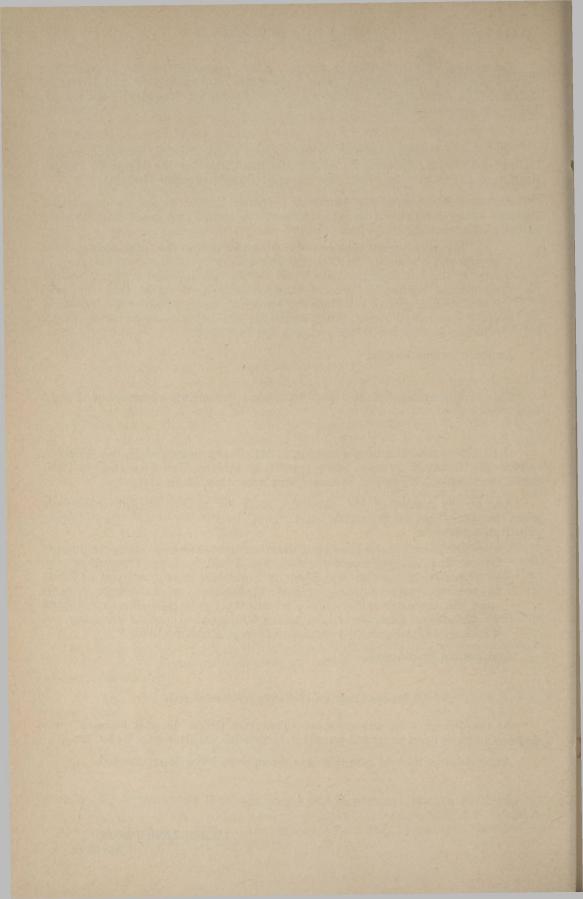
At ten o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

At 10.24 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX.

Speaker.



NOTICE PAPER

Inquiries of Ministry—On Monday next

*No. 2,582—Mr. Ricard—February 7—

Does the federal government make grants for the building of corn-cribs?

*No. 2,583-Mr. Crouse-February 7

- 1. Did an American nuclear submarine visit St. John's, Newfoundland, on February 6, 1967?
 - 2. If so, was permission given by Canadian authorities for this landing?

No. 2,584-Mr. Chatwood-February 7

- 1. What shared-cost highway projects were active in Nova Scotia in 1966 under the Atlantic Development Board Agreement, No. 1?
- 2. In the case of each project (a) how many miles of highway was or is under construction (b) what work was or is involved (c) to whom was the contract awarded (d) what was the amount of the contract price (e) what is the total federal commitment?

No. 2,585-Mr. Chatwood-February 7

- 1. What shared-cost highway projects were active in Nova Scotia in 1966 under the Atlantic Development Board Agreement No. 2?
- 2. In the case of each project (a) how many miles of highway was or is under construction (b) what work was or is involved (c) to whom was the contract awarded (d) what was the amount of the contract price (e) what is the total federal commitment?

No. 2,586—Mr. McCleave—February 7

- 1. How many icebreakers have operated on the St. Lawrence River, between Montreal and Quebec City during the winter months, by month, during the past nine winters and the current winter and what are the names of such icebreakers?
- 2. How many miles of icebreaking operations were carried out by Canadian icebreakers operating between Montreal and Quebec City on the St. Lawrence River during each of the past nine winters and to the end of January of this winter?
- 3. Are special charges to defray the costs of such icebreaking operations imposed upon vessels which operate over channels opened by icebreakers in the above-mentioned area?

No. 2,587-Mr. Langlois (Mégantic)-February 7

- 1. Has there ever been an order in council to prohibit in Canada the use of the name "communist party" or any other order in council relating to this subject?
- 2. If so, (a) when was this or these order or orders in council passed (b) were any specific reasons given for the passing of such order or orders in council at the time they were passed and, if so, what were these reason?

Private Members' Notices of Motions

No. 81-Mr. Mather-February 7

That, in the opinion of this House, the government should give consideration to the advisability of introducing a measure to establish a tribunal to be known as the Crimes Compensation Tribunal with power to award compensation to persons injured or killed as a result of the commission of certain crimes, the maximum amount of compensation to be determined by the Governor in Council and the amount of any compensation ordered by the Tribunal to be paid out of the Consolidated Revenue Fund from money appropriated by Parliament for that purpose.

MEETINGS OF COMMITTEES

Room	Committee	
	(Subject to change from day to day)	
	Wednesday, February 8	
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
	Thursday, February 9	
209 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m.
356–S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
112-N	Public Service (Joint) (Pensions)	10.00 a.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
209 W.B.	Drug Costs and Prices	1.00 p.m.
208 W.B.	Justice and Legal Affairs (In Camera)	1.15 p.m.
307 W.B.	Mr. Justice Landreville (Joint)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 10	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 203

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, FEBRUARY 8, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Fourth Report of the said Committee, which is as follows:

Your Committee had referred to it the subject-matter of Bill C-118, An Act to Amend the Criminal Code (Negligence in Operation of Motor Vehicle).

This Bill was presented because the incidence of hit and run motor vehicle accidents is increasing disproportionately to the normal increase of the motor vehicle accidents throughout the country. It was the belief of the sponsor that the difficulty encountered in establishing as to who the driver was in a hit and run vehicle warranted legislative action. This Bill created a rebuttable presumption against the registered owner of a vehicle in cases where it could not be established who had the care, charge or control of said vehicle. The Committee considers that this Bill would go beyond the premise on which the criminal law is based, i.e. that a person is presumed innocent unless otherwise proven. The Committee is also of opinion that it would create difficulties to some completely innocent persons.

After the initial consideration of the Bill, it was agreed to ask the Attorneys General of the Provinces their opinion concerning this proposed legislation. Except for the Province of Alberta which was in favour of this Bill, the three other Provinces, which replied, were not in favour of this legislation as proposed.

Your Committee does not, therefore, recommend the principle of this Bill to the House.

A copy of the Minutes of Proceedings and Evidence relating to this Bill (Issue No. 1) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 45 to the Journals).

V 203-1

Mr. Nicholson, a Member of the Queen's Privy Council, laid before the House,—Table entitled "Serviced Rent-To-Income Scales".

By unanimous consent, it was ordered,—That the said document be printed as an appendix to this day's Votes and Proceedings.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,—That the name of Mr. Gilbert be substituted for that of Mr. Brewin on the Special Joint Committee respecting Mr. Justice Landreville; and

That a Message be sent to the Senate acquainting Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,-That the name of Mr. Nugent be substituted for that of Mr. Grills on the Standing Committee on National Defence.

Notices of Motions for the Production of Papers Nos. 72, 191, 193, 199, 203, 204 and 205 were allowed to stand at the request of the government.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Hellyer, -That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,—That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made in the oppressive burden of general taxation whose effects at this time will intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing, the said debate was interrupted.

By unanimous consent, the house resolved itself into Committee of the Whole to consider a certain proposed resolution to provide for the payment of a retiring annuity to the Governor General of Canada.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to provide for the payment of a retiring annuity to Governors General of Canada and to their widows.

Resolution to be reported.

The said resolution was reported and concurred in.

Mr. McIlraith for Mr. Pearson, seconded by Mr. Sharp, by leave of the House, presented Bill C-265, An Act to provide for the payment of a retiring annuity to the Governor General of Canada, which was read a first time and ordered for a second reading at the next sitting of the House.

By unanimous consent, the House resolved itself into Committee of the Whole to consider a certain proposed resolution to amend the Canada Grain Act and other Acts respecting salaries of certain public officials.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to amend the Canada Grain Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Tariff Board Act, the Canada Elections Act, the Financial Administration Act, the Representation Commissioner Act, and the Appropriation Act No. 4, 1964, with respect to the salaries of certain public officials.

Resolution to be reported.

The said resolution was reported and concurred in.

Mr. McIlraith, for Mr. Benson, seconded by Mr. Sharp, by leave of the House, presented Bill C-266, An Act to provide for the revision of certain salaries fixed by statute, which was read a first time and ordered for a second reading at the next sitting of the House.

By unanimous consent, the House resolved itself into Committee of the Whole to consider a certain proposed resolution to amend the Judges Act.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to amend the Judges Act to revise judicial salaries and certain provisions of the said Act respecting the payment to judges of travelling allowances and other expenses; and to provide further for certain changes in connection with the administration of the Act.

Resolution to be reported.

The said resolution was reported and concurred in.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Forest, it was ordered,—That the names of Messrs. Rochon and Loiselle be substituted for those of Messrs. Matte and Brown on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. Forest, it was ordered,-That the name of Mr. Munro be substituted for that of Mr. Cashin on the Standing Committee on Finance, Trade and Economic Affairs.

A Message was received from the Senate informing this House that the Senate had passed Bill S-56, An Act to implement agreements for the avoidance of double taxation with respect to income tax between Canada and Trinidad and Tobago, Canada and Ireland, Canada and Norway and Canada and the United Kingdom, and to implement a supplementary income tax convention between Canada and the United States of America, to which the concurrence of this House is desired.

A Message was received from the Senate informing this House that the Senate have passed Bill C-231, An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to enact other consequential provisions, without any amendment.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,-Return to an Address, dated October 12, 1966, to His Excellency the Governor General for copies of all notes, documents, minutes or other documents or correspondence exchanged between the Government of Canada and Governments of members of the Commonwealth Caribbean Conference regarding Article VII of the Canada-West Indies Trade Agreement of 1925 .- (Notice of Motion for the Production of Papers No. 153).

By Mr. Pennell, a Member of the Queen's Privy Council,—Copy of Agreements between the Government of Canada and the Governments of the Provinces of New Brunswick, Newfoundland, Alberta and Manitoba for the use of employment of the Royal Canadian Mounted Police, pursuant to subsection 3 of section 20 of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959.

By Mr. Sharp, a Member of the Queen's Privy Council,-Report of the Superintendent of Insurance for Canada, Volume III, Annual Statements-Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1965, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C. 1952. (English and French).

By Mr. Sharp,—Report on the Administration of the Public Service Superannuation Act, Parts I and II, for the year ended March 31, 1966, pursuant to section 34, chapter 47, Statutes of Canada, 1952-53, and section 49, chapter 64, Statutes of Canada, 1953-54. (English and French).

At 6.10 o'clock p.m., Mr. Speaker adjourned the House without question put until tomorrow at 2.30 o'clock p.m.

APPENDIX TO VOTES AND PROCEEDINGS

PUBLIC HOUSING
SERVICED RENT-TO-INCOME SCALES

SERVICED RENT-TO-INCOME SCALES

Monthly	Monthl		Rent-to-Inc	come Ratio
Family	Current	New	C	77
Income	Rental Scale	Rental Scale	Current	New
\$	\$	\$	Scale	Scale
			%	%
576	180	173	31.3	30
560	175	168	31.3	30
544	170	155	31.3	28.5
528	165	147	31.3	27.8
512	160	141	31.3	27.5
496	155	136	31.3	27.4
480	150	131	31.3	27.0
464	144	125	31.0	26.9
448	138	119	30.8	26.6
432	132	114	30.6	26.4
416	126	108	30.3	26.0
400	120	103	30.0	25.8
384	114	97	29.7	25.2
368	108	92	29.3	25.0
352	102	86	29.0	24.4
336	97	81	28.9	24.2
320	91	76	28.4	23.8
304	86	70	28.3	23.1
288	81	65	28.1	22.6
272	75	59	27.6	21.7
256	70	54	27.3	21.0
240	65	48	27.1	20.0
224	60	43	26.8	19.2
208	55	37	26.4	17.8
192	51	32	26.6	16.7

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,588-Mr. Orlikow-February 8

1. How many persons were serving penitentiary sentences in each penitentiary in Canada during each year from 1960 to 1966 inclusive?

2. Of those persons serving penitentiary sentences, how many were (a) Indians within the meaning of the Indian Act (b) of Indian ancestry, in each penitentiary during each year 1960 to 1966 inclusive?

No. 2,589—Mr. Laprise—February 8—

Has Central Mortgage and Housing Corporation agreed to finance the purchase of prefabricated houses which the Aluminum Company of Canada (Alcan) plans to build, and have studies been made with a view to determining whether these houses meet Canada's housing standards?

No. 2,590-Mr. Orlikow-February 8

- 1. When was the supersonic wind tunnel constructed for the National Research Council?
 - 2. What was the cost of constructing the supersonic wind tunnel?
- 3. What has been the cost of operating and maintaining the supersonic wind tunnel annually since it went into operation?
- 4. For what research and development projects has the supersonic wind tunnel been used since its inception?

No. 2,591-Mr. Caouette-February 8-

- 1. Does Central Mortgage and Housing Corporation intend to grant loans for the housing project at Lebel-sur-Quevillin in the County of Chapleau?
- 2. If so, who will be the notary employed by the Corporation to draw up contracts?
 - 3. What fee will this notary charge for each of these deeds of sale?

*No. 2,592—Mr. Diefenbaker—February 8

Will the government give immediate and favourable consideration in this Confederation Year to directing the issue to all members of the Corps of Canadian Firefighters who served overseas in the Second War, the Volunteer Service Medal?

Notices of Motions for the Production of Papers-On Wednesday next

No. 206-Mr. Racine-February 8

That an Order of the House do issue for a copy of the correspondence exchanged between Members of the federal Electoral District of Beauce and Mégantic with the appropriate departments concerning winter works in Saint-Ephrem (Beauce), Saint-René (Beauce), and La Guadaloupe (Mégantic) from 1962 to this date.

No. 207-Mr. Prittie-February 8

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, telegrams or other documents exchanged between the Minister or Department of Transport and the Department of Highways of British Columbia relating to the proposed construction of a bridge or tunnel across the North Arm of the Fraser River from Vancouver, British Columbia to Sea Island, Richmond, British Columbia, site of the Vancouver International Airport.

Government Notices of Motions-On Friday next

February 8—The Minister of Public Works:

That this House do unite with the Senate in the appointment of a Special Joint Committee to study and report upon amendments to the Criminal Code relating to the dissemination of varieties of "hate propaganda" in Canada as set out in Bill S-49, intituled: "An Act to amend the Criminal Code";

That 12 Members of the House of Commons, to be designated by this House at a later date, be members of the said Committee; and that Standing Order 67(1) be suspended in relation thereto;

That the Committee have the power to call for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the Committee; and

That a Message be sent to the Senate informing that House and the House of Commons do unite with the Senate for the above purposes.

February 8—The Minister of Public Works:

That the Report of the Department of External Affairs tabled on January 28, 1966, be referred to the Standing Committee on External Affairs.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, February 9	
209 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	$\left\{\begin{array}{l} 9.30 \text{ a.m.} \\ 3.00 \text{ p.m.} \end{array}\right.$
371 W.B.	National Defence (Bill C-243)	$\begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
112-N	Public Service (Joint) (Pensions)	10.00 a.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$ \begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
209 W.B.	Drug Costs and Prices	1.00 p.m.
307 W.B.	Mr. Justice Landreville (Joint)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 10	14-14-1-1
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 204

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, FEBRUARY 9, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

9th February, 1967.

Sir.

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 9th February, at 5.45 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.

The Honourable,

The Speaker of the House of Commons.

Mr. Hales, from the Standing Committee on Public Accounts, presented the Twelfth Report of the said Committee, which is as follows:

1. Your Committee held meetings on November 8 and November 17, 1966 in the course of which the following officers were in attendance:

from the National Harbours Board:

Mr. H. A. Mann, Chairman

V 204-1

Mr. L. R. Talbot, Vice-Chairman

Mr. E. J. Alton, Member

Mr. J. E. Lloyd, Member

Mr. T. M. Bryson, Senior Adviser

Mr. L. R. Stratton, Chief Engineer

Mr. R. Saint Jean, Secretary

Mr. J. B. Phair, Chief Treasury Officer

from the Department of Justice:

Mr. E. A. Driedger, Deputy Minister

Mr. R. Tassé, Superintendent of Bankruptcy

Mr. J. A. Finlayson, Assistant Superintendent of Bankruptcy

and from the Auditor General's Office:

Mr. A. M. Henderson, Auditor General

Mr. A. B. Stokes, Audit Director

Mr. C. F. Gilhooly, Audit Director

Mr. F. A. Matthews, Assistant Audit Director

Mr. J. M. Laroche, Assistant Audit Director

- 2. The following is a report on the work done by your Committee at these meetings.
 - 3. In the course of its meetings your Committee gave consideration to:
 - (a) the action, or lack of action, by departments as a result of previous recommendations made by the Committee;
 - (b) The following paragraphs in the Reports of the Auditor General:

For the fiscal year ended

	For the fiscal year chucu		
	March 31, 1964	March 31, 1965	
Crown Corporations—			
National Harbours Board	153	203	
Comments on Expenditure			
and Revenue Transactions—			
Department of Justice		69	
		70	

NATIONAL HARBOURS BOARD

4. Reconstitution of financial structure

The Committee reviewed the 1963 and 1964 accounts of the National Harbours Board and discussed its operations with the Chairman, Vice-Chairman and Members of the Board. In the course of this discussion the Committee took note of the comments and observations made by the Auditor General in his 1964 and 1965 Reports to the House which include the accounts of the Board under review.

In reviewing the 1964 accounts dealt with by the Auditor General in paragraph 203 of his 1965 Report to the House, the Committee noted that the Crown's equity at December 31, 1964 totalled \$493,406,000 and that the figure included loans and advances by Canada to the Board of \$320,094,000 and interest in arrears on loans and advances of \$86,204,000. It also noted that the accumulated deficit of the Board at that date totalled \$82,513,000.

The Committee also noted that, although \$120,000,000 had been written off to Net Debt in Canada's books, advances and unpaid interest were, to the extent of \$199,833,000 at March 31, 1965, still included in Loans and Investments

in Crown Corporations shown as Assets on the Statement of Assets and Liabilities of Canada notwithstanding the obvious inability of the Board to repay such sums to Canada.

The Committee is concerned that there appears to be little prospect of the Board being in a position to meet its principal and interest obligations and recommends that the financial structure of the Board be reconstituted. In this connection it was pleased to receive assurances that this matter will be dealt with by the Department of Finance and the Board within the next twelve months.

DEPARTMENT OF JUSTICE

5. Living allowances to federally-appointed judges

The Committee discussed with the Deputy Minister of Justice its 1963 recommendation, reiterated in its Fourth Report 1964, that if additional remuneration is to be paid to judges appointed as conciliators or arbitrators on boards established to deal with disputes affecting employers and their employees, the approval of Parliament for payment of the additional remuneration should be sought and the Judges Act amended accordingly.

The Deputy Minister of Justice outlined the considerations involved in the practice followed in the past and stated that he felt that because of the discussion that has taken place there should be a study to see if some change can be made.

6. Federal losses from bankruptcies

On July 30, 1965 a commission appointed by the Province of Quebec to determine the effect on the revenue of the Province of bankruptcies between 1959 and 1964 estimated that the Province had lost approximately \$5.5 million in revenues during the period as a result of bankruptcies, some of which involved fraud and dishonesty. In his 1965 Report to the House the Auditor General stated that no amount had yet been established to indicate the extent to which federal revenues had been lost as a result of these irregularities.

The Committee invited the Superintendent of Bankruptcy to comment on the foregoing and received a detailed and helpful account from him outlining the present situation surrounding the administration of the Bankruptcy Act as amended and also of the work of his Office.

In the course of this discussion the Committee was informed by the Superintendent that to the best of his knowledge no amount had been determined or established at the federal level which would indicate the extent to which federal revenues had been lost as a result of fraudulent bankruptcies which had taken place over the past several years.

The Committee was surprised to learn that the federal authorities had no knowledge of the revenues lost as a result of these bankruptcies. The Committee requests that these figures be obtained and provided to the Public Accounts Committee.

A copy of the relevant Minutes of Proceedings and Evidence (Nos. 25 and 26) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 46 to the Journals).

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal affairs, presented the Fifth Report of the said Committee, which is as follows:

Your Committee had referred to it the subject-matter of Bill C-87, An Act to Amend the Criminal Code (Impaired Driving), sponsored by Mr. Mather.

In considering this proposed legislation, your Committee held nine formal meetings over the period April 26, 1966 to November 24, 1966. The following witnesses were heard during the formal proceedings: Mr. Barry Mather, M.P.; Dr. Wallace Troup; Mr. R. M. Anthony, Dr. Ward Smith, Mr. W. F. Bowker, of the Canadian Highway Safety Council; Mr. Robert E. Malkin; Mr. J. Douglas Tracy; Mr. Anthony Bazos; Mr. Perrault Casgrain, Mr. A. Gordon Cooper, Mr. Ronald Merriam, of the Canadian Bar Association; Dr. I. M. Rabinowitch.

The following were printed as appendices to the Minutes of Proceedings and Evidence:

Brief of Mr. A. Bazos.

Canadian Bar Association resolution.

Canadian Bar Association brief.

Graph by Dr. I. M. Rabinowitch—comparative results of alcohol in venous and arterial blood.

Canadian Highway Safety Council—"Alcohol and Traffic Safety".

with the following being made exhibits:

"Breath Tests for Alcohol" by H. Ward Smith, Ph.D., and D. M. Lucas, M.Sc.

"The Development of a Large Scale Breath Testing Programme in Ontario." by H. Ward Smith, Ph.D., and D. M. Lucas, M.Sc.

"Use of the Breathalyzer in Ontario—1965" by R. Hallett, M.Sc.

"Alcohol Detector Tube of R. F. Borkenstein" by R. Hallett, M.Sc.

Drinking and Driving, by H. Ward Smith, Ph.D.

The Drinking Driver, Report of a Special Committee of The British Medical Association, 1965.

"The Roles of Carbon Monoxide, Alcohol and Drugs in Fatal Single Car Accidents; Alcohol, Drug and Organic Factor Study", by the Department of California Highway Patrol.

Alcotest apparatus with accompanying brochure.

1964-65 Report of the Minister, Ontario Department of Transport.

"Accident Facts, 1965", Statistics relating to motor vehicle traffic accidents, Ontario Department of Transport.

"Methods of Forensic Science", Volume IV, by H. Ward Smith, Ph.D.

Letter from Mr. C. E. Laybourn, Director of Traffic Safety, Ontario Department of Transport to Mr. P. J. Farmer, Canadian Highway Safety Council.

Fatal Motor Vehicle Traffic Accidents on the King's Highway Only—May, 1966, by the Planning Board, Traffic and Planning Studies Section, Ontario Department of Highways.

"Proposals for detecting impairment of skill caused by intoxication, sleep deprivation and similar influences", prepared by Dr. C. B. Gibbs of the National Research Council.

Technical Note No. 3 "Motor Vehicle Safety—The Driver Alcoholically Impaired".

Letter of January 10, 1967 from Mr. R. A. Bartlett, Registrar of Motor Vehicles, Government of Newfoundland and Labrador to Mr. A. J. P. Cameron, Chairman of the Committee, communicating a resolution passed at a public conference on highway safety in that province.

Members of your Committee also visited the National Research Council where experiments in degrees of impairment variation among individuals are being carried out by Dr. C. B. Gibbs, B.Sc., Ph.D. It is the Committee's hope that these experiments will continue as an aid to this whole problem.

Your Committee was concerned by the record of highway accidents in Canada—100 persons killed, 3,000 injured, \$14,000,000 in economic toll every week of the year. The Committee was informed by witnesses that highway safety organizations and law enforcement agencies of the world identify alcohol as an important element in traffic accidents. (A report of the Ontario Department of Highways on Fatal Motor Vehicle Traffic Accidents on highways in Ontario for May, 1966, Exhibit 16, shows that drinking was involved in 50% of the accidents.)

One witness only, Mr. Anthony Bazos, disputed that alcohol was a major traffic accident cause.

In considering this problem and the legislation proposed to combat it, your Committee kept in mind two basic matters concerned with mandatory breath tests for impairment: the medical and civil rights factors.

In respect to the first, we had notable testimony from Dr. Wallace B. Troup, retired former Chairman of the Canadian Medical Associations' Traffic Accidents Committee, and from H. Ward Smith, Ph.D., Forensic Scientist, Director of the Ontario Attorney General's Laboratory. Dr. Wallace B. Troup and Dr. H. Ward Smith gave data from North American and European authorities testifying to a relationship between blood alcohol and impairment. Both supported breath tests (breathalizer), as a means of determining accurately the degree of blood alcohol levels.

From Dr. I. M. Rabinowitch, O.B.E., retired, your Committee had notable testimony, in some respects conflicting with that of Dr. Troup and Dr. Smith as to the degree of accuracy in relation to breath tests and blood alcohol levels. However, Dr. Rabinowitch, with four qualifications, acquiesced to the breath test as a standard for determining alcohol blood levels for statutory offence purposes.

It is the opinion of your Committee, having heard these witnesses and examined documents in detail dealing with breath tests in various countries for impaired driving, that such tests are an accurate method of determining blood alcohol levels.

In respect to the civil rights questions involved, your Committee was much in the position of the Canadian Bar Association who, in evidence presented to the Committee on November 1, 1966, stated:

"What concerned us greatly was reconciling the civil liberties, and traditional rights of an accused with this legislation and we thought that by saying that this would be made compulsory...speaking from the

Criminal Code point of view...we would not deprive the citizen of a fundamental right. Whether a man is asked to breathe into a policeman's face when he is arrested or into a machine, which will be more accurate than the policeman's impression, to determine whether he has alcohol in his system or not, we feel does not really create such a tremendous attempt to waive the rights of a citizen that it should not be adopted."

This was on the basis of including in the legislation many safeguards to protect civil liberties and the rights of the accused person.

Your Committee heard argument that the degree of impairment varies to such an extent between individuals that no standard level of blood alcohol could fairly be set for all. The Committee also heard argument that just as there exists in law a set speed limit beyond which a driver may not drive, regardless of individual driving skills, so there should be a set alcohol limit.

Your Committee does not accept the opinion that, as is proposed in Bill C-87, a blood alcohol level of a certain amount (.08 per cent) is "conclusive evidence of impairment" to drive. As noted, the law does not attempt in respect of highway driving speeds to establish whether one driver is unskilled or dangerous and another not. It states simply that it is against the law to exceed a certain level of speed.

Your Committee recommends that the Criminal Code be amended to provide for legislation as follows:

- 1. Making it unlawful for anyone with a blood alcohol level of .08 percent or more to drive a motor vehicle; that the blood alcohol level be determined by analysis of breath with provision, at the request of the accused, for blood and urine tests as confirmation of the results; that the accused be offered a sample of the material to be tested to determine the level; that the analysis on behalf of the Crown be conducted by a duly qualified technician; and that the accused be afforded the opportunity to cross-examine everyone who takes part in the sampling and analysis including the person responsible for maintenance of analysis equipment.
- 2. Making it an offence for any person to refuse without cause to give a sample of breath when required to do so by a law enforcement officer who has reasonable grounds for believing that such a person has committed an offence as set out in the previous paragraph.
- 3. That the offences recommended above be punishable on summary conviction.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 2, 6, 8, 12, 13, 14, 15, 17 and 18) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 47 to the Journals).

Mr. MacEachen, a Member of the Queen's Privy Council, laid before the House,-Copy of a Report on Amateur Hockey in Canada by the Hockey Study Committee of the National Advisory Council on Fitness and Amateur Sport, dated January, 1967. (English and French).

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,—That the name of Mr. McCleave be substituted for that of Mr. Fulton on the Special Joint Committee respecting Mr. Justice Landreville; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Faulkner be substituted for that of Mr. Ethier on the Standing Committee on National Defence.

The following bill from the Senate was read the first time and ordered for a second reading at the next sitting of the House:

Bill S-56, An Act to implement agreements for the avoidance of double taxation with respect to income tax between Canada and Trinidad and Tobago, Canada and Ireland, Canada and Norway and Canada and the United Kingdom, and to implement a supplementary income tax convention between Canada and the United States of America.—Mr. Sharp.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. Hellyer,—That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,—That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made in the oppressive burden of general taxation whose effects at this time will intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing;

A Message was received from the Senate informing this House that the Senate had passed Bill C-229, An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1965 to the 30th day of June, 1967, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company, without any amendment.

A Message was received from the Honourable Robert Taschereau, Chief Justice of Canada, in his capacity as Deputy to His Excellency the Governor General, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker with the House went to the Senate Chamber.

And being returned:

Mr. Speaker reported that, when the House did attend the Honourable the Deputy to His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act to amend the Canada Corporations Act to facilitate the incorporation by letters patent of corporations without objects of pecuniary gain.

An Act to incorporate The Evangelical Covenant Church of Canada.

An Act to amend the Judges Act.

An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to enact other consequential provisions.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1965 to the 30th day of June, 1967, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

[At 6.00 o'clock p.m. Private Members' Business was called pursuant to provisional Standing Order 15(3)]

[Notices of Motions (Papers)]

Items numbered 145, 137 and 128 having been called were allowed to stand at the request of the government.

Mr. Barnett, seconded by Mr. Knowles moved,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all notes and other communications exchanged between Canada and the United States of America since the enactment by Parliament on July 16, 1964, of the Territorial Sea and Fishing Zones Act having to do with the issuance by the Governor in Council of one or more lists of geographical co-ordinates of points from which base lines may be determined in accordance with the provisions of the Act.—(Notice of Motion for the Production of Papers No. 201).

And debate arising thereon;

The hour for Private Members' Business expired.

Pursuant to Special Order adopted Friday, February 3, 1967 the sitting was suspended between 7.00 o'clock p.m. and 8.00 o'clock p.m.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Hellyer, —That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And on the motion of Mr. Monteith, seconded by Mr. Ricard, in amendment thereto,—That all the words after "That" be struck out and the following substituted therefor:

"the government give consideration to meeting the proposed selective means test payments for Old Age Pensioners by drawing on the surplus now in the Old Age Security Fund before any increase be made

in the oppressive burden of general taxation whose effects at this time will intensify rather than alleviate the hardships being experienced by Canadians generally whose living standards are being seriously reduced by inflation and by the steadily rising cost of living."

And debate continuing; at 9.45 o'clock p.m., Mr. Speaker interrupted the proceedings pursuant to Standing Order 58(5);

And the question being put on the said proposed amendment, it was negatived on the following division:

YEAS

MESSRS:

Aiken,	Code,	Knowles,	Muir (Cape Breton
Alkenbrack,	Crouse,	Korchinski,	North and Victoria),
Allard,	Diefenbaker,	Laprise,	Nasserden,
Baldwin,	Dinsdale,	Latulippe,	Nesbitt,
Ballard,	Dionne,	Loney,	Nugent,
Barnett,	Douglas,	MacDonald (Prince),	Orlikow,
Beaulieu,	Fairweather,	MacEwan,	Pascoe,
Bell (Saint John-	Fane,	MacInnis,	Patterson,
Albert),	Fawcett,	MacInnis (Mrs.),	Régimbal,
Bower,	Forrestall	MacLean (Queens),	Rynard,
Brand,	Gilbert,	MacRae,	Scott (Victoria (Ont)),
Brewin,	Harkness,	McCleave,	Sherman,
Cameron (Nanaimo-	Herridge,	McCutcheon,	Simard,
Cowichan-The	Horner (The Battle-	McIntosh,	Simpson,
Islands),	fords),	McLelland,	Skoreyko,
Cantelon,	Howe (Wellington-	McQuaid,	Southam,
Chatterton,	Huron),	Mandziuk,	Starr,
Churchill,	Irvine,	Mather,	Thompson,
Clancy,	Keays,	Monteith,	Webb,
Coates,	Kennedy,	More,	Winch,
			Winkler—75.

NAYS

MESSRS:

Allmand,	Emard,	LeBlanc (Rimouski),	Pilon,
Andras,	Ethier,	Legault,	Prud'homme,
Badanai,	Faulkner,	Lessard,	Reid,
Basford,	Favreau,	Loiselle,	Richard,
Batten,	Forest,	Macaluso,	Rinfret,
Béchard,	Foy,	Macdonald (Rose-	Rochon,
Beer,	Gordon,	dale),	Rock,
Blouin,	Gray,	MacEachen,	Roxburgh,
Boulanger,	Greene,	Mackasey,	Ryan,
Brown,	Groos,	McIlraith,	Sharp,
Byrne,	Habel,	McLean (Charlotte),	Stanbury,
Cadieux,	Haidasz,	McNulty,	Tardif,
Cantin,	Harley,	McWilliam,	Thomas
Cardin,	Hellyer,	Marchand,	(Maisoneuve-
Cashin,	Honey,	Matte,	Rosemont),
Chatwood,	Hymmen,	Morison,	Tolmie,
Chrétien,	Isabelle,	Munro,	Tremblay,
Côté (Dorchester),	Lachance,	Nixon,	Wahn,
Côté (Longueuil),	Laflamme,	Orange,	Walker,
Davis,	Laing,	Pelletier,	Watson (Château-
Deachman,	Lamontagne,	Pennell,	guay-Huntingdon-
Drury,	Langlois (Chicoutimi)	Pepin,	Laprairie),
Dubé,	Laniel,	Pickersgill,	Winters—87.

(Proceedings on Adjournment Motion)

At 10.13 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Favreau, a Member of the Queen's Privy Council,—Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 8, 1967, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French).

At 10.30 o'clock p.m., the House adjourned until to-morrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,593-Mr. Barnett-February 9

- 1. Are bulk petroleum products transported by tanker vessels within the Great Lakes-St. Lawrence River system above the Port of Montreal (a) between ports or places within Canadian waters (b) between ports or places within United States waters (c) between Canadian ports and United States ports (d) between Canadian and/or United States ports within the Great Lakes and ports or places beyond and below the Port of Montreal?
- 2. If so (a) what is the number of vessels regularly engaged in such transport between each of the above categories of places (b) what, by tonnage or gallonage, is the current annual volume of such petroleum products transported between each of the above categories of places?

No. 2,594-Mr. Langlois (Mégantic)-February 9-

- 1. Has the Tax Appeal Board ever had any members who were not lawyers?
- 2. If so, in each case (a) in what year (b) who were these members (c) what was their occupation in each case before being appointed to the Board?
- 3. How is a member of the Tax Appeal Board appointed to hear any particular appeal?
- 4. With reference to Section 88(2) of the Income Tax Act, does the Chairman or the Board appoint members for the hearing and determination of appeals, by means of a resolution, or by any other method?
- 5. During the past ten years were any appeals heard by more than one member at a time and, if so, how many, and for what were the reasons?
- 6. How many times has section 88(3) of the Income Tax Act been applied in the hearing of an appeal, during the past ten years?

No. 2,595-Mr. Southam-February 9

- 1. What is the direct impact upon the Canadian economy of foreign purchases in support of military activity in Vietnam, in terms of (a) quantities of Canadian raw materials, semi-finished products, finished products, components (b) export value, in the same categories (c) direct employment of Canadian citizens?
- 2. What is the current and the long-term impact of the above, on the basis of contracts which have been (a) arranged or sponsored directly by the Government of Canada or any of its agencies (b) allocated by foreign corporations to their own Canadian subsidiaries (c) arranged directly on the corporate initiative of Canadian-controlled companies?
- 3. To what extent are Canadian exports (as described in Part 1 (a) above) being purchased by or on behalf of any foreign government (a) to replace other

supplies or products thereby released for direct use in the Vietnam conflict (b) to assist in the training of any foreign government's armed forces for the Vietnam conflict?

4. What is the Government of Canada now doing, or proposing to do, to ensure that (a) Canadian-controlled companies, including banks (b) Canadian subsidiaries of foreign corporations, are able in their individual corporate capacities to make and give effect to decisions appropriate to the functioning of their usual business operations—all within the framework of Canada's own foreign policy and without 'direction' or 'persuasion' from governmental or corporation sources in any foreign country?

No. 2,596—Mr. Fairweather—February 9

What amount of money was paid to MacPherson & Stewart Limited, Petit-codiac, New Brunswick, for work done to connect the building occupied by the Petitcodiac detachment of the Royal Canadian Mounted Police to the village sewerage system, the work having been completed October 31, 1966?

No. 2,597-Mr. Prud'homme-February 9

Does the Canadian Government Travel Bureau literature feature the centennial celebrations and Expo '67?

No. 2,598-Mr. McCutcheon-February 9

- 1. Has the Department of Agriculture ever studied the impact of chain store buying practises on the small food processors and producers groups?
 - 2. If so, what were the findings?
 - 3. If not, would the Department consider such an investigation?

No. 2,599—Mr. Bell (Carleton)—February 9

- 1. Has the government received any representations from (a) the Canadian Bar Association (b) other organizations or persons, advocating the establishment of a Canadian Law Reform Commission?
 - 2. If so, what consideration has been given to such representations?
 - 3. If the answer to Part 1 (b) is yes, from what organizations or persons?

No. 2,600-Mr. Godin-February 9-

- 1. How does Parliament control or supervise the activities of the Tax Appeal Board?
- 2. During the past ten years (a) who were the members of the Tax Appeal Board (b) how many of these spoke (i) French (ii) English (iii) how many were bilingual?
- 3. How many Chairmen of the Board have there been whose mother-tongue was (a) French (b) English?
- 4. How many Vice-Chairmen of the Board have there been whose mother-tongue was (a) French (b) English?

- 5. During the past ten years, how many decisions by the Tax Appeal Board were made in (a) French (b) English (c) both languages?
- 6. When making a decision, what criteria are used by the Board in choosing the appropriate language?
- 7. Can an appellant choose the language in which the decision will be handed down?
- 8. Does the Tax Appeal Board report to the government on its activities and, if so, in what way?

No. 2,601—Mr. Howe (Hamilton South)—February 9

- 1. What was the total quantity of imports of baler and binder twine into Canada in each of the years 1955 and 1965 and what were the countries of origin?
- 2. What was the total quantity of baler and binder twine manufactured in Canada in each of the years 1955 and 1965?
- 3. What percentage quantity of the total consumption in each year of 1955 and 1965 was imported and what percentage was manufactured in Canada?
- 4. If the percentage of total consumption met by imports increased during this ten-year period, what steps are being taken to protect the Canadian industry and Canadian labour employed in that industry?

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Friday, February 10	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 205

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, FEBRUARY 10, 1967.

11.00 o'clock a.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. Byrne, it was ordered,—That the name of Mr. Blouin be substituted for that of Mr. Munro on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

On motion of Mr. Pilon, seconded by Mr. Byrne, it was ordered,—That the name of Mr. Legault be substituted for that of Mr. Lessard on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. Byrne, it was ordered,—That the names of Messrs. Macdonald (Rosedale) and Morison be substituted for those of Messrs. Ryan and Otto on the Special Joint Committee on Consumer Credit and Cost of Living; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

The following Notices of Motions having been called were transferred to Government Orders for consideration at the next sitting of the House, pursuant to Standing Order 21(2):

That this House do unite with the Senate in the appointment of a Special Joint Committee to study and report upon amendments to the Criminal Code relating to the dissemination of varieties of "hate propaganda" in Canada as set out in Bill S-49, intituled: "An Act to amend the Criminal Code";

That 12 Members of the House of Commons, to be designated by this House at a later date, be members of the said Committee; and that Standing Order 67(1) be suspended in relation thereto;

That the Committee have the power to call for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the Committee; and

That a Message be sent to the Senate informing that House that the House of Commons do unite with the Senate for the above purposes.—The Minister of Public Works.

That the Report of the Department of External Affairs tabled on January 28, 1966, be referred to the Standing Committee on External Affairs.—The Minister of Public Works.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. Hellyer,-That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And debate continuing;

Pursuant to Special Order adopted Friday, February 3, 1967, the sitting was suspended between 1.00 o'clock p.m. and 2.00 o'clock p.m.

By unanimous consent, the House reverted to "Presenting Reports by Standing and Special Committees".

Mr. Laflamme for Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Nineteenth Report of the said Committee, which is as follows:

Your Committee has considered Bill C-261. An Act to establish the Canada Deposit Insurance Corporation, and has agreed to report it with the following amendments:

Clause 5

- (a) Immediately after sub-clause 2, add the following:
 - "(3) A vacancy on the Board of Directors does not impair the right of the remainder to act."
 - "(4) Where the office of Chairman is vacant, the Minister may appoint, for a period not exceeding ninety days, an acting Chairman who shall, while so acting, be a member of the Board of Directors and have and exercise all the powers of the Chairman."
- (b) Re-number sub-clause (3) as sub-clause (5).

Clause 14

Strike out sub-clause (5) and substitute therefor the following:

"(5) This section shall come into force on a day to be fixed by proclamation of the Governor in Council."

Clause 17

Strike out sub-clause (2) and substitute the following therefor:

"(2) A contract of deposit insurance with a provincial institution shall be evidenced by an instrument in writing."

Clause 22

Strike out line 13 on page 10 and substitute therefor the following:

"Corporation may require; and the Corporation shall cause an examination of the affairs of the company to be made at least once in each year."

Clause 36

Immediately after sub-clause (2), add the following:

"(3) In carrying out its functions under this Act, the Corporation may, with the approval of the Minister, make use of the personnel, facilities and services of the Department of Insurance and the Department of Finance to any extent not incompatible, in the opinion of the Minister, with the administration of those Departments."

Clause 45

Delete clause 45.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Hellyer, —That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And debate continuing:

[At 5.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

Orders numbered one to ten having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-36, An Act to repeal the Tobacco Restraint Act;

Mr. Cowan, seconded by Mr. Reid, moved,—That the said bill be now read a second time.

And debate arising thereon;

The hour for Private Members' Business expired.

Mr. McIlraith, for Mr. Cardin, seconded by Miss LaMarsh, by leave of the House, presented Bill C-267, An Act to amend the Judges Act, based on the resolution adopted Wednesday, February 8, 1966, which was read the first time and ordered for a second reading at the next sitting of the House.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Address, dated March 23, 1966, to His Excellency the Governor General for a

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copy of all correspondence and other documents between the Government of Canada and the Government of Saskatchewan since May 22, 1964 regarding the Canada Pension Plan.—(Notice of Motion for the Production of Papers No. 110).

At 6.03 o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,602—Mr. McCutcheon—February 10

- 1. Has the Department of Industry ever studied the impact of chain store buying practises on the small food processors and producers groups?
 - 2. If so, what were the findings?
 - 3. If not, would the Department consider such an investigation?

No. 2,603-Mr. Hales-February 10

- 1. What are the names and home addresses of the 69 people who attended the general meeting of the Company of Young Canadians in Orillia from October 29, 1966 to November 5, 1966, as indicated in the answer to Question No. 2,451, and (a) what are the names and offices held by the staff attending the above meeting (b) what are the names of the consultants to the above meeting?
- 2. Has the Governor in Council appointed an auditor for the CYC as set out in the CYC Act and, if so, what is his name and his rate of pay?
- 3. Does the CYC subsidize a school called "Everdale" in Wellington County and, if so (a) to what amount (b) how many teachers are employed in the school (c) what is the salary paid to each teacher (d) how many students are in attendance (e) do students pay tuition and room and board and, if so, how much for each (f) has a contract or lease been signed with the owners of the house in which the school is housed?

No. 2,604—Mr. Honey—February 10 How many people visited Canada in 1966?

No. 2,605-Mr. Allard-February 10-

Regarding Question No. 1,640 which was answered on July 8, 1966 (a) in 1966, what countries exported textile products to Canada (b) for the year 1966, and for each of these countries, what were these products and what was the total value of the textile products imported by Canada, in each of textile groups (a), (b), (c), (d) and (e) as referred to in reply to Question No. 1,640?

No. 2,606—Mr. Brand—February 10

1. Which company has been awarded the right to produce the drug Myxin?

- 2. What are the main terms of the production agreement?
- 3. Which personnel were involved in the process of decision leading to the award of production rights for Myxin?

No. 2,607-Mr. Howe (Wellington-Huron)-February 10

- 1. In regard to the proposed bilingual program of the government, what level of civil servant or commissioner is entitled to participate in this program?
- 2. What is the maximum period of time that can be taken away from their official Ottawa duties to participate in this program?
 - 3. What degree of bilingualism must be attained by those participating?
 - 4. Does the program entail cost of moving household effects?
- 5. What is the total estimated cost per individual and for the whole program?
- 6. In what particular areas of Canada have the participants been directed to locate in order to carry out this program?

No. 2,608-Mr. Sherman-February 10

What are the present plans of the Department of National Defence with respect to the future of the old section of Fort Osborne Barracks in Winnipeg, and (a) does the Department intend to sell these facilities (b) if so, what date is envisioned for the sale (c) how will the sales procedure be carried out?

No. 2,609-Mr. Sherman-February 10

Is the former Governor of the Bank of Canada (Mr. Coyne) currently drawing a regular pension from the Bank as a result of his services in that office and, if not, for how long after he vacated the Governorship did he draw the pension?

Notices of Motions for the Production of Papers-On Wednesday next

No. 208-Mr. Howe (Hamilton South)-February 10

That an Order of the House do issue for a copy of all letters between the Minister of Transport or any members of his Department and either Mr. Alex R. Gordon or the R. & R. Shipping Limited?

Government Notices of Motions-On Monday next

February 10—The Minister of Justice:

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:—

That it is expedient to amend the proposed measure to amend the Judges Act, Bill C-267, now before the House by substituting the words "Eighteen

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judges and junior judges of the County Courts" for the words "Seventeen judges and junior judges of the County Courts" in lines seven and eight of page 5 of the said Bill, under the heading "British Columbia".

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Monday, February 13	
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
256–S	Penitentiaries (Joint)	3.30 p.m. 8.00 p.m.
	Tuesday, February 14	
208 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m. 3.30 p.m.
356–S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
209 W.B.	Drug Costs and Prices	9.30 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Public Accounts (In Camera)	9.30 a.m.
112-N	Public Service (Joint) (Pensions)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
208 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
112-N	National Anthem (Joint) (Organization)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Wednesday, February 15	
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
	Thursday, February 16	
356–S	Consumer Credit and Cost of Living (Joint)	8.30 a.m. 3.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$ \begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
112-N	Public Service (Joint) (Pensions)	1.00 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 17	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
256–S	Penitentiaries (Joint)	10.00 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 206

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, FEBRUARY 13, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Pearson, a Member of the Queen's Privy Council, laid before the House,—Copies of letters, dated February 10 and February 13, 1967, exchanged between the Prime Minister of Canada and the Premier of the Province of Quebec with respect to a proposed federal-provincial conference to review legislation dealing with financial institutions and securities. (English and French).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Stafford be substituted for that of Mr. Macaluso on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Saltsman be substituted for that of Mr. Cameron (Nanaimo-Cowichan-The Islands) on the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Pepin, a Member of the Queen's Privy Council, laid before the House,—Copy of an Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board, dated September 30, 1966.

Mr. Pennell for Mr. Cardin, seconded by Mr. Pickersgill, moved,—That the House do go into Committee of the Whole at its next sitting to consider the fol-

lowing proposed resolution which has been recommended to the House by His Excellency:—

That it is expedient to amend the proposed measure to amend the Judges Act, Bill C-267, now before the House by substituting the words "Eighteen judges and junior judges of the County Courts" for the words "Seventeen judges and junior judges of the County Courts" in lines seven and eight of page 5 of the said Bill, under the heading "British Columbia".

Resolved,—That the House do go into Committee of the Whole at its next sitting to consider the said proposed resolution.

Pursuant to Standing Order 39(4) the following two Questions were made Orders of the House for Returns, namely:

No. 2,372-Mr. Racine

- 1. In the past six months has the Department of Defence Production called for tenders for the sale of jeeps in Quebec City and Sorel?
- 2. If so (a) how many tenders were submitted (b) what was the amount of each tender (c) who was awarded the contract?

No. 2,418-Mr. Forrestall

- 1. Who owns McNabs Island, located at the entrance to Halifax Harbour?
- 2. Who owns Lawlors Island, located adjacent to McNabs Island?
- 3. If not under total federal control and/or ownership, what individuals, firms or other interests have any control or ownership of the land on the two islands?
- 4. If under any federal jurisdiction, which department or departments are concerned?
 - 5. To what present use are the two islands being put?
 - 6. What are the future plans for the two islands?
 - 7. When will such plans be put into motion?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented, —Returns to the foregoing Orders.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. Hellyer,—That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And debate continuing;

Pursuant to Special Order adopted Friday, February 3, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Hellyer, —That Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of Ways and Means (Supplementary Budget);

And debate continuing; at 9.45 o'clock p.m., Mr. Speaker interrupted the proceedings pursuant to Standing Order 58(6):

And the question being put on the said motion, it was agreed to on division:

Accordingly, the House resolved itself into Committee of Ways and Means, and progress having been made and reported, the Committee obtained leave to sit again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Choquette, it was ordered,-That the following Members be appointed on the part of this House to serve on the Special Joint Committee to consider the subject-matter of the Resolution dealing with the National and Royal Anthems: Messrs. Brand, Cantelon, Gauthier, Hymmen, Johnston, Mandziuk, Martin (Timmins), McWilliam, Orange, Prud'homme, Ryan and Tremblay; and

That a Message be sent to the Senate to inform their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Choquette, it was ordered,-That the names of Messrs. Lessard and Ethier be substituted for those of Messrs. Legault and Rock on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.05 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Order of the House, dated September 7, 1966, for a copy of any communications exchanged between the Government of Canada and individuals corporations or commissions, dealing with the proposed move to the regional headquarters of ARDA for the Atlantic Provinces from Amherst, Nova Scotia, to Moncton, New Brunswick.—(Notice of Motion for the Production of Papers No. 158).

By Miss LaMarsh,—Return to an Address dated December 21, 1966, to His Excellency the Governor General for a copy of the transcript of the proceedings before the jury empanelled to inquire into the circumstances touching the death of Edward Elroy Hunt, an inmate of the B.C. Penitentiary who died on June 26, 1966.—(Notice of Motion for the Production of Papers No. 195).

By Miss LaMarsh,—Return to an Address dated December 21, 1966, to His Excellency the Governor General for a copy of the report, findings and recommendations of the jury empanelled to inquire into the circumstances touching the death of Edward Elroy Hunt, an inmate of the B.C. Penitentiary who died on June 26, 1966 .- (Notice of Motion for the Production of Papers No. 196).

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By Miss LaMarsh,—Return to an Address dated January 11, 1967, to His Excellency the Governor General for a copy of the report of the pathologist who performed the autopsy or post mortem into the causes of the death of Edward Elroy Hunt, an inmate of the B.C. Penitentiary who died on June 26, 1966.—(Notice of Motion for the Production of Papers No. 194).

At 10.24 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX.
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,610-Mrs. MacInnis-February 13

- 1. How many persons, labour, professional and civil service, were employed at the Fortress of Louisbourg Restoration Project on January 1 of each year between January 1960 and January 1967?
 - 2. What were the classifications of these employees?
- 3. What were the rates of pay, salaries and method of payment of these employees?

No. 2,611-Mrs. MacInnis-February 13

- 1. How many homes are involved in the expropriation of properties within the area known as West Louisbourg which falls into the present or proposed boundaries of the Fortress of Louisbourg National Historic Park?
 - 2. How many properties have been expropriated to the present?
 - 3. For how many of these properties have the owners been compensated?
- 4. If some owners have not yet been compensated for their properties, by what date will these owners be reimbursed?
 - 5. How many properties remain to be expropriated?
 - 6. By what dates will these properties be expropriated?
- 7. Why was the expropriation of homes and properties necessary along the extension of Highway 22 in West Louisbourg between Stella Maris Church and the causeway approaches to the Fortress proper, known as the Barachois?

No. 2,612—Mrs. MacInnis—February 13

- 1. What individuals, companies and/or corporations were awarded contracts for services and/or materials in connection with the Fortress of Louisbourg Restoration Project since January 1, 1960?
 - 2. Who were the principals and/or regional representatives of these firms?
 - 3. What were the terms of these contracts?
 - 4. What were the amounts paid for these contracts?
 - 5. On what dates were they awarded?
 - 6. Until what dates were or are they operative?

No. 2,613—Mr. Bell (Carleton)—February 13

- 1. Has the government commissioned the design of any monuments of former Prime Ministers of Canada?
- 2. If so (a) what sculptor or sculptors have been so commissioned (b) what former Prime Minister has been commissioned to each such sculptor?

- 3. Have any designs (a) been accepted (b) been rejected and, if so, what ones and for what reasons?
- 4. If any designs have been rejected, when is it anticipated that new designs will be completed?
- 5. When is it anticipated that each of these monuments will be cast and ready for erection?
 - 6. In what place or position is it proposed to erect each such monument?

Notices of Motions for the Production of Papers-On Wednesday next

No. 209-Mrs. MacInnis-February 13

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 between the federal government, any Crown Corporations or federally sponsored organizations or agencies and the provincial Government of Nova Scotia concerning the proposed project known as the "Fleur de Lis Highway" or "Fleur de Lis Drive" in Cape Breton Island, between January 1960 and January 1967?

No. 210-Mrs. MacInnis-February 13

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 between the federal government, any Crown Corporations or federally sponsored organizations or agencies and the provincial Government of Nova Scotia concerning the proposed project hitherto known as the "Southern Route" in Cape Breton Island, between January 1910 and January 1960.

MEETINGS OF COMMITTEES

Room	Committee	Hour
ALLE OF C	(Subject to change from day to day)	
	Tuesday, February 14	
208 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper)	9.30 a.m. 3.30 p.m.
356-S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
209 W.B.	Drug Costs and Prices.	9.30 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Public Accounts (In Camera)	9.30 a.m.
112-N	Public Service (Joint) (Pensions)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
208 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256–S	Divorce (Joint)	3.30 p.m.
	Wednesday, February 15	
371 W.B.	National Defence (Bill C-243)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, February 16	
356-S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$ \begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
112-N	Public Service (Joint) (Pensions)	1.00 p.m.
256-S	Divorce (Joint)	3.30 p.m.
- 121/10/20	Friday, February 17	AT DE CHO
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
256-S	Penitentiaries (Joint)	10.00 a.m.

WAYS AND MEANS RESOLUTIONS

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966
OLD AGE SECURITY ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

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No. 207

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, FEBRUARY 14, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Benson, a Member of the Queen's Privy Council, delivered a Message from His Excellency the Governor General, which was read by Mr. Speaker, as follows:

GEORGES-P. VANIER

The Governor General transmits to the House of Commons Supplementary Estimates (E) of sums required for the service of Canada for the year ending on the 31st March, 1967, and, in accordance with the provisions of "The British North America Act, 1867" the Governor General recommends these Estimates to the House of Commons.

Government House, Ottawa.

On motion of Mr. Benson, seconded by Mr. Sharp the Message of His Excellency together with the Supplementary Estimates (E), 1966-67, were referred to the Committee of Supply.

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Sixth Report of the said Committee, which is as follows:

Your Committee had referred to it Private Members' Notice of Motion Number 32:

"That, in the opinion of this House, the government should give consideration to the advisability of amending the Government Airport Concession Operations Regulations to provide, by virtue of its power to

V 207-1

regulate the performance of any service for persons on the airport, that no licence be granted by Her Majesty in Right of Canada for the operation of insurance vending machines."

Your Committee has heard evidence from various officials from Mercury Travelsurance Inc., Omaha Teletrip Inc., Canadian Airline Pilots' Association, and Mr. J. R. Baldwin, Deputy Minister of the Department of Transport with officials from his department. The Committee also heard evidence from Mr. Basford, M.P., sponsor of the Notice of Motion.

The following documents were printed as appendices to the Committee's proceedings:

Passenger fatality Rates 1945-65;

Resolution of International Federation of Air Line Pilots Association;

Brief of Mercury International Travelsurance Agencies Ltd.;

Brief of Mutual of Omaha and Tele-Trip Inc.;

with the following documents made exhibits:

"The Relationship between Airline Sabotage and Air Trip Insurance.", Civil Aviation Branch, Department of Transport.

"Insurance Concession at Departmental Airports" (prepared by The Department of Transport).

DOT Accident Report of the Douglas DC 6 B, CF-CUQ at 100 Mile House, B.C., on July 8, 1965.

DOT Accident Report of the Douglas DC/3, CF-CUA, near Quebec, P.Q., on September 9, 1949.

Mutual of Omaha specimen policies for vending machines pertaining to air trip insurance.

Letter from Mr. Grant to the Minister of Justice dated October 7, 1966; letter to Mr. Grant from the Director, Airports and Field Operations, Department of Transport, dated October 31, 1966; letter from the Department of Justice to Mr. Grant, dated October 13, 1966; letter from Mr. Grant to the Department of Justice, dated December 5, 1966; letter from the Department of Justice to Timothy D. Ray, Clerk of the Committee, dated December 12, 1966.

Letter of October 26, 1965, from Mr. Richard Humphrey, Superintendent of Insurance to Mr. R. Goodwin, Director, Civil Aviation, Department of Transport.

Letter of August 20, 1965 from Mr. Gordon H. Stewart, President, Canadian Air Line Dispatchers Association, to the Honourable J. W. Pickersgill.

Letter of August 4, 1965 from Alastair R. Paterson of Manning, etc. to Captain J. H. Foy, President, Canadian Airline Pilots' Association.

Letter of August 3, 1965 from Mr. F. A. Walton, Executive Vice-President for Canada, Mutual of Omaha Insurance Company to Mr. R. W. Goodwin, Director of Civil Aviation, Department of Transport.

Letter of July 26, 1965 from Mr. C. B. Archibald of C. B. Archibald Ltd., Engineering Consultants, to Mr. Jack Davis, M.P.

Letter of July 20, 1965 from Mr. R. H. Barron, Barrister and Solicitor to the Honourable J. W. Pickersgill.

Letter of June 21, 1965 from Captain W. J. Rodgers, of C.A.L.P.A., to Mr. R. W. Goodwin, Director, Civil Aviation, Department of Transport.

Letter of October 22, 1958 from Miss Marjorie MacLaughlin to The Superintendent of Insurance.

U.S. Report of Government-Industry Steering Committee on Airline Sabotage, and Report of Subcommittee on Relationship of Insurance to Airline Sabotage of March, 1963.

Details of Concession Fees from Airtrip Insurance Fiscal Years April 1, 1960 to March 31, 1965, prepared by the Air Services, Department of Transport.

Letter of January 27, 1967, from Montreal Board of Trade to Mr. A. J. P. Cameron.

The Committee was sympathetic to the case against the operation of insurance vending machines in airports, as presented by The Canadian Airline Pilots Association, but the total evidence presented to the Committee was insufficient to warrant a firm recommendation at this time.

Your Committee therefore recommends to the House and the Government that the matter be studied further.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 13, 23 and 24) is appended.

(The Minutes of Proceedings and Evidnce accompanying the said Report recorded as Appendix No. 48 to the Journals).

Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twentieth Report of the said Committee, which is as follows:

On February 10, 1967, your Committee reported on Bill C-261, An Act to establish the Canada Deposit Insurance Corporation.

A copy of the Minutes of Proceedings and Evidence respecting this Bill (Issue No. 46) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 49 to the Journals).

On motion of Mr. McNulty, seconded by Mr. Macdonald (Rosedale), it was ordered,-That the names of Messrs. Addison and Tremblay be substituted for those of Messrs. Basford and Davis on the Standing Committee on Finance, Trade and Economic Affairs.

On motion of Mr. McNulty, seconded by Mr. Macdonald (Rosedale), it was ordered,—That the names of Messrs. Ethier, Herridge and MacDonald (Prince) be substituted for those of Messrs. Cadieu (Meadow Lake), Gundlock and Madill on the Standing Committee on Agriculture, Forestry and Rural Development.

On motion of Mr. McNulty, seconded by Mr. Macdonald (Rosedale), it was ordered,-That the name of Mr. McCutcheon be substituted for that of Mr. Cantelon on the Special Joint Committee on National and Royal Anthems; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

Bill C-261, An Act to establish the Canada Deposit Insurance Corporation, was considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Friday, February 3, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-261. An Act to establish the Canada Deposit Insurance Corporation, which was reported with amendments (as made in the Standing Committee on Finance. Trade and Economic Affairs) and considered as amended.

By unanimous consent, Mr. Sharp, seconded by Mr. Pickersgill, moved,— That the said bill be now read a third time.

After debate thereon, the question being put on the said motion, it was agreed to, on division.

Accordingly, the said bill was read the third time and passed.

The House resolved itself again into Committee of Ways and Means.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from one hundred and twenty dollars to two hundred and forty dollars.

Resolution to be reported.

The said resolution was reported and concurred in and the Committee of Ways and Means obtained leave to sit again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Walker, seconded by Mr. Berger, it was ordered,— That the name of Mr. Macaluso be substituted for that of Mr. Faulkner on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.06 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Drury, a Member of the Queen's Privy Council,—Report of the Canadian Government Printing Bureau for the year ended December 31, 1965, pursuant to section 36 of the Public Printing and Stationery Act, chapter 226, R.S.C., 1952. (English and French).

At 10.30 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,614-Mr. Dinsdale-February 14

Since Earnscliffe, the Ottawa residence of Canada's first Prime Minister, was declared a National Historic Site, what steps have been taken to ensure that it will return to Canadian ownership?

No. 2,615-Mr. Dinsdale-February 14

- 1. How many pilot training projects have been established by the Department of Manpower and Immigration, and (a) where have they been located (b) what are the major skills emphasized in the projects (c) what is the estimated unit cost for each person trained (d) how many persons have been trained to date?
 - 2. What other areas are ear-marked for projects?
- 3. What is the estimated enrolment figure when the program is in full swing?
 - 4. Is this program modelled after the United States Job Corps program?

No. 2,616—Mr. Dinsdale—February 14

- 1. What was the infant mortality rate in Canada for each of the past ten years among (a) Indians (b) Eskimos (c) other Canadians?
- 2. What are the reasons for any differences which might exist between the three groups?

No. 2,617-Mr. Peters-February 14

- 1. What is the total amount of federal funds that have been spent, as of December 31, 1966, on all the programs comprising the government's "War on Poverty" since its inception?
 - 2. How do these expenditures break down by major program categories?

No. 2,618-Mr. Winkler-February 14

- 1. Has the Department of Industry entered into an agreement with the aircraft manufacturing company of Found Bros. Aviation Ltd. whereby financial assistance in the form of a grant or otherwise is being given to this company for aircraft development?
 - 2. What is the amount of federal funds involved?
- 3. What is the nature of the project concerned and what is the government financial participation expected to accomplish?

No. 2,619-Mr. McLelland-February 14

- 1. What is the total expenditure to date by the federal government on the construction of the South Saskatchewan River Dam and Irrigation Project?
- 2. What is the total expenditure to date by the federal government on the erection of the Spillway portion of the South Saskatchewan River Dam and Irrigation Project?
- 3. What is the total expenditure to date by the federal government on the construction of the Qu'Appelle Dam on the South Saskatchewan River Dam and Irrigation Project?
- 4. What is the total expenditure to date by the federal government on studies conducted to preserve the Cree Indian Shrine known as the Mistaseni?
- 5. What is the total expenditure to date by the federal government on demolition of the Cree Indian Shrine known as the Mistaseni?

No. 2,620-Mr. Enns-February 14

Were demurrage charges assessed on railroad cars held up in Montreal dockyards during the strike of freight-handlers and longshoremen last July?

No. 2,621-Mr. Enns-February 14

What is the total amount of demurrage charges assessed by the Canadian Car Demurrage Bureau on both railroads during the strike of freight-handlers and longshoremen last July?

No. 2,622-Mr. Enns-February 14

- 1. Did the National Harbours Board apply penalties on cars delayed at delivery points because of the strike?
- 2. Have representations been received by the government requesting the waiver of demurrage charges and other penalties resulting from the strike?

Introduction of Bills-On Thursday next

February 14—Mr. Mather—Bill intituled: "An Act to amend the Criminal Code (Invasion of privacy)".

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Wednesday, February 15	
112-N	National Anthem (Joint) (Organization)	1.30 p.m.
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bill C-222)	3.45 p.m.
	Thursday, February 16	
356–S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
208 W.B.	Public Accounts (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$ \begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
112-N	Public Service (Joint) (Pensions)	1.00 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 17	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill.C-243)	9.30 a.m.
256–S	Penitentiaries (Joint)	10.00 a.m.

WAYS AND MEANS RESOLUTION

(SUPPLEMENTARY BUDGET)

Presented December 19, 1966

EXCISE TAX ACT

The Minister of Finance-In Committee of Ways and Means:-

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

No. 208

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, FEBRUARY 15, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Ryan, from the Special Joint Committee on the National and Royal Anthems, presented the First Report of the said Committee, which is as follows:

Your Committee recommends that its quorum be fixed at seven (7) members, provided that both Houses are represented and that the House of Commons section be granted leave to sit while its House is sitting.

Mr. Basford, from the Special Joint Committee on Consumer Credit and Cost of Living, presented the Fifth Report of the said Committee, which is as follows:

MEMBERS OF THE SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

ON

CONSUMER CREDIT (As of January 24, 1967)

For the Senate:

* The Honourable David A. Croll, Joint Chairman, and the Honourable Senators

Carter Cook Hastings Hollett

Inman

McDonald McGrand

O'Leary (Antigonish-Guysborough)

Thorvaldson Urguhart

Vaillancourt—(12)

* On Steering Committee.

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For the House of Commons:

* Mr. Ron Basford, Joint Chairman, and

Messrs. *Allmand Andras Boulanger Choquette Clancy Code Crossman

Horner (Acadia)

Leblanc (Laurier)

Lefebvre

Mrs. MacInnis

Messrs. Mandziuk *McCutcheon McLelland

O'Keefe *Olson Otto

Mrs Rideout Messrs. Rvan

*Saltsman Smith

Whelan—(24)

NOTE: See Appendix No. 1 for list of all who served on the Committee during investigation of consumer credit. In September 1966 the Committee was instructed to look into "the trends in the cost of living in Canada and factors which may have contributed to changes in the cost of living in Canada in recent months;" an enquiry which is now under way.

^{*} On Steering Committee.

ORDERS OF REFERENCE

House of Commons

"Mr. MacNaught, seconded by Mr. Pickersgill, moved,-That a Joint Committee of the Senate and House of Commons be appointed to enquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing to enquire into and report upon the operation of Canadian legislation in relation thereto;

That twenty-four Members of the House of Commons to be designated by the House at a later date, be members of the Joint Committee, and that Standing Order 67(1) of the House of Commons be suspended in relation thereto:

That the said Committee have power to call for persons, papers and records and examine witnesses; and to report from time to time and 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 it advisable, some of its members to act on the proposed Joint Committee.

After debate thereon, the question being put on the said motion, it was agreed to."

Extract from Votes and Proceedings of the House of Commons of Canada, November 8, 1963.

> LÉON-J. RAYMOND, Clerk of the House of Commons.

Senate

"Pursuant to the Order of the Day, the Senate resumed the debate on the motion of the Honourable Senator Macdonald, P.C., seconded by the Honourable Senator Hugessen:

That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses of Parliament to enquire into and report upon the problem of consumer credit, more particularly, but not so as to restrict the generality of the foregoing, to enquire into and report upon the operation of Canadian legislation in relation thereto;

That twelve Members of the Senate to be designated by the Senate at a later date to be members of the Joint Committee:

That the said Committee have power to call for persons, papers and records and examine witnesses; and to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee; to sit during sittings and adjournments of the Senate; and

That a Message be sent to the House of Commons to inform that House accordingly.

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After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division."
Extract from Minutes and Proceedings of the Senate, November 21, 1963.

J. F. MACNEILL, Clerk of the Senate.

NOTE: The Committee was reconstituted in the two succeeding sessions of Parliament (in March 1964 and March 1966).

FOREWORD

In nineteen meetings of our Committee, mainly concentrated in a period of ten months, we believe that most aspects of consumer credit—certainly those of greatest concern to the general public—were thoroughly aired. We have been impressed by the tremendous increase in consumer credit in recent years, and its growing influence on the economic life of the country. When you consider that consumers account for about two-thirds of national expenditure, the importance of the manner in which this expenditure is made can hardly be overemphasized. Consumer credit has been the subject of detailed study in many parts of Canada—particularly in Nova Scotia, Ontario, Manitoba and Alberta. We have benefitted by these investigations, and our meeting with the Ontario Legislative Committee on Consumer Credit was most helpful. We have also learned a good deal from enquiries that have been going on south of the border as well as reports emanating from Britain.

Members of the Committee are well aware of the social as well as the economic implications of the upsurge in consumer credit purchasing. We are all consumers of goods and services, and there is hardly an individual, particularly in the growing urban areas, who has not at one time or another made use of credit. Many people who "Buy now—pay later" have attained a higher standard of living than would otherwise have been possible. But there are also those—we believe them to be a substantial minority—who are piling up trouble for themselves and their families in the enticing world of easy credit. These are the people who, through lack of understanding, commit their small discretionary incomes to buying beyond their means and paying such high rates for use of money that they may even be left without any discretionary income for the foreseeable future.

In the area of consumer credit as in other areas of business, interests of various groups in society are not identical. To some extent they are bound to conflict. Borrowers do not see eye to eye with lenders. Those who have sufficient assets to pledge for security are usually in a good position to borrow at relatively favorable rates from a bank, or at even lower rates if they have a life insurance policy on which they can raise a loan. For them, the important thing is to maintain these rates. It is the lower-income groups, with little or no assets who, when in need of money, have no other source than the money-lenders and small loans companies. What they want is to be protected from unreasonably high charges for the use of the money, and when the door to commercial borrowing is closed to them, to have some place to which they can turn as a last resort.

Borrowers of small sums are already protected to a considerable extent when the transaction is a pure and simple one of lending money, but not all loans to consumers are of this type. Many difficulties in which lower-income families find themselves today arise out of debts incurred in a transaction where the main business is the purchase of goods, with the borrowing of money directly related to financing the purchase. The kinds of credit offered to consumers have changed so drastically in recent years that more and more people are finding it difficult today to understand the nature of their commitments. Indeed, in certain kinds of transactions, which are becoming standard practice in some large department stores, to figure out the rate charged for financing

is obviously beyond the powers of any customer, since he is not in possession of the factors taken into account in the calculation. The lender makes the calculation after the consumer has committed himself to the purchase.

Although there are broad areas of agreement, the interests of lenders vary according to the nature of their business. Finance companies as well as retail merchants have a stake in maintaining a high level of sales. Individual members of credit unions may be savers and borrowers. The Canadian Federation of Agriculture reminded us that farmers are consumers as well as producers. Similar illustrations could be multiplied. It is a natural human tendency to equate one's own interest with the public interest, but recent events have demonstrated that irresponsible actions by a few businessmen can help to shake public confidence in financial institutions. There is widespread public demand for regulation of the operation of finance companies in the interests both of those who lend them money and those who borrow from them. The latter group is the particular concern of this Committee.

Remembering that Parliament, and Parliament alone, represents the interest of all citizens, we have tried to evaluate the strength and weaknesses of the many arguments presented to us. We were greatly aided in this by the appearance before us of able people with special knowledge of the multifarious aspects of the consumer credit business.

We cannot praise too highly the help we received from Mr. K. R. Mac-Gregor, former Superintendent of Insurance. The broad sweep of his knowledge, obviously combining extensive academic studies with long administrative experience, gave us an intimate understanding of the place of small loans in the whole field of consumer credit. The over-all story of the development of consumer credit as an important part of the Canadian economy was presented by the Chief of Research of the Bank of Canada, Mr. Gerald K. Bouey. Professor Jacob S. Ziegel of the University of Saskatchewan placed this phenomenon in perspective by giving us the benefit of his studies of the evolution and contemporary situation of consumer credit legislation in Canada and in other parts of the world. Last, but not least, we learned from Mr. Douglas D. Irwin, financial consultant to the Ontario Committee on Consumer Credit, how actuarial science can reduce the most complex and varied factors to simple terms and tables which can be used by us ordinary mortals.

It is inevitable in a study of this kind that the evidence tends to stray beyond the terms of reference. We heard a good deal about many areas of concern to consumers, particularly the broad and related aspects of quality and prices. The whole question of the need to protect consumers in the market place is receiving consideration elsewhere, and since this Committee has now entered into a new phase of study dealing specifically with prices and also advertising and packaging, weights and measures, we decided, except when it was necessary for orientation to go beyond the subject, to confine our report strictly to consumer credit. Other consumer problems will be dealt with in the forthcoming report on Consumer Credit (Prices).

It will be apparent to readers of this report that members of the Committee have no desire to regulate simply for the sake of regulating, but where we are convinced that the public interest requires that action be taken, we accept responsibility for considering what changes are needed and recommending how desirable ends can best be achieved.

Because the evidence presented to us is printed in the public record of our hearings we are not repeating it here, except to indicate the more important

ways in which it has influenced our thinking. Other selected sources are listed in an appendix for the benefit of students of the subject who may wish to follow it further.

We acknowledge with thanks the continuous interest maintained throughout by our staff, all of whom assisted substantially in bringing to completion this complicated task. We appreciate also the help received from permanent employees of the Senate. The contribution of each individual is outlined in the note on Procedure

The Parliamentary Librarian, Mr. E. J. Spicer, and his staff gave us full co-operation throughout the study, and this was particularly appreciated in the critical period when our report was being prepared.

Ottawa, Canada

Pebruary, 1967

DAVID A. CROLL,
RON BASFORD,
Joint Chairmen.

PROCEDURE

All meetings of the Committee were held in Ottawa, and the work was carried on with a small but competent and devoted staff. At the outset Mr. John J. Urie, Q.C. was engaged as Counsel and Mr. Jacques L'Heureux as Accountant. These two experts in fields of knowledge so important to an understanding of consumer credit attended hearings regularly and prepared useful background information. Mr. Urie's knowledgeable questioning of the witnesses brought out significant aspects of the subject and contributed much to our understanding of complex matters. We benefitted especially by his insight into constitutional law, and he prepared the section in the report dealing with constitutional issues involved in consumer credit legislation.

Mrs. Svanhuit Josie, an experienced research economist, joined us as Consultant in July 1966 to assist the Joint Chairmen in preparing a draft report. For six months she worked with them, particularly with Senator Croll, helping to fashion a report which would truly reflect the evidence and the considered views of the Committee.

The permanent staff of the Senate assisted the Committee at all stages of this undertaking, Mr. E. R. Hopkins, Law Clerk and Parliamentary Counsel, gave us the benefit of his wide experience. The Committees Branch carried out the exacting and time-consuming work of arranging for meetings and the many other tasks that are an inevitable part of enquiries of this kind. These responsibilities fell mainly on Mr. John A. Hinds, Assistant Chief Clerk of Committees, and Mr. Dale M. Jarvis who acted as Clerk of the Committee throughout the hearings on consumer credit, except for the last meeting when Mr. Jarvis had left to take another position and Mr. Hinds took over.

Both day-to-day committee work and preparation of a report involve a great deal of secretarial work and typing. During the hearings Miss Marion I. Ballantyne served competently as secretary and typist. The important task of typing and re-typing the manuscript was done well and cheerfully by Miss Barbara Anne Berrigan.

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I CONSTITUTIONAL ISSUES

Your Committee did not investigate in depth the constitutional problems involved, but sufficient evidence was adduced to indicate that the problems of divided legislative jurisdiction, as between Parliament and the provincial legislatures, affect the area of consumer credit as they do many other areas of our economy. It was decided, therefore, to make recommendations without precise regard to the division of legislative power. Certain of the recommendations are clearly within the competence of the Parliament of Canada, e.g., the amendment of the Small Loans Act to raise its monetary ceiling and the proposal for the guarantee of loans to low-income families. On the other hand, certain other recommendations are either in a doubtful area or within the legislative competence of the provincial legislatures.

The main relevant heads of federal jurisdiction in the field of consumer credit under which Parliament might legislate are: Census and Statistics, Banking, Savings Banks, Bills of Exchange and Promissory Notes, Interest, Bankruptcy and Insolvency, and Criminal Law. The regulation of Trade and Commerce under Head 2 of the British North America Act has been omitted from the list because it has in practice been invoked only in support of some other head of federal jurisdiction.

The jurisdiction of Parliament to legislate under the head of "Interest" creates a special problem which has not been clarified by the recent decision of the Supreme Court of Canada in the *Barfried* case. That Sphinx-like case appears to give to the provincial legislatures a green light in the field of cash loans—and presumably also in the field of consumer credit in its broadest aspect—in holding that the provinces may legislate in this field, thereby dealing, although only incidentally, with interest. Interest was defined somewhat narrowly in that case and the Court did not direct its attention to the fundamental question of whether Parliament, in legislating in respect of interest, might also deal with other charges forming part of the total cost of a loan, or an extension of credit, as being necessarily incidental or ancillary to interest as defined in the *Barfried* case.

The evidence submitted to your Committee indicated clearly that in order to deal effectively with consumer credit it is necessary to legislate with respect to the total cost of that credit, just as the Small Loans Act deals with the total cost of a cost loan under \$1,500. The Supreme Court of Canada in the Barfried case, did not advert to or impugn the validity of the federal Small Loans legislation, but the question of its validity was not specifically in issue. In his evidence, Mr. K. R. MacGregor, the former Superintendent of Insurance, expressed the view that the Supreme Court of Canada might well hold that disclosure legislation in respect of the total cost of consumer credit might be upheld as valid by analogy to the Small Loans Act. It might indeed be that both Parliament and the provincial legislatures may deal in different aspects with the total cost of loans and credit extensions. There would appear to be a certain logicality and colour of right in extending the principle of the Small Loans legislation, now occupied by the Parliament of Canada, to similar areas involved in the advancement of consumer credit. All of this is of course speculative, and the precise ambit of Parliament's jurisdiction in relation to "Interest" remains undefined by the Supreme Court.

Accordingly, your Committee decided to make its basic recommendations as if Parliament had complete jurisdiction in those areas covered by Recommendations 1 to 5, inclusive, hereinafter set forth. The remaining recommendations are in areas in which the provincial legislatures have jurisdiction or in which there is doubt as to which of the legislative bodies in fact has jurisdiction. It appears to your Committee that if the problem is to be attacked completely, there will be need for the utmost federal-provincial cooperation, bearing in mind the respective fields of jurisdiction, and that at some point the jurisdictional problems involved may have to be resolved, if not by a constitutional amendment agreed upon between the federal and provincial authorities, then either by a test case or a formal reference to the Supreme Court of Canada.

II CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

The evidence presented to us during our many hearings, and the substance of the numerous bills referred to us, have now been assessed in the light of our broad terms of reference in the field of consumer credit. It seems reasonable that the Committee should recommend, without restraint or qualification, whatever needs to be done to assist consumers to meet the pressing problems of the nineteen-sixties, leaving it to the appropriate governments and the legislatures to work out cooperatively the means of achieving the desired ends.

Of the many problems arising out of consumer credit which were brought to our attention during the hearings, two have been identified which appear in various forms and which stand out above the others. The first concerns the troubles besetting those who buy on credit without understanding the price they are paying for borrowing. The second concerns the plight of low-income families who are from time to time in desperate need of credit for necessary goods or services but to whom commercial credit is either not readily available or not available at all. The first three of our recommendations accordingly deal with these important and urgent matters. The recommendations in summary form are presented first but some of our more general impressions and considered opinions leading up to the recommendations are set out in the Conclusions.

RECOMMENDATIONS

1. We endorse the principle of what is popularly known as "truth in lending": that is, the principle embodied in the disclosure bills that have been repeatedly introduced in the Senate and in the House of Commons. Specifically, we recommend that every person, firm or corporation, including every chartered bank, carrying on the business of extending consumer credit, shall be required by law to disclose to the consumer the total cost of that credit, expressed both as a lump sum and in terms of simple annual interest.

Support for legislation of this kind is now almost universal; it has developed into a popular demand for action. Disclosure legislation was endorsed by the Royal Commission on Banking and Finance, and many responsible groups have urged on this Committee the need to proceed with it at once. There is no doubt that it would be in the public interest, that the time is ripe, and that it should be done now.

2. The principle of "truth in lending" should be extended to provide protection for all potential borrowers, whether or not they are at the point of committing themselves to a purchase or a loan. For this reason it is essential that all advertising of credit should truthfully and accurately state the total cost of the credit to the consumer.

We therefore recommend that all advertisements which offer credit or lending should be required to set out in annual percentage rates as well as in dollars and cents the added cost to the consumer for the use of the money. False and misleading advertising (such as advertisements quoting "special low rates" as if these were of general application when in fact they are available only to a select few) should be prohibited. "Truth in advertising" should go hand in hand with "truth in lending".

3. In order to prevent low-income families from becoming mired in debts from which they can never hope to extricate themselves, we recommend

that the federal government make available, through the regular banking system, guaranteed consumer loans under specified conditions to all with annual family incomes of \$4,000 or less. The loans would be repayable over an extended period, and would bear a low rate of interest. They would be made only for provident and productive purposes related to the preservation of home and family. The maximum size of such a loan would be \$1,500.

It would greatly aid the fight against poverty if needy people were given access to credit on reasonable terms. Those with low incomes are much more likely than others to require cash loans for necessary purchases. We believe the plan we propose would help to strengthen family life by relieving a vulnerable group of Canadians of a tremendous economic, social and psychological load. Not only would it meet an urgent need, but it would encourage thrift and independence, if we were to add to the statute books "An Act to Facilitate (under Guarantee) the Obtaining of Loans for Necessary Goods and Services at Low Rates and with Extended Time for Repayment". Experience suggests that the risk of losses would be small.

- 4. We recommend that the Parliament of Canada extend the protection accorded to borrowers under the Small Loans Act so as to include loans up to \$5,000 rather than loans up to \$1,500, with appropriate interest ceilings. There was widespread support of this indicated in the representations made to us and in the report of the Royal Commission on Banking and Finance. Under the Small Loans Act there is a maximum rate of 2 per cent per month on the first \$300 borrowed, the rate falling to 1 per cent in respect of amounts between \$300 and \$1,000 and to one-half of 1 per cent in respect of amounts of between \$1,000 and \$1,500. (The Royal Commission on Banking and Finance recommended that the formula retain the present 2 per cent per month maximum on the first \$300 borrowed and that a flat rate of 1 per cent a month apply to all higher amounts up to \$5,000.)
- 5. We are concerned about the practice known as "captive sales financing", which is common in the merchandising of consumer durable goods, particularly in the sale of motor cars. Parliament has expressed, in the Combines Investigation Act, its desire to encourage the regulation of industry by free competition. However, the Act does not at present apply generally in respect of service industries. The Committee recommends that the scope of the legislation be enlarged, so as to ensure that such free competition will obtain, at least in the sales finance industry, by providing for the regulation of so-called "captive sales financing"; that is, of the operations in that field of manufacturers, distributors, dealers and others not principally engaged in sales finance.
- 6. Consumers are sometimes compelled to pay for faulty or defective goods, or even for goods they never receive. This is particularly hard on the consumer when, as occasionally happens, the purchaser of his obligation to pay has no knowledge of the original transaction. To prevent situations of that kind, we recommend that every bill or note given in connection with a retail credit transaction be required to be so marked on its face. Along with the purchase of the right to collect the consumer's money should go any undischarged obligations to the consumer that formed part of the original transaction. The party making the sale to the consumer would not be prevented from selling the paper to a third party, but the new creditor would in effect step into his shoes vis-a-vis the consumer, assuming both the rights and the obligations involved in the original transaction. This should protect consumers against fly-by-night operators who leave the customer responsible for payments to some third party who has no obligations to him.

- 7. A cooling-off period of three days should be allowed for the reconsideration by the buyer of purchases made on credit, off store premises, during which the purchaser may without penalty return the goods and recover back any monies paid by him.
- 8. An appropriate government agency should prepare and distribute to dealers and retailers a standard form of agreement applicable to all sales of goods on credit. A copy of the agreement should be given to every person who assumes an obligation under it.
- 9. Every retail credit sale should contain a clause giving the purchaser the right to prepay before the normal term without penalty and without a proportionate rebate of prepaid charges.
- 10. Collection agency practices sometimes harass the poor and unsophisticated. Present practices in this area should be carefully examined with a view to their strict regulation and supervision. We recommend in particular that collection agencies be prohibited from obtaining wage assignments from debtors and that wage assignments in favor of credit grantors be permitted only if the assignment is contained in a separate self-contained document.
- 11. We urge the implementation in all parts of Canada of the new Part X of the Federal Bankruptcy Act, which provides a procedure for the orderly payment of debts under court supervision. This would provide an alternative for many who are now forced deeper into debt through arrangements made with finance companies. Part X may be brought into force in any province on the request of its Lieutenant Governor in Council.
- 12. Your Committee fully endorses the principle embodied in existing legislation providing relief from unconscionable transactions, and recommends its extension to all parts of Canada.
- 13. Information and education—sometimes called money management or budget advice and counselling-would not solve all consumer credit problems, but we believe that their institution would constitute a step in the right direction. Objective and authoritative general information would be prepared and widely distributed. This would explain in clear and understandable language what all potential credit-buyers should know, including:
 - (1) Interest costs, with tables in both percentage and dollar terms, particularly illustrating the effect on costs of re-financing and consolidation of debts.
 - (2) The kinds of outlays for which it is not unreasonable even for lower-income individuals to incur debts.
 - (3) The minimum net or disposable income which safely permits credit buying, and for those above that level, what percentage can reasonably be pledged for future payments. (Examples might illustrate the need to take into account present commitments as well as current income and the likelihood of it continuing, increasing or decreasing, depending on such factors as age of the individual, his prospects of continuous and continuing employment, contribubutions by other family members now made or contemplated.)
 - (4) The nature and extent of the protection and assistance available to consumers under existing law.
- 14. In addition to receiving information of a general nature that is widely applicable, a minority of Canadians require personal financial advice

and counselling on an individual basis. It is essential that help of that kind come from agencies free of ties with companies primarily interested in increasing the credit outstanding. Consideration might be given to making government grants to family agencies and to credit unions and caisses populaires to enable them to employ for this purpose persons with a specialized knowledge of financial matters.

- 15. We have already set out the reasons why we believe that the financing of used cars has become a social problem. We therefore recommend, in the public interest, that:
 - (1) In order that prospective purchasers may ascertain the history of used cars before committing themselves to purchase, a central registry of all cars should be set up in each province, with the same number associated with a car throughout its lifetime.
 - (2) A maximum rate that may be charged for financing used cars should be fixed by law. This would of course include all charges.
- 16. Although we have not decided on any specific annual interest rate in respect of credit transactions which would in all circumstances be considered exorbitant, it would appear to be in the public interest to fix some such upper limit. Because of the tremendous increase in recent years in the use of open-end accounts of various types—sometimes called revolving accounts, cyclical accounts, easy-payment or budget accounts—with no statement to the customer of the annual interest rate at the time the purchase is made, and with a minimum effective annual interest rate of some eighteen per cent, but no effective ceiling, we urge that immediate consideration be given to this important matter. An accounting system which is clothed in mystery is a potential danger to those of limited income.
- 17. We recommend that the continuing joint committee of the Senate and the House of Commons which we trust will be set up as a result of the recommendation in the Interim Report of the Joint Committee on Consumer Credit and Cost of Living (Prices) "to review consumer affairs and the state of the Canadian economy", be specifically charged with assessing contemporary practices and developments in the field of consumer credit. This joint committee would be in a position to recommend to the Government any needed changes in policy or legislation. The current investigation of prices has demonstrated the value of public hearings, stimulating immediate and widespread public reaction.
- 18. Finally, in order to work towards uniformity in legislation, and to ensure that legislation is developed to complement appropriate federal legislation, and to eliminate abuses and loopholes as far as possible, we recommend that a continuing federal-provincial committee on consumer credit be set up on the technical level.

CONCLUSIONS

Consumer Credit Problems

The evidence bears out the assumption in our terms of reference that consumer credit is a problem. It is clear that "the operation of Canadian legislation in relation thereto", which we were asked to "enquire into and report upon", leaves much to be desired. We are convinced that consumer credit has become a major industry, standing on its own feet, and in the words of an expert witness, "separate and apart from the sales which underlie it." It has, to a considerable extent, replaced money as the means by which the average man acquires what he needs for daily living and what luxuries he is able to secure. In view of these developments, the former Superintendent of Insurance put the interests of the Committee well in these words: "the various kinds of consumer credit, the sources of it, and especially the cost of it; perhaps, more particularly still, the ways in which the cost can be controlled or influenced by legislation designed to ensure that the public is not charged an exorbitant cost."

What Everyone Needs

Although consumer credit is admittedly a problem, it is not a problem for all, and for many it is a great convenience to be able to fulfil present needs from anticipated and fairly certain future income. Individuals in a secure financial position are usually able to get loans at reasonable rates. They require little protection beyond the normal need of all citizens to be able to assume that dealings are honest and fair, and that all the cards are on the table.

Full Disclosure (Information)

Whether or not he acts rationally on the basis of the facts, when a person is about to enter into financial obligations, sufficient information should be available to make it possible for him to understand what he is undertaking. Every written contract should state the total obligation; how the cost of borrowing is made up (in annual percentage rates as well as in dollars and cents); and in the sale of goods, the difference between the cash price and the price on credit. From the customer's point of view this is essentially what is meant by full disclosure, and it is the purpose of proposed disclosure legislation to bring this about.

But lenders have a different interpretation of the word "disclosure". They profess to favor full disclosure, and they say they are practising it now when they reveal the cost of borrowing in dollars and cents. What is given the greatest attention by credit grantors, and what the finance companies maintain is "the most important public policy issue surrounding the field of consumer credit" is not whether the customer should be given the information he needs to understand the cost of the money to him, but rather "the manner in which the finance charge is disclosed to the consumer." Their real objection boils down to revealing interest in the traditional form of rates, particularly rates per annum. There is some reluctance about revealing monthly interest rates, but that seems to be considered a lesser evil compared with disclosing the annual rate. In any case, the word "interest" is studiously avoided by lenders, who generally decline to break down "service charges" to show interest and other components separately. It may very well be that the cost in dollars and cents is more meaningful to

the average man than annual percentage rates, but it is obviously wiser to make available more information than a man needs than to deny the information essential for making a rational choice.

Disclosure laws, first vigorously opposed, are now accepted as necessary to protect shareholders in business. The need for rules of some kind to safe-guard the interests of consumers in credit buying is beyond dispute. The sales finance companies object so strongly to disclosing annual interest rates that they would even prefer ceilings such as are fixed by law in New York and California, to disclosure of rates. A spokesman for them said that "realistic ceilings, with a reasonable opportunity for review in the light of changing circumstances, would be a safeguard for the industry and for the consumer also." A retail instalment sales act which went into effect in Massachusetts on November 1, 1966, provides that retailers will have to disclose to instalment buyers the total cost of credit charged them both in terms of dollars and in true annual interest.

Canadian opinion seems generally to favour overwhelmingly the disclosure type of legislation. The banks are prepared to disclose the full cost of borrowing to the lender, and the revised Bank Act now before Parliament requires them to do so. The big problem is in connection with financing retail credit transactions. Whether the credit is supplied by the retail dealer himself or by a sales finance company or an acceptance company, it is not customary to make clear at the time a retail credit transaction is entered into, the cost in percentage terms of borrowing the money. All but those who are now withholding that information seem to agree that it should be provided to the consumer.

The Royal Commission on Banking and Finance is clear and unequivocal in dealing with this question. They recommend:

"...that it be mandatory to disclose the terms of conditional sales as well as cash loan transactions to the customer. In addition to indicating the dollar amount of loan or finance charges, the credit grantor should be required to express them in terms of the effective rate of charge per year in order that customers may compare the terms of different offers without difficulty."

The Royal Commission does not go along with proposals that revolving credit plans be exempt from the disclosure requirements. On that subject they have this to say:

"While we recognize that there is great difficulty in calculating the exact charge if use is made of a revolving credit, there is no reason why the customer cannot be shown the effective charge if he follows a typical plan. Borrowers may indeed be more interested in the dollar amounts of the finance charges and monthly payments than in the effective interest rate, but it will certainly not do any harm—and may well do much good—to let them know the effective rate as well. The distribution of approved rate books by the grantors of credit would minimize any difficulties of calculation from their point of view."

The Porter Commission goes on:

"Finally, this legislation should impose stiff penalties for excessive charges or failure to disclose. At the least, the lender should forfeit all

principal and interest on the illegal transactions. In addition, fines should be imposed and, as now, the authorities should have the power to suspend the licences of lending institutions in cases of flagrant violation."

Obviously, enforcement would require provision for licensing and inspection of books and premises, somewhat along the lines of the Small Loans administration. The responsible Department would issue a standard form of contract which would be attached to every retail credit sale.

Finance companies and retail dealers calculate their own borrowing in terms of annual interest rates. They are being asked to provide the same kind of information when they themselves are lenders instead of borrowers. The recommendation of the Canadian Federation of Agriculture that disclosure legislation should apply equally to farm supply and machinery companies, is a reasonable one, and we support it.

The truth concerning the cost of credit should be public knowledge, available to all. It is therefore of the utmost importance to prohibit advertising which misleads gullible people into under-estimating the cost.

Full disclosure to consumers of the cost of credit will benefit the business community by increasing public confidence in its integrity. We agree with the representative of the Credit Union National Association that legislation to bring this about would "force the minority, who might be unethical to tell the truth, which means that the honest seller is no longer at a disadvantage." Full disclosure is in complete harmony with the classical free-market theory of economics. If bargaining in the market place is to result in reasonable prices, information provided by the seller or lender must be reliable. A member of this Committee aptly summed up our views in these words: "I think the legislators generally are of the mind that the consumers of credit must be apprised of the cost of credit just as simply and effectively as they can tell now the price of the product itself."

Outlawing Unfair Clauses

Because of the situation peculiar to the sale of goods, which is often further complicated by re-sale of the agreement to pay for them, the bargaining position of the consumer is, generally speaking, extremely weak. He commonly undertakes a water-tight obligation to make payments to an impersonal company which accepts no responsibility to him. The finance company claims to be neither merchant nor money-lender and abdicates all responsibility for the transaction with the consumer. This is hardly cricket when, as a rule, conditional sale agreements contain clauses which are unfair to the consumer. Examples of those in common use are clauses:

- 1. excluding all warranties and conditions;
- 2. permitting the seller to assign the agreement to a third person who takes free of all defences that might be urged against the seller;

3. including a promissory note which can be endorsed to a third person, giving him the status of a holder in due course.

Conditions of this kind should not be permitted, whether or not the consumer is presumed to be able to take care of himself in the market place.

Some Need Special Protection

Many people of modest means have little or no understanding of business, and they are the ones who are in special need of protection. For them, the temptation of being able to obtain rather easily what is desired now, with a promise to pay later, can be too great, especially if, as is so often the case, they do not understand their commitment. Their need for education in consumer credit is urgent. As in other areas, it takes time for official policies to adapt to social changes, but in our judgment the time has come to take account of the virtual revolution in methods of paying for consumer goods that has taken place since the end of World War II.

Education and Advice

Assuming that information is made available to all, there will be some who require further protection. What they need is education and advice (sometimes called counselling). The Federated Council of Sales Finance Companies told us of their policy of co-operating in consumer education with high schools, universities, newspapers, radio, television and Better Business Bureaus. The Consumers' Association of Canada and the Consumer Loan Association advocate the teaching in secondary schools of family financing, use of consumer credit and money management. The latter maintain that conscientious lenders now carry the responsibility of assisting and advising unsophisticated borrowers who are not acquainted with business dealings "as to the choice of the best loan for their circumstances."

Since those who sell credit are hardly in an independent position to instruct potential customers, we feel that advice should come from an independent source. It may even be that lenders as well as borrowers could learn something about probable social and economic consequences of credit purchases when unpredictable but not improbable events occur in the life of the consumer. Government has long accepted responsibility for establishing and enforcing standards for products affecting health and safety. Now the need for advice concerning buying and budgetting is equally urgent. The time is clearly ripe for development of a broad program of consumer education.

Everyone should be able to rely on the truth of statements of fact made in advertising, and sponsors of false advertising must be firmly dealt with. But the advertiser, whose business it is to persuade, can hardly be called to account for selecting from his own point of view the information he uses. Neither can he be expected to confine himself to the facts alone. There must be other sources to which the consumer can look for purely objective information and advice.

Government Regulation to Protect the Weak

Government regulation has long been applied to banks. In the twenties large consumer loan companies were regulated to some extent under private

acts. In the thirties the need to regulate all small loans had become apparent, and this resulted in the Small Loans Act. In spite of opposition from some money-lenders, it received the support of a substantial part of the industry, and today it is unanimously praised by those in the business, whose assistance in enforcing its provisions is acknowledged by the administrators. Representatives of the consumer loan companies told us that before the Small Loans Act was passed the bargaining position of the lower-income borrower was weak.

The Small Loans Act has not been revised since 1957. In the meantime the cost of goods and services has greatly increased, and the value of the dollar has dropped, making it necessary to reconsider the area within which this strengthening of the bargaining position of the consumer is essential in the public interest. It is where the bargaining power between two parties is not equal that, in the words of Professor Ziegel, "the legislature is more than justified in intervening...."

Consolidation of Debts

In recent years the average size of loan made by consumer loan companies and money-lenders has been growing, and the high proportion of loans used for what is known as consolidation of debts or refinancing gives rise to some misgivings. Consolidation of debts is being widely promoted through advertising, and a spokesman for lenders said, "I very definitely feel that the consolidation of debt is one of the most important services that we perform." We do not question the need of those who find themselves with debts beyond their ability to cope, for a means by which they can pay them off in an orderly fashion within some foreseeable time. But ability to do this becomes highly doubtful if the process of refinancing involves heavy additional interest charges. That is apt to happen if the system is in control of the creditor. The Nova Scotia Royal Commission on the Cost of Borrowing Money, Cost of Credit and Related Matters, noted that those on the books of finance companies—and this is related to the large number who consolidate or refinance—are likely to remain on the books for seven years. Seven years is a long time in the life of a family, and it is time enough to take children through the most critical period in their lives. But what is the alternative?

Orderly Payment of Debts Acts

The Family Bureau of Greater Winnipeg dramatically illustrated the devastating effect on a family of medium income with six children and heavy debts which they had been paying off for two years at \$60 a month when the Supreme Court of Canada declared the Manitoba Orderly payment of Debts Act unconstitutional because it dealt with bankruptcy legislation, a federal matter. When this happened the man's wages were garnisheed. As a result he lost the job he had held for five years, his wife suffered a mental collapse and entered a psychiatric institution, and the whole family was reduced to public assistance. The brief presented to us by the agency urges the Federal Government to amend the Bankruptcy Act "to enable re-establishment of an Orderly Payment of Debts plan in this province, and the enactment of similar legislation in other

provinces." We are pleased to report that a bill to that effect, which originated in the Senate, passed the House of Commons, with amendments, on June 20 last. It contains a provision which commends itself to us, laying down special conditions that must be fulfilled if a consolidation order does not provide for payment in full of all the debts within three years. Setting up this specific three-year goal should help to maintain the morale of the debtor as well as the patience of the creditor.

Conditional Sale Agreements

We are equally concerned about a related problem, and one that is growing in importance. It has to do with the large part of the money owing by consumers today that results from purchase of goods, with debts accruing either to retail dealers or to third parties who buy conditional sale agreements, known in the trade as "paper". Lending by retail dealers or by sales finance and acceptance companies does not come within the scope of the Small Loans Act, and with a few exceptions in certain provinces, it can be said to be unregulated. We learned that complaints received from the public by administrators of the Small Loans Act are more likely to arise out of these conditional sale agreements over which the Department has no say, than from the small loans over which they have jurisdiction. When he enters into a conditional sale agreement, the weak bargaining position of the consumer today is somewhat analogous to that of the borrower of money before the Small Loans Act was passed. So feeble is his bargaining power that it is now a regular practice to have him sign a waiver of his rights under the law to assurance that the goods are "merchantable" and "fit for the purpose for which they have been bought." The purchaser's obligation to pay for the goods goes on whether or not the merchandise is of any use to him. This is particularly hard on buyers of used cars which break down on the way home from the used-car lot. Since this Committee is trying, in the words of one of our members, "to make the game of shopping a fair one", something must be done to shore up the weak bargaining position of the purchaser of goods on credit.

There appears to be general agreement that the consumer needs more protection in the modern world of credit which is now so complex that it is beyond the comprehension of the common man who is among its best customers. The question is, then, what is to be done, and by whom.

How Protection Develops

In the four countries whose legislation for the protection of consumers Dr. Ziegel¹ studied,—Canada, U.S.A., England and Australia—the development has been uneven, but he notes that "the pattern of evolution is similar in all four countries."

1. Initial concern is protection of the buyer's equity.

¹ See footnote on p. 1368.

- 2. Prohibition or regulation of unfair contractual clauses—especially concerning warranties and conditions.
- 3. Belated realization of importance of regulating financial terms of the agreement. Hence:
 - (a) Disclosure requirements,
 - (b) Limitation of finance charges, and
 - (c) Statutory recognition of buyer's right to rebate in case of repayment.

He has stated that "... the provinces between them now have more than sufficient legislative experience in all spheres except possibly that of regulating finance charges and maintaining licensing requirements (and here the federal small loans provisions should prove helpful) to provide the basis for a comprehensive uniform act... Two provinces, Alberta and Quebec, have disclosure requirements, but only one, Quebec, attempts to regulate minimum down payments and maximum maturity rates directly. Alberta and Saskatchewan, however, in a very real, if heterodox way, do so indirectly, in so far as they eliminate the seller's right to sue for any deficiency after repossession. Quebec, again, is so far the only province which has shown any appreciation of the importance of prohibiting excessive finance charges..."

Revolving Credit

Twenty years ago more than 60 per cent of all retail sales were for cash, often involving a discount to the purchaser. In department stores the percentage of cash sales was even higher than in other retail outlets. This pattern of trade continued throughout the forties, but in the fifties there was a noticeable change, until today some 40 to 50 per cent of department store business is done on credit. Increased use of retail credit is largely attributable to development of the open-end system of accounting generally known as revolving credit, but also called "cyclical accounts," "budget" or "easy payment" plans,—a system which has found favor with younger families and is associated to a considerable extent with sociological changes which have been the subject of wide comment. The post-war pattern of younger marriages—with home ownership and a heavy mortgage even for families of limited income, and development of suburban shopping centers displaying a tempting variety of consumer goods—is obviously fertile soil for a system of buying which separates the pleasure of acquisition from the pain of payment.

An official of Simpsons-Sears informed the Committee that 85 per cent of their credit business is now done on the revolving account system. Revolving credit is much less important for Eatons and the Hudson's Bay Company, but both companies have developed similar plans. Some other retail chains, known as junior department stores, already do a large part of their business on revolving credit, and the system is spreading. We therefore considered it of prime importance to assess whether or not this development is in the public interest.

We have carefully weighed the arguments for and against the system, and because we are informed that its very existence would be placed in jeopardy by requiring disclosure of service charges to the customer in annual percentage rates, perhaps it is time to consider whether or not the advantages outweigh the disadvantages.

Representatives of the Retail Council of Canada maintain that this method of selling is a service to their customers; that they are not interested in it as a revenue producer, but only as a means of stimulating sales and "as a basis of achieving economy in the use of credit staff." The main arguments advanced in favor of the system by businessmen who use it or participate in its financing, are these: (1) that the widespread use made of revolving credit demonstrates that it is what the customer wants; (2) that it is so organized as to reduce to a minimum the cost of administration; (3) that it provides an important stimulus to sales, increasing the business of the establishment and therefore helping the economy; (4) that "the traditional way" of doing consumer credit business should not be lightly tampered with "except when absolutely necessary to protect the public against abuse or unconscionable charges."; and finally, (5) that, "Legislation which would require the expression of simple annual interest rates on all types of credit account would require retailers to abandon cyclical type accounts and probably bring about severe repercussions on the national economy."

There seems to be no doubt that the revolving account system, which gives the customer possession of the goods without any discussion, let alone revelation, of the cost of "credit service", can cause no hardship at that time. Whether or not he would choose to wait till pay day if he understood that he would be paying at least 18 per cent per annum and probably a much higher rate, for the privilege of buying on credit, is another question. A spokesman for the Retail Council of Canada told us that, "Control of the amount borrowed and the customer's mode of operation of the account is firmly exercised by the retailer." The Council's brief puts it this way: "...the authorized balance is controlled by the good judgment of the authorizer." The customer learns the details of his commitment not at the time of taking possession of the goods but at a later and unspecified date, when the bill comes from the accounting department. The game appears to be one in which all the cards are in the hands of one player.

We understand that the saving in administrative costs results from making the best use of staff by spreading the work of servicing the accounts over the whole month. This involves billing the customers, not at the end of each month, but according to the company's system of filing accounts, usually alphabetically by customers' names or addresses. This may very well be convenient for the company, but as far as the customer is concerned the result is that if he happens to make a purchase shortly after the day on which his account has been "serviced" the cost of "service" and the change in his over-all account will not be brought home to him until several weeks later.

The rapid rise in credit accounts of the large department stores since the institution of the open-end accounting plan supports the view that the system does stimulate sales, but what part of these purchases would in any case be made later for cash, or would be made in other retail stores, is not clear. There would inevitably be a tendency for customers to concentrate their buying in outlets where they had accounts of this type, perhaps also to pay less attention than formerly to comparative shopping. These considerations raise questions about the impact of the system on the competitive position of other retailers, and on the whole economy.

Compared with the age-old and universal method of showing charges for the use of money as interest rates—a method now readily abandoned by many—the relatively new and evolving plans collectively termed "revolving credit" can hardly be called traditional. We have been reminded that most laws which change the status quo are opposed by a section of the community. But the fact is that in a market economy the status quo is undergoing continual change by forces other than the law. It is quite legitimate for various segments of business to devise methods which will increase their own advantage. Many examples come readily to mind. The trucking industry and the airways have cut into the business of the railroad. There is a constant battle in packaging among the paper industry, various metal groups, glass and plastics.

Confining our attention to the field of consumer credit we see that not only is the consumer credit pie growing, but shares of different interests are shifting, and "outsiders" are edging in. More companies are financing their own credit sales rather than selling their paper to finance companies. An official of one of the largest department stores admitted to us that the credit business "reflects a profit." We were told by various witnesses that the purchase of appliances reduces the amount of money spent on services; that the move by finance companies into car rentals has cut into car sales; that some builders are selling stoves and refrigerators in a package deal with new houses, thus cutting out both the retail dealers in these goods and the finance companies. Changes of this kind are bound to result in gains for some groups at the expense of others, and those who lose out must seek new areas of business in the same way as was done by the consumer loan companies after the 1956 amendments in the Small Loans Act.

Smaller businessmen can be seriously affected by innovations instituted by powerful corporations with a view to increasing their own share of the pie. In those circumstances they are in no position to protest as they have a right to do if the power is exercised by government. They can ask that any public regulations be applied equally to all. This is in fact what representatives of smaller businesses have asked for.

Should disclosure legislation necessitate abandonment of the cyclical type of account, the question as to what effect this would have is still open to argument. It would undoubtedly cause some shift in buying and lending patterns. Professor Donald McGregor of the University of Toronto told the Ontario Committee he thought shifts resulting from disclosure legislation would not be major shifts. The Confederation of National Trade Unions believes revolving accounts to be such a menace and an erosion of the purchasing power of consumers, that they should be abolished. That exemption from general regulations of certain types of accounts could open the door to abuse is implied by the unanswered question put by a committee member to a spokesman for the Retail Council of Canada:

"In the event that there was legislation proposed that made disclosure mandatory for the non-cyclical and non-open-end accounts, is there any definition that you can suggest to the committee as to the type of accounts which should be exempt from disclosure which would not lend itself to abuse? Naturally, if there is disclosure in simple annual interest for one group and not for another, every person trying to abuse the laws would strive to get into the group where disclosure is not necessary."

The real problem seems to be that there is no specific and uniform definition of revolving or cyclical accounting, the method being adapted to suit local circumstances and individual firms. The definition evolved in Alberta was "continuous deferred payment plans", but a spokesman for the Retail Council of Canada was unable to suggest a solution for the problem of possible abuse through changing the form of the plan.

Revolving or cyclical accounting has to date been little used by small retailers, and it presents what appears to be the greatest conflict of interest in the retail trade, perhaps one of the important reasons for the setting up of the Retail Council of Canada in 1963 to speak separately from the long established Retail Merchants Association. This system of accounting-if revolving credit can be called a system when it appears to be a generic rather than a specific term has been a source of much confusion and misunderstanding. The customer is in the dark as to the carrying charge on his purchase; the general credit manager for Simpsons-Sears Ltd., Toronto, spoke of "the further complications in the retail department store business caused by what we call 'add on' ... "; and development of this system has even made it necessary for the Dominion Bureau of Statistics to discontinue publication of meaningful and detailed data on consumer credit which it formerly reported.

Coming events were already casting their shadow before in a DBS report on retail credit for the fourth quarter of 1950:

"A new form of credit known as 'revolving credit' has been expanding for some time past. Because of its increasing importance and its inclusion in the new Consumer Credit regulations, an attempt has been made to obtain consistent reporting of this type of credit. In this report, it has been included with the charge or other credit category."

But the system spread and took many different forms, and the task of the DBS became more difficult, until a decade later all attempts to obtain consistent reporting had been abandoned and retail credit statistics were thenceforth lumped together under "total accounts receivable". No longer were instalment accounts distinguishable from charge accounts.

So complicated is this method of granting credit that a Retail Council of Canada representative said "... we cannot conceive of any form of disclosure which can be devised to handle our cyclical and add-on type of accounts." His colleague agreed with the suggestion of a committee member that, "It probably would be possible to figure an interest rate with a computer," adding, "but whether we could afford to do that is another question." The argument against requiring disclosure of interest rates charged on this type of account was summed up by a then Co-Chairman: "What you are saying is, in effect, if there is legislation in this regard you will have to change your accounting methods. That is all you have said, as far as I can see."

It appears to us that a type of accounting which is admitted to be incompatible with disclosure legislation and which makes it impossible for the retailer to tell the customer the interest rate, is hardly likely to enable the customer to figure that out for himself. Much less can he be expected to do any comparison shopping between different merchants, or to consider whether it would be to his advantage to obtain the money from another source. When interest rates are surrounded by mystery, the Canadian Federation of Agriculture reminded us that "unwise and damaging purchases are made by those who cannot really afford them." We have come to the conclusion that to make an exception

from general regulations for a type of account which is so vaguely defined, and yet is being used in a growing number of firms, would be opening the door to confusion. There is a great danger that this system will tempt the unsophisticated and those with small incomes to pile up debts beyond their ability to repay. We support the view advanced by most disinterested parties that we should confine ourselves strictly, if at all possible, to the annual basis. We note that Mr. Irwin, the financial consultant, shared that opinion, although he warned that unless you get acceptance from those using revolving credit "they can foul it up pretty well, too." We express our confidence that reputable business firms will act in an ethical way.

Consumer-Borrowers Not All in Same Position

For many—probably most—Canadians, all that is needed to put them in a bargaining position roughly equal to that of the lenders is access to objective and unbiased information. These are the people who, with all the cards on the table, and with access to various sources of credit, can do their own shopping. But investigations in the United States have shown what is no doubt true here too: that a section of the consumer public are not comparison shoppers, and they are likely to be individuals with the lowest incomes. It is they who "often pay the highest interest rates and are in the greatest need of protection."

Most comparison shoppers fall into the group that has aptly been called the unrationed minority. A recent study made for the National Bureau of Economic Research, and brought to our attention by more than one representation, suggests that there are two kinds of consumers:

- 1. The unrationed minority—those who choose to pay all or part in cash or to accept less credit than is available to them from primary lenders. They pay lower rates than rationed consumers and the limited amount of rate information that consumers have is pretty well confined to this group.
- 2. Rationed consumers—the majority, whose marginal borrowing cost is in excess of the going rate of primary lenders. The only alternatives open to this group are paying the going rate or doing without the commodity.

Rationed consumers, when they are in desperate need of a loan, meet the lender under such unequal conditions that if he is unscrupulous he is in a good position to press his advantage. But even rationed consumers sometime take out loans for purposes that can hardly be considered essential, and this may be done without consideration or understanding of the consequences. It was represented to us by those whose work brings them in contact with lower-income families that if the true costs of borrowing had been clearly explained in advance, some of the tragedies due to debt would never have developed. This view is supported by empirical investigation of the National Bureau of Economic Research which found the strongest response to acquisition of knowledge of finance rates was "a reduced willingness to borrow among house-holds in the rationed group."

Fortunately, most rationed consumers are above what could be called the poverty line, and would no doubt be able to manage their finances, including some credit buying, if they were in possession of all the facts necessary for making a sensible decision. These are the people who will benefit from disclosure by becoming comparison shoppers. But we are left with the problem of the minority of rationed consumers who, with all the necessary information, and understanding that their income does not allow for any commitments to pay the high cost of the credit available to them, are in such desperate need of a loan that they will agree to the impossible. The situation of these people has given us cause for concern, and leads us into consideration of how this problem can be solved.

The Gap in the Credit Picture

In view of the importance of credit in business today, various methods are used to ensure that sound credit standards are maintained, and that credit is available at reasonable rates to meet legitimate needs of business as well as of private borrowers. Except in times of emergency, when the national interest is involved, maintenance of sound credit standards is generally left to the judgment of the lenders, the theory being that it is in their own interest to curb unwise use of credit. It has been argued that this is not always a safe assumption, when the salesman has his eye on filling a quota, when collection of the debt is separated from sale of the goods, and when any risk to the lender is virtually eliminated by harsh enforcement methods. That question is discussed elsewhere. Here we are considering measures to ensure that necessary credit is available.

The monetary power of the Bank of Canada aims at seeing that overall, the credit for business is sufficient to meet the needs. The Bank uses its power to influence the interest rates, thereby increasing or curtailing the money supply as seems advisable. The Bank's actions are also reflected to some extent in policies of commercial banks in dealing with their consumer borrowers. And when money will bring high interest rates elsewhere, life insurance companies are more reluctant than usual to expand their low-interest lending to policy holders. In any case, policy holders who are family heads generally resist the idea of encumbering the protection they have provided for their wives and children in case "anything should happen" to them.

But it is well known that sources of credit which are sensitive to the nation's money policies are not open to the low-income person who is without assets to pledge as security. He must rely for cash borrowing on consumer loan companies and money-lenders—institutions whose business expands when money is otherwise hard to get. When interest rates are high enough, there are sure to be willing lenders, and a tight-money period is precisely the time when numbers grow of those who are anxious enough to borrow that they will agree to almost any conditions. The only alternative generally open to the average man is to buy on credit, with the debt accruing to the retail dealer or to a finance company. These are expensive methods of borrowing, and sometimes the rates are exorbitant. Furthermore, no matter how desperate the need, there is always a residue of individuals who are turned down by the consumer loan companies; there is also a limit beyond which it becomes difficult for some to get retail credit.

In addition to those who, because of their personal situation are considered by the commercial lender to be too great a risk, there are others whose requirement for money, theoretically regulated under the Small Loans Act, happens to fall into what lenders consider "a non-profit area", roughly defined as between \$1,000 and \$1,500. Some lenders refuse these loans, and it is admitted

that this area is not now adequately served. The danger is that in order to obtain the money they need, borrowers will be driven to assume a larger debt, bringing them beyond the upper limit of protection under the Small Loans Act.

When a man applies for a loan somebody else decides whether or not the loan is granted. If the decision goes against the applicant, what then? Several committee members raised the issue of the need for some alternative source of credit at reasonable rates for those who are denied a loan when they really need it, and perhaps also for those whose business is least profitable to lenders, and the cost of carrying which pushes up rates for other borrowers.

Precedents for Government Action

Businesses operating for profit can hardly be expected to go far beyond what they regard as economically feasible, for the sake of fulfilling a socially desirable need or one that is in the national interest. The Government has long recognized this, and has stepped in to fill gaps of this kind, making available loans at low interest rates, either by guaranteeing loans made by traditional lending institutions or by setting up agencies which make loans directly. This is sometimes spoken of as, "Increasing the effectiveness of monetary action through ensuring the availability of credit..." For more than two decades the Industrial Development Bank has provided capital-type loans to small and medium sized firms. The bank is authorized to lend or guarantee loans of money to persons or corporations when

..."15 (b) credit or other financial resources would not otherwise be available on reasonable terms and conditions..."

Under the Farm Improvement Loans Act, in effect for roughly the same length of time, the Government guarantees farm improvement loans, provided that certain conditions are met. The maximum loan, originally \$3,000, has been successively raised until it is now \$15,000. The Veterans' Business and Professional Loans Act of 1946 provided for loans up to \$3,000, and guaranteed loans for prairie farmers—with the original maximum of \$1,000 now raised to \$3,000—are available under the Prairie Grain Producers' Interim Financing Act, 1951. The Prairie Grain Loans Act (1960) guarantees loans up to \$1,500 to actual producers. For more than thirty years there has been legislation providing mortgage loans to fishermen, and since 1955 the Fisheries Improvement Loans Act has made available government guaranteed loans of up to \$4,000.

Fishermen's loans may be obtained from banks, credit unions, caisses populaires or other designated cooperative credit societies. Most of the other guaranteed loans are made through the chartered banks, with the government, as a rule, undertaking to make up any losses as well as to pay the cost of administration.

The Farm Credit Act of 1959 set up the Farm Credit Corporation, which makes low-interest loans to farmers whose farms are mortgaged "and whose experience, ability and character are such as to warrant the belief that the farm to be mortgaged will be successfully operated."

In 1960 the small businessman was added to the list of Canadians eligible for a guaranteed government loan. Under the Small Businesses Loans Act loans up to \$25,000 may be granted to "small business enterprises". The Act defines a small business as one with gross revenue not over \$250,000.

Social as well as Economic Considerations

Many of these government guaranteed loans are provided for the purpose of expanding or strengthening the economic well-being of the borrower and indirectly, of the Canadian economy. But an interesting example of taking into account social as well as economic considerations—specifically, the credit needs of home and family—is provided by the full title of the Farm Improvement Loans Act: "An Act to encourage the provision of Intermediate Term and Short Term Credit to Farmers for the Improvement and Development of Farms and for the Improvement of Living Conditions thereon". Even earlier, in 1937, the Home Improvement Loans Guarantee Act made it possible under certain conditions laid down in the legislation, to borrow up to \$2,000. The upper limit for home improvement loans is now \$4,000.

For more than 20 years low-interest loans have been made to home-owners under the National Housing Act. But consumer-borrowers, who are the particular concern of this Committee, are mainly urban dwellers, and a high proportion of them are wage-earners. Because of the vulnerable position of low-income people in need of credit, we were impressed by the findings of the Poapst consumer survey for the Royal Commission on Banking and Finance that those who suffer from intermittent unemployment are more likely to be involved in instalment debt than in mortgage debt. Undoubtedly a high proportion of low-income families are tenants. These people do not benefit by the help given to home-owners under the National Housing Act; nor do they qualify for loans under the Home Improvement Loans Guarantee Act. In any case, that Act does not provide for loans to cover appliances and furniture, essential equipment for the modern household.

Lending Policies of Private Businesses and Government Institutions

The main difference between lending policies of private business enterprises and those of government institutions is that the former are naturally interested mainly in profits, whereas the latter make loans for clearly defined purposes considered to be economically and socially desirable for the individual or company as well as in the general public interest. Perhaps we could adopt a phrase from the credit unions and extend to a wider group of private consumers the privilege which government has long accorded to specified categories of Canadians, of securing at reasonable rates, loans guaranteed by the Government, to be used for "provident and productive purposes". This credit would not be available to acquire minks and diamonds, or for travel to far-off places, but only for purposes related to the well-being of home and family. A high proportion of borrowing by the hard-pressed low-income wage-earner would clearly come within this definition.

Consumer lending companies take the position that borrowers "who lack readily marketable assets and who are in a relatively weak bargaining position

need the services provided by responsible lenders under a suitable regulatory law." We do not quarrel with this, but we believe the time has come when that service must be made available to this vulnerable group not only by the private institutions with which they are now dealing, but by an independent source which would provide an alternative for those who are turned down by commercial lenders. This service element would include much-needed advice concerning the meaning and the cost of credit. The evidence convinces us that the risk of losses on the loans would be very small, and the public interest would be served by preventing low-income families from becoming enmeshed in debt from which they could never hope to extricate themselves unaided.

Commercial banks are already providing consumer credit on a large scale to borrowers who are considered good risks. They also make loans to individuals who might not otherwise qualify, on condition that the Government guarantees to recoup any losses from the Consolidated Revenue Fund. We believe they could be persuaded, with the same kind of government guarantee, to serve the lower-income consumers we have in mind.

If we were to make it possible for farmers and city dwellers alike to borrow at reasonable rates for what could be regarded as necessary expenditures related to the satisfactory functioning of the home, in the same way as we do now for home ownership or farm implements, that could hardly be regarded as establishing any new principle. It is now a matter of official concern to help preserve and strengthen family life, and specifically, to raise the standard of living of families which have failed to share in our general affluence. The strains on family ties that result from overwhelming debt are well documented.

But what makes our suggestion doubly attractive is that it would benefit lenders as well as borrowers. Various witnesses have suggested that in the lending business today, major loans more or less carry the cost of serving smaller borrowers. If lenders were to be relieved of the bulk of both high-risk and low-return customers, it should be possible for them to reduce somewhat the rates charged to their other borrowers. A representative of the consumer loan companies agreed that this was a reasonable hope, although he added a note of caution: "One would have to look at it very carefully."

We have considered various ways of determining who should be eligible for government guaranteed consumer loans. Although the extent of a man's indebtedness is often related to the amount of his income and assets, that is not always the case.

Proposal for Filling the Gap

A spokesman for the consumer loan companies suggested that the dividing line between their business and that of the commercial banks is the income of the borrower rather than the size of the loan, implying that those whose incomes do not meet the bank's requirements must go to consumer loan companies. The immediate and urgent concern of this Committee is an even lower income group—those who do not meet the requirements of the consumer loan companies, or, if they do, they are served at the cost of higher

rates for other borrowers. Our suggestion is therefore that government guaranteed loans at a reasonable interest rate be made available to the lowest income groups as an alternative to borrowing from commercial lenders.

It is not easy, of course, to draw the line between those who would be eligible to use a public facility of this kind and those who would not. In introducing the recent amendments to the National Housing Act, the Minister of Labour said the government is "trying to help those people in the lower and medium income brackets." He added that the new provisions of that Act will benefit mainly "the group earning \$5,000 and over". Taking into account today's economic conditions, we believe it would not be unreasonable to make this alternative source of consumer credit available to all families whose annual income is \$4,000 or less. The maximum amount that could be borrowed under this scheme would be \$1,500. The responsible government agency would provide information and advice to all who wished to have it.

Incidentally, the proposed government guaranteed loans should greatly assist current efforts to establish Indian families in the mainstream of Canadian life. Those responsible for helping them to move from the reserves to the regular working force have noted that credit, which may very well be essential if the transition is to be made, is usually denied to Canada's original inhabitants.

Used Cars—A Special Case

When a representative of the Consumers' Association of Canada was asked where their members feel that the greatest abuses in consumer credit lie, she answered: "I think there are very often abuses in the sale of used cars." Evidence produced in some provincial investigations confirms our impression that there is no group of consumers with so many unhappy purchasers who have made considerable sacrifice to gain possession of an article which they sorely need and which turns out to be useless. Yet no redress for their grievances is available.

Those who buy new cars can learn a good deal in advance about comparative performance of different makes. In any case they are protected by the maker's warranty, and his desire to maintain the reputation of his product. It is fairly safe for the buyer of a new car to make his selection on the basis of appeal to the eye of various designs and colors-factors that are usually stressed by car dealers. But the purchase of a used car is a different proposition. The buyer is often entirely dependent on the dealer's word concerning the age and history of the car, and he must put his faith in the number of miles recorded on the speedometer.

The most important question, of course, is whether the car will go. No matter how attractive its appearance, a car that will not move does not solve a man's transportation problem. When this situation develops after he has signed a purchase agreement as well as a promissory note independent of the agreement, the buyer may find himself liable for paying over a period of months or even years, for a vehicle that never takes to the road. And he is apt to be making these payments, not to the one who sold him the car, but to the purchaser of his agreement or promissory note. We learned that "it is the almost invariable practice that the buyer is required to waive the rights

which the common law and the various provincial sales of goods acts confer on him with respect to the quality and fitness of the goods he purchases."

Even assuming that the car is roadworthy, as most cars undoubtedly are, it is not unusual for the purchaser to commit himself to pay more than he can possibly afford out of his income, with the result that he falls behind. When that happens, a man is apt to find that he has agreed to provisions in fine print that are very harsh indeed.

Recognizing the importance of the motor car industry to Canada's economy, we nevertheless believe that the used car business has become a social problem. A member of the Committee who is president of a social agency told us that his agency is sometimes called on to supply food for children at the same time as their poor father is obliged to keep up payments on an old car. "So this organization, whose object is to help poor people," he said, "in reality helps the finance companies."

The reasons why the financing of used cars is a special problem are: (1) that people with small incomes are more likely to buy used cars than new cars; (2) that finance charges on used cars are considerably higher than on new cars; (3) that a high proportion of used cars are repossessed, due in some cases simply to mismanagement on the part of the would-be purchaser, but excessive finance charges no doubt help to make the size of the payments unrealistic in relation to the income of the debtor; (4) that a used car may be the only means of transportation to and from work, in which case repossession is a calamity for a wage-earner and for the family dependent on him; (5) that when the used car is not as represented, sometimes so deficient that it does not serve the purpose of transportation, the purchaser may be forced to continue making payments to the buyer of a conditional sale agreement who accepts no responsibility to him; (6) that there is no limit to the charges that can be made under the guise of reconditioning it, and this may very well exceed the value of the vehicle. We were informed of a case recorded in a Montreal court where a truck purchased for \$650 and repossessed one week later, was resold for \$25.

It is clearly in the public interest to provide some protection to used-car buyers, perhaps to make it possible for them to do what is commonly done by purchasers of new cars-borrow money and pay cash. We believe that one of our major recommendations will take care of this problem by making credit available at a reasonable rate in the particular and urgent situation when the car is needed for transportation to work. The individual would then be essentially in the same position as a member of a caisse populaire whose car can be financed altogether by regular payments at reasonable rates of interest and with no lien attached to the car. Furthermore, our recommendation that a maximum financing rate for all used cars be fixed by law (as is now done in New York State for both used and new cars) should help to make dealers more careful in selecting their purchasers. Because of the many possibilities of misrepresenting the age and condition of a used car, introduction of an identification system such as is used in Britain and in some parts of Canada, would make it possible to check in a public place, the history of any car offered for sale. This should not be an insuperable problem in the computer age.

Summary

The most widespread hardships for debtors today arise out of retail credit transactions rather than cash borrowing, and troubles are particularly common in connection with the purchase of used cars. Buying on credit has become a well established practice for all income groups. It is a perfectly legitimate practice, one that stimulates sales and makes it possible for many to enjoy now amenities which they are well able to pay for later in instalments. Undoubtedly there are credit purchases made which are unnecessary and unrealistic, but the same could be said of cash purchases. In our society we are free, as individuals, to use our own resources in any way that gives us the greatest satisfaction, and the Committee has no quarrel with that.

What does concern us is the consequences for themselves and for society when unforeseen circumstances make it impossible for one who has committed himself to credit payments to meet these obligations. Unforeseen circumstances can arise for two main reasons: (1) because the consumer did not understand what he was undertaking, or (2) because his personal situation has changed. When a small income is committed beforehand, a period of illness or unemployment, or even the need to repair the home or replace an expensive item of household equipment or clothing, can completely throw out the family budget. As is often the case, if remedies are to be effective and to prevent recurrence of trouble, they must take into account the root causes. In arriving at our final recommendations we have kept this in mind.

HI GROWTH OF CONSUMER CREDIT

INTRODUCTION

To pay for the use of money is so much taken for granted today that it may come as a surprise to some that prior to the middle of the sixteenth century it was generally regarded as a serious evil to take any interest, whether exorbitant or not. Up to that time clergy of all denominations condemned usury; the law punished it with imprisonment and forfeiture of principal and interest.

This attitude was based on two thousand years of church and moralist writings. Money was regarded as a medium of exchange. Like any other article, when it was loaned it was absolutely under the borrower's control. We learned that as late as 1572 a lawyer and moralist, Thomas Wilson, wrote a Discourse Upon Usury which he declared to be nothing but "a fraudulent and crafty stealing of another man's goods."

In those days of the relatively simple village economy large amounts of capital were not generally required. Customers of the local money man were mainly peasants, artisans and small merchants who fell upon lean times. Proverbs surviving from that period reflect the social climate of the day: "Better buy than borrow", "Better give a shilling than lend a half crown." In the latter part of the sixteenth century the whole situation changed; with the beginning of the modern economy as we know it came the need for more capital.

Changing economic conditions brought about a change in public attitudes, with resulting pressure for institutional changes. As is often the case, it took some time for the law to catch up with public opinion, and there was a period when practice was removed from theory and principles. Attempts were made "to charge interest indirectly or under another name or through some device."

When the Low Countries began to permit the charging of interest up to 10 per cent the competitive position of English trade was affected. Although the Canon laws were gradually relaxed to permit some exceptions, the big turning point came in Britain in 1571 when Parliament passed an act permitting interest up to 10 per cent. This marked abandonment of the traditional attitude that any profit on money lending is usurious and wrong.

Recognition that interest can be reasonable, changed the meaning of the word "usury" which is commonly understood now to refer to money-lending at exorbitant rates, especially at rates higher than those fixed by law. Interest at a reasonable rate is universally accepted as entirely proper. As a member of parliament put it in 1571, the distinction thereafter was between "biting and oversharp dealing" and "a reasonable maximum interest rate set by the State."

Nowadays, for reasons discussed elsewhere, (page 1389) those borrowing money, particularly individuals operating as consumers, are concerned not only about interest rates, but equally—perhaps more—about other charges that become part of the cost of the loan.

WHAT IS CONSUMER CREDIT?

As in all areas of study, there is some difficulty about exactly defining consumer credit, but a reasonable definition appears to be, as the Bank of Canada representative put it: "credit advanced to individuals to finance their expenditures on goods and services as consumers." This would exclude credit

extended to businesses, borrowing by individuals to finance housing (capital expenditures) and credit used to acquire financial assets such as stocks and bonds. Consumer credit is used to finance things that by their nature have a short life as well as things that will wear out "in a reasonably short time", including furniture, and—an important part of the picture today—motor cars. Articles of this latter kind are what are known as durable goods as opposed to non-durable goods.

Although the granting of credit to consumers in one form or another has a long history, instalment credit on a large scale seems to have grown up with the development of relatively high-value durable goods. It is particularly associated with wide use of the motor car. Parallel with the growth of consumer credit was development of institutional arrangements to facilitate it. Another factor responsible for the increase in consumer credit has been a change in attitude to the incurring of large debts for consumption purposes. And underlying the whole development has been expansion of consumer incomes.

Consumer credit is mainly of two kinds:

- 1. Cash loans, and
- "transactions relating to the sale of goods or services on some kind of time-payment plan."

TIME PAYMENT PLANS

The idea of selling on time is not new. It has been known in Canada since 1850. Many of the earliest time-sale agreements covered the sale of horses—the equivalent of the modern motor car. But much the older form of credit is the cash loan, where the primary transaction is the borrowing of money. This explains why legislation developed mainly to regulate that kind of business.

In recent years, particularly since the Second World War, there has been a tremendous upsurge in the form of credit where the primary transaction is the purchase of goods. This kind of credit also gives rise to debt on which interest must be paid. The subject of interest as well as the wider cost of providing credit to consumers have become matters of public concern.

Needless to say, effective demand for the purchase of goods on credit was low in the thirties due to unemployment, and in the war years it was curbed in the national interest. Before World War II it was mainly the larger items of durable goods that were bought on "time or instalment payment terms". When the family needed a piano, a refrigerator, or a large piece of furniture and they did not have ready money to pay for it, it was bought "on time". It was customary in those days for cash buyers to be given a discount. Then the practice grew up of putting part of the charge for instalment service on the price of the article, with the remainder of the cost a direct charge—perhaps as low as 5 per cent—for "instalment terms".

THE SITUATION TO-DAY

To-day there is seldom any discount for cash. The usual practice is to state a cash price along with the charges for "instalment service". In addition, new types of accounts have been developed to allow for purchase of a wide

variety of consumer goods, including both the smaller durable items and also non-durable goods, that is those designed for immediate consumption.

Except for a set-back in 1951 when restrictions were imposed during the Korean War, consumer credit outstanding has risen steadily from \$678 million in 1948 to some \$7,000 million at the end of 1965. Table 1 shows that the rise has continued not only in absolute terms but also as a ratio of the gross national product as well as of personal disposable income. Thoughout the fifties it was customary to compare our situation favourably with the United States. In that country, where consumer credit is more highly developed than anywhere else in the world, the ratio of consumer credit was always higher than ours as measured by either of these indices. However, since 1961 we have surpassed the United States both in our ratio to GNP and to personal disposable income.

TABLE 1 CONSUMER CREDIT OUTSTANDING RATIO TO GNP AND TO PERSONAL DISPOSABLE INCOME, CANADA AND U.S.A., 1948-1963

Year	Ratio to GNP		Ratio to Personal Disposable Income	
	Canada	U.S.A.	Canada	U.S.A.
1948.	4.3	5.0	5.9	6.8
1949.	4.9	6.2	6.8	8.5
1950.	5.4	6.5	7.9	9.1
1951	4.6	6.2	6.6	8.9
1952	5.7	7.2	8.5	10.5
1953	7.0	8.2	10.4	11.6
1954	7.5	8.2	11.0	11.7
1955	8.1	9.0	12.2	13.0
1956	8.2	9.3	12.4	13.3
	8.4	9.6	12.4	13.6
	8.8	9.2	12.6	13.0
	9.4	9.9	13.9	14.2
1960	10.1	10.5	14.4	14.9
1961	10.2	10.0	14.8	14.5
1962	10.6	10.5	15.3	15.1
1963	11.1	10.9	16.0	16.0

Source: Bank of Canada brief, proceedings, p. 118.

At the close of the year 1965 the consumer credit owed by Canadians was distributed as shown in Table 2.

This table tells us who the creditors are, but data are not available to produce a comparable table showing who are the debtors. We do know that a study made in 1959 of 1,500 wage-earning families in Quebec found that 75 per cent of them used some form of credit. The average debt was \$1,200 per family; the poorest families used the most credit, the average used it the least, and the wealthiest were in between.

Investigations made for the Royal Commission on Banking and Finance confirm for a wide sample of the population the fact that poor people are heavy users of credit. The Royal Commission reported as follows:

"Instalment debt is found in 32% of households and at all income levels, although its highest relative use is found in the lower income categories..." and that, "Clerical and labouring personnel use instalment debt most frequently." Furthermore, those "with the smallest amounts of reported assets also make heaviest use of consumer credit —partly because of the absence of any other collateral."

TABLE 2

COMPOSITION OF CONSUMER CREDIT OUTSTANDING, CANADA, DECEMBER 1965

Cash loans	Millions of \$
Chartered banks (unsecured)	962 407 840+ (estimate)
Credit buying	
Sales finance companies & motor ve dealers	1,162 565 209 422 68 67
Total	7,000 (approx.)

Source: Bank of Canada Statistical Summary Supplement 1965.

OPEN-END ACCOUNTS

Some retailers allow the customer 30 days to pay for goods without making any extra charge. There are also merchants who make instalment sales contracts clearly setting out the purchase price and carrying charges as well as the amounts and dates of the payments. It is not difficult for customers who enter into arrangements of that kind to figure out the effective annual interest rate. But the Retail Council of Canada informed us that these accounts "probably comprise a very small percentage of the total volume of credit extended by our members." It is the new types of accounts, known as revolving credit or cyclical accounts, budget or "easy payment" plans, that are responsible for much of the growth in credit buying in recent years, particularly in the large department stores. It is these revolving credit accounts which, according to professional social workers who appeared before us, seem to create the greatest difficulty for low-income people.

Revolving credit is a general term applied to a type of accounting mainly used by the large department stores and some retail chains, which permits occasional purchases to be added into the arrangement. It originated south of the border, and appears to be pretty well confined to North America. The system is regulated by law in New York, California, and Massachusetts, but in Canada, where it has become common only in the last decade, it is still unregulated. There is no uniformity in the plans used even by the major retailers, but the method of billing the customer means that he is not informed of the extra charge for the cost of the loan (referred to as the service charge) until some time after he has acquired the goods, when the bill comes from the ac-

counting or credit department. Any particular individual may not receive his bill at the end of the month because the system involves spreading the billing evenly over the whole period. The "service charge" is usually stated in dollars and cents, and not in percentages. Some firms do inform customers of the monthly percentage charged on the outstanding balance, but it is generally agreed that this type of accounting does not lend itself to informing him of the annual rate of interest he is paying.

IV HISTORY OF REGULATIONS

FEDERAL ACTION

Three federal acts, one of them no longer on the statute books, were considered by the Committee to be pertinent to a study of consumer credit: the Small Loans Act, the Money-Lenders Act and the Interest Act. Only the Small Loans Act fixes responsibility for administration on a department of government. It is the duty of the Superintendent of Insurance to watch over that Act, and the former incumbent of the office reviewed the whole situation for the Committee. The Money-Lenders Act has been repealed. The Interest Act is still in force, but we were told that it has never been really effective in controlling excessive rates of interest.

Perhaps it is worth noting that the earliest legislation in Canada relating to "interest, usury and money-lending", passed in 1777, fixed a maximum rate of 6 per cent per annum for all contracts, the same limit that has been specified in the Bank Act until the recent revision. Severe penalties were laid down, including voidance of the contract, for charging higher rates.

This Act and a similar Act passed in Upper Canada in 1811 were repealed in 1853 and replaced by a new Act which, while it maintained the 6 per cent ceiling on interest rates, reduced penalties provided for infraction in that the contract was voided only in so far as it related to excess of interest. The provisions were further eased in 1858 when the contracting parties were permitted to agree on any rate, with the 6 per cent ceiling retained if no rate was stipulated by the parties or by law. This 1858 Act is the origin of sections 2 and 3 of the Interest Act.

The British North America Act of 1867 specifically allocated the subject of interest to the Dominion. Consequently, in the years 1873 to 1886 Parliament passed several acts concerning interest applicable to specific Canadian provinces.

The Interest Act

These various acts, together with certain provisions concerning Prince Edward Island enacted in 1869, were consolidated in the Revised Statutes of 1886 as "An Act Respecting Interest", which permitted any rate agreed upon. Among the sections subsequently added to the Interest Act were the present sections 4 and 5, sometimes identified with the name of Sir Oliver Mowat. It was he who introduced a bill in the Senate in 1897 which, after extensive revision, emerged in this form. Sections 4 and 5 of the Interest Act provide that unless the yearly equivalent is expressly stated, only 5 per cent per annum can be recovered under a contract running for shorter than yearly intervals. There is provision for recovery of any excess interest paid. Sections 12 to 15, which apply to the western provinces and the Territories, came later. There have been no changes in the Interest Act since 1917.

The Money-Lenders Act

This Act, passed in 1906 and said to have been the inspiration for modern unconscionable transactions relief legislation, was a watered-down version of a bill introduced by the late Senator Dandurand in 1899 as "An Act Respecting Usury." Purporting to impose a maximum limit of 12 per cent on all loans of \$500 or less, it was ineffective for two reasons: it lacked any

definition of "interest", and no one was fixed with responsibility for its administration. The Act remained on the statute books long enough to be included in the Revised Statutes of 1952, but when the Small Loans Act was revised in 1956, the Money-Lenders Act was repealed.

The Small Loans Act

The Small Loans Act, 1939, which is further discussed elsewhere, is the most important piece of legislation affecting consumer credit, and the only act for which responsibility is fixed on a department of the federal government. Six small loans companies and 79 money-lenders were licensed under the act at the close of 1964. The distinction between them is the method of incorporation, i.e. whether by a Special Act of Parliament or otherwise.

The outstanding feature of the Small Loans Act is that it regulates in the area in which it operates, the whole cost of the loan, including any and all other expenses as well as pure interest. The maximum rates, stated in per cent per month, apply to the principal amount of the loan outstanding from time to time, and charges may not be compounded or deducted in advance.

The Act requires a lender to be licensed by the Minister of Finance if he wishes to charge more than 1 per cent on a loan with principal amount not exceeding \$1,500. The charges permitted on personal loans are fairly high because amounts involved are generally small and loans are for relatively short periods. Expenses connected with providing the loans are not directly related to the size of the loan.

The maximum amount that may be charged by licensed lenders is 2 per cent per month on the first \$300, 1 per cent on the next \$700 and one-half of 1 per cent on the next \$500 up to \$1,500. What this means in effective percentage rates is illustrated in Table 3.

TABLE 3

EFFECTIVE MONTHLY AND ANNUAL RATES PERMITTED UNDER THE SMALL LOANS ACT, SELECTED SIZES OF LOANS

Amount of Loan	Percentage Rate			
\$	Monthly	Annual		
300	2.00	24.00		
500	1.81	21.72		
1,000	1.48	17.76		
1.500	1.27	15.24		

The Superintendent of Insurance is required to inspect the chief place of business of every licensee at least once a year, and annual financial statements must be submitted in a prescribed form. These are used as the basis of a published report by the Superintendent. The excellent annual reports have been a great help to the Committee in studying the operation of the Act. Originally the prime function of small loans companies and money-lenders was to provide facilities for needy borrowers of small amounts. Although this is still important, these companies have expanded into wider fields. Regulation under the Small Loans Act applies only to loans up to \$1,500, but many licensees lend larger sums as well. Some operate also in the unregulated "sales finance" field, which means that they purchase conditional sale agreements. Today

licensees under the act have come to be regarded as an integral part of the instalment buying pattern, a form of merchandising which evidently appeals to all income groups.

Early Regulation under Private Acts of Parliament

Much of the small loans business is done by a few companies operating under special acts of the Parliament of Canada, and because the original acts of this type antedate the Small Loans Act—and represent the first attempts at regulating the business—a brief review is necessary.

In the first quarter of this century money-lending was, for all practical purposes, unregulated. Sporadic complaints were voiced about exorbitant charges being exacted in spite of the Interest Act and the Money-Lenders Act. Small loans companies or personal loan companies developed to meet the needs of the ordinary man for relatively small sums of money for shorter periods of time. They are one kind of so-called finance companies, and most of them have the word "Finance" in their names.

The first small loans company, since re-named Household Finance Corporation of Canada, continues to do by far the greatest volume of small loans business. This company was incorporated in 1928 by a Special Act of Parliament which fixed charges for "interest" and "expenses". The actual annual rate was then "about double the apparent rate,"-roughly 14 per cent for a loan of \$100 and 16 per cent for \$500.

In 1930 the second company of this kind was incorporated—now the Community Finance Corporation-and in 1933 the company known today as Beneficial Finance Co. of Canada completed the group of the big three operating before World War II. Nine other small loans companies have been incorporated since that time, of which three-Canadian Acceptance Company, Laurentide Finance Company and the Brock Acceptance Company—are still in business, making a total of six. The three last named were set up in the post-war years. At the close of 1964 the three original companies held more than half of the balance of small loans in Canada. They have left it to others, generally speaking, to take the leadership in providing large loans and purchasing conditional sales agreements. A few giants also dominate among the licensed money-lenders, with six of the 79 holding 80 per cent of their small loans outstanding at the end of 1964.

Loans Companies Act Amendment

During the early thirties borrowers were finding it difficult to understand the effective rate of interest represented by the complicated scale of charges on loans. In 1934 an amendment to the Loan Companies Act placed an overriding ceiling of 21 per cent per month on all companies operating under powers granted by the Parliament of Canada. Although this act is mainly concerned with companies which lend money on the security of real estate, the ceiling affected small loans companies along with others.

Difficulties soon arose over the fact that business of some small loans companies was mainly concentrated in particular provinces. It was argued that when they had to comply with provincial as well as federal regulations it was a problem to compete with companies operating mainly under other rules. We learned that, "The entire situation continued to be unsatisfactory from almost every point of view."

Need Felt for More Effective Control

At a meeting in the Department of Insurance in 1934, representatives of the small loans companies agreed that the practice of deducting charges in advance should be abandoned. Instead, there would be "single monthly percentage applied to the amount of the loan actually made and remaining outstanding from time to time." But this did not solve all the problems, and it finally became clear that effective legislation was needed.

In 1936 Senator Dandurand, his interest in the subject unabated, introduced a bill based on a recommendation of a sub-committee of the Senate Banking and Commerce Committee, providing for a flat monthly rate on outstanding balances. But for various reasons no action was taken on it by the government.

In 1938 the Banking and Commerce Committee of the House of Commons studied the problem for months, with a stated objective of securing "the best procurable rate for the borrower". That Committee came up with a draft bill providing for a flat, all-inclusive monthly rate of 2 per cent on outstanding balances. The bill applied to loans of \$500 or less. In spite of opposition by some lenders, the bill, which required the Superintendent of Insurance to inspect licensed companies at least once a year, finally became law. It is known as the Small Loans Act, 1939, and has been in effect since January 1, 1940.

There have been no changes in the Small Loans Act except for amendments in 1956 raising the maximum loans to which it applies from \$500 to \$1,500, and substituting graded maximum rates for a flat 2 per cent per month.

Federal Legislation Concerning Credit Unions

Although credit unions are regulated by provincial laws, the Royal Commission on Banking and Finance noted that a federal law respecting credit unions was passed in 1953 "in order to remove any doubts about the constitutional position of the provincial centrals by permitting them to register under a federal act, and to establish a national central, The Canadian Co-operative Credit Society Limited". The report goes on to say that, "Membership in this society, which is supervised by the Superintendent of Insurance, is limited to central co-operative associations declared eligible by Parliament and approved by Treasury Board, a maximum of 10 co-operatives other than credit unions and 15 individuals. The society has not been very active: only four provincial centrals have taken out membership and their investment in its shares and deposits has not been large."

PROVINCIAL ACTION

Caisses Populaires—the "People's Banks"

It seems appropriate to begin the discussion of provincial regulation of consumer credit with a brief sketch of the origin of the credit union movement which pioneered the lending of money to people of small means. Indeed, in the early years of the century there was no other source of loans at reasonable rates for the low-income group.

Before the turn of the century, in his work as official stenographer in the House of Commons in Ottawa, Alphonse Desjardins recorded the debates concerning excessive rates of interest then being exacted by money-lenders from his fellow-citizens with low incomes. An insight into this area channelled his broad interest in economic and social problems into serious investigation of the problem of usury, and a search for possible solutions.

It was in the Parliamentary Library that he learned of the development of credit unions in Europe and Asia to deal with the credit needs of working people at a time when credit was generally available only for the needs of the businessman. These "people's banks" as they were called, were savings and loan societies organized co-operatively by working people for investment of their savings and to enable them to borrow money for their real needs at low rates of interest. Mr. Desjardins was instrumental in founding in Levis, Quebec, the first credit union on the North American continent in 1900. The Civil Service Co-operative Credit Society formed in Ottawa in 1908, is the largest co-operative credit society in Canada.

A credit union is more than a financial association; it is an association of individuals, usually with some common bond—industrial, parish, ethnic or community—banded together to help themselves and each other. Credit unions have a democratic and local character which appears to be successful in maintaining the interest of members, by encouraging thrift and by lending money for provident and productive purposes. The idea of sharing in the management of a common venture has wide appeal, and in the credit union one member has only one vote, regardless of the number of shares he holds. The chief source of income of credit unions is the interest on loans made to members. Although credit unions have power to borrow money, and sometimes they do borrow from the banks, they borrow mainly from their own "league central".

An important difference between credit unions and the caisses populaires is that loans of the former are principally for personal purposes, whereas the latter invest heavily in mortgages. Both types of organization are changing. They are moving closing together in that each is expanding into the main business area of the other.

In the thirties a group at St. Francis Xavier University in Antigonish, Nova Scotia promoted credit unions as part of a program of community economic development, particularly among the miners and fishermen. A similar movement developed in those years in the farming communities of the western provinces.

The first credit union act on this continent was passed, appropriately in the province which gave birth to the movement. This was the Quebec Cooperative Syndicates Act which became law in 1906, largely through the efforts of Mr. Desjardins. Incidentally, he also aided the passage of the first act of this kind in the United States in 1909 in the State of Massachusetts.

Today there is credit union legislation in all the Canadian provinces, and generally speaking, it is somewhat similar. In all ten provinces the maximum interest that may be charged by a credit union is 1 per cent per month on the unpaid balance of the loan, and this interest covers all charges and penalties. Twenty per cent of net earnings must be set aside for a guarantee fund to take care of bad debts. The balance is distributed to members. The effective charge is usually from 8 to 10 per cent, and most societies charge the same rate on all loans. The caisses in Quebec lend at a somewhat lower rate.

The manager of Canadian operations for the Credit Union National Association, whose membership includes 96 per cent of all credit unions in Canada

outside Quebec, informed the Committee that there are now in Canada approximately 4,622 credit unions with more than 3 million members and assets of nearly \$2 billion.

(Note: Quebec caisses populaires are included although they are not members of the association.)

Under the standard by-laws of Ontario the maximum credit union loan is \$3,000 plus member's own money (shares) of \$1,000; that is a total of \$4,000. Some other possibilities (with first mortgages on real estate) may bring the loan up to \$10,000. By-laws of some larger credit unions in Ontario permit mortgage loans up to \$30,000. For small loans of under \$200 no security is required. The protection is said to be "personal character".

The Royal Commission on Banking and Finance stated that, "Each of the provincial credit union acts provides for a system of inspection and supervision. In all provinces except Prince Edward Island, where the league is formally responsible, and Quebec, where the law is unclear, a government agency is responsible for the supervision of credit unions." In some provinces inspections are regular and thorough; in others they are infrequent.

Credit unions, although they perform for members the same lending function as the commercial money-lenders, have quite a different philosophy and outlook. Unlike the business firms, with their emphasis on the glamorous things that credit will buy, credit unions do what they can to encourage thrift. Their borrowers are also savers. In fact, an official of the Ontario Credit Union League informed us that out of 1,000 members of a credit union, about 600 are savers only. The other 400 borrow as well as save.

Retail Instalment Sales Legislation

Under the common law those engaged in conditional sales were doubly favored: on the one hand "they were able to maintain a proprietary position even though the buyer was in possession of the goods"; on the other hand "they were able to avoid registration requirements of the emerging bills of sale acts as well as the fetters which equity places on a mortgagee seeking to foreclose." Although considerable legislation has been enacted to improve the bargaining position of the buyer, revolutionary changes in methods of retailing have resulted in large-scale selling on time that is subject to no public supervision. The seller alone lays down the rules of the game.

Registration of Conditional Sales

Between 1882 and 1907—before anything similar had been done in England, Australia or most of the United States—"all the provinces and territories adopted some form of legislation requiring registration of the conditional sales agreement or the marking of the goods with the seller's name, and, except in the case of Manitoba, conferring upon the buyer a right to redeem following repossession by the seller."

¹The quotations in this section are from a definitive article, "Retail Instalment Sales Legislation", *University of Toronto Law Journal*, Vol. XIV, No. 2, 1962, by Professor Jacob S. Ziegel, an expert witness who appeared before us. A good deal of the historical information is based on his research.

These early acts formed the substance of the first Uniform Conditional Sales Act of 1922 which became the revised uniform act of 1947 and then 1955. Legislation of this kind is in force today in most of the provinces.

Farm Implements and Agricultural Machinery Acts

The next important development was special legislation in the prairie provinces (Alberta 1913, Saskatchewan 1915, Manitoba 1919) dealing with sale of farm implements. Although this legislation was designed to meet a special situation, it is important because it contains many features today regarded as essential for safeguarding the interests of consumers in instalment sales. It eliminates oppressive contractual provisions by introducing statutory forms of agreement; it protects the buyer's equity in the goods; and licensing provisions ensure that the statute is observed.

Seizure of Other Goods (Alberta and Saskatchewan)

In 1914 Alberta moved to regulate the extra-judicial seizure of goods, including goods repossessed under a conditional sales agreement. Seizure was to be by a sheriff or one authorized by him, and a judge's order was required for the sale. The provisions were completely revised in 1929. Very important from the buyer's point of view is the power of the court "to suspend any order of sale pending payment of the debt by such instalments or the performance of such other conditions as the court may determine."

Under this legislation a seller must notify the buyer beforehand of an intended sale. If the buyer informs the sheriff in writing that the value of the goods exceeds the amount of the seller's claim, they may not be sold without the sheriff's consent. Finally, after the sale, the seller must file with the sheriff a statutory declaration of particulars, and pay over any surplus. A 1942 amendment requires the seller to elect between suing for the balance of the purchase price and repossessing.

Saskatchewan moved in 1933 to strengthen the buyer's position. This was in response to a recommendation by a Select Committee of the Saskatchewan Legislature in 1932. Moreover, in 1939 and 1940 amendments were introduced concerning implied warranties and conditions and "empowering the court, on the buyer's application, to stay any intended repossession by the seller, on specified items... mainly those which a farmer would regard as indispensable for his operations."

In both Alberta and Saskatchewan the hurdles for the seller have been challenged as infringing on federal jurisdiction over banking and bills of exchange, but without success.

More Direct Control of Finance Companies and Retailers (Nova Scotia)

In 1938 Nova Scotia introduced a licensing statute, The Instalment Payment Contracts Act. It is not a strong statute, and we learned that "no licenses have been refused, cancelled or suspended since 1950." (The Saskatchewan Companies Inspection and Licensing Act, 1937, also provides for licensing of sales finance companies, but the primary concern there appears to be with their solvency.)

CONSUMER CREDIT CONTROLS

(Federal Government, Quebec and New Brunswick)

Consumer credit controls were set up for the first time by the Canadian Government under the War Measures Act. During World War II the Wartime Prices and Trade Board was given jurisdiction over consumer credit and instalment buying. A minimum cash payment (about one-third) was fixed, as well as a maximum period for repayment (6 to 15 months depending on the type of article to be financed). Other policies worked with these controls to cause virtual disappearance of the passenger car for civilian use. The regulations were eased in 1946, revoked in 1947.

The second experience with Canada-wide controls came in 1950-52 under the Consumer Credit (Temporary Provisions) Act. There was concern then about inflation due to the Korean war. In 1951 the minimum down-payment on cars was 50 per cent, and maximum repayment period 12 months. During that year consumer credit actually declined. Since May, 1952 there has been no direct control of consumer credit throughout Canada.

In 1956 the Government was again seriously disturbed about inflation. At that time officials of the Bank of Canada met with representatives of instalment finance companies to try to get agreement on voluntary control of consumer credit, but the companies were not persuaded.

It should be mentioned here that in 1947, the year that the wartime regulations were abandoned, Quebec passed the Instalment Sales Act, apparently intended to continue control of instalment sales in the interests of consumers of modest means, a move that was said to have the full support of the Quebec business community. Generally speaking, the Act applies only to retail sales up to \$800; a wide range of goods, including motor cars, is excluded. But within these limits, the legislation is more comprehensive than that of either Saskatchewan or Alberta.

The Quebec legislation fixes a minimum down-payment of 15 per cent and a sliding scale of maximum maturity periods. Payments must be of equal amounts with the exception of a smaller one at the end, and the buyer has the right of prepayment. The maximum finance charge is three-quarters of 1 per cent per month. There is provision for compulsory disclosure of the regular cash price, the time price, the down payment, and the instalments. A statutory form of written contract is laid down.

New Brunswick followed the Quebec precedent in 1949. The New Brunswick Act also called for a 15 per cent down-payment and the maximum maturity period was 24 months. Motor cars were not excluded. These restrictions were difficult to administer, and in 1959 the Act was repealed.

DISCLOSURE

In 1954 Alberta passed the Credit and Loan Agreements Act with disclosure provisions similar to those already described in the Quebec Instalment Sales Act of 1947. The Alberta Act allows for disclosure of either a rate per cent per annum or the cost in dollars. A bill introduced in Manitoba in 1962 requiring statement of finance charges on time sales in simple annual interest rates never became law, and it was amended to substitute disclosure in dollars. A Nova Scotia Act which grew out of recommendations of the Royal Commission on the Cost of Borrowing Money, the Cost of Credit and Related Matters, requires disclosure of finance charges as simple annual interest rates. It became effective early in 1967. Last year the government of Ontario introduced a Consumers Act which among other provisions includes a disclosure requirement both as to amount and interest. Furthermore, the government indicated that credit grantors would be given a year in which to prepare for the inevitable.

Since 1960 a stream-lined disclosure bill which would require every finance charge to be stated in terms of effective rate of interest on the unpaid balance of the cash price, has been repeatedly introduced in the Senate. Debates on the bill have attracted wide attention and growing support, and they have helped to create the current public demand for more protection. The principle has been embodied in several bills introduced in the House of Commons in recent years.

Official recognition of current thinking was indicated in a statement issued after a federal-provincial conference on consumer credit held in Ottawa in December 1966. The meeting felt that "it is both desirable and feasible to extend interest rate disclosure on a uniform basis to personal instalment loan transactions throughout Canada affecting banks, retailers and sales-finance companies and others." The Minister of Finance noted that an amendment to the Bank Act requiring disclosure of bank interest rates would be introduced early in 1967. This assurance from Ottawa along with interest-rate disclosure legislation in varying stages in four provinces, and the other six provinces generally interested in following suit, means that the outlook for Canadians in need of a loan being able to shop for the best credit buy has never been brighter.

V REPRESENTATIONS AND BRIEFS

Carefully prepared briefs, further illuminated by able spokesmen, were a great help to the Committee in studying this complicated and many-faceted subject. Those in the business of lending money as well as retail merchants who sell consumer goods on credit, were represented by their respective associations. All these delegations included key men responsible for administration in some area of consumer credit. The Canadian Chamber of Commerce put before us views which the Federated Council of Sales Finance Companies said accurately reflect the position of Canadian business on this subject. Several other briefs, including one from the Retail Merchants Association of Canada, quoted with approval representations of the Canadian Chamber of Commerce.

A number of delegations spoke for the interests of all, or segments of, the borrowing public: the Consumers' Association of Canada for consumers as a group; the Confederation of National Trade Unions mainly for the working man; the Canadian Federation of Agriculture particularly for the farmer as consumer; the Family Bureau of Winnipeg with special emphasis on problems of low-income families.

Delegations from the credit union movement dealt with the needs of the small borrower, the solution of whose problems they pioneered around the turn of the century. They also enlightened us about their efforts to educate the public ("basically advertising") and their program of "family financial counselling..."

Then we heard from experts who are involved neither as lenders nor borrowers, but whose special knowledge was acquired either in an academic or an administrative role, or both. Submissions of those who appeared purely in their professional or technical capacity are summarized below. Experts who represented government agencies made equally valuable contributions which are reflected throughout the report and acknowledged in the foreword.

BUSINESS

The Executive Council of the Canadian Chamber of Commerce, spokesman for 850 Boards of Trade and Chambers of Commerce throughout Canada, 2,700 corporation members and 25 association members, set out the over-all point of view of business. The focus of the Chamber's brief was on purchase credit rather than loan credit, and two members of their delegation also appeared before us when we heard representations from organizations which spoke more particularly for businesses engaged in large-scale retail operations, and finance companies which buy conditional sales agreements.

It was pointed out that of the total consumer credit outstanding at the close of 1963, roughly 60 per cent was in loan credit, chiefly held by chartered banks, loan companies and credit unions. Excluding the \$54 million owing to oil companies through the use of credit cards, the remaining 38 per cent—

more than \$2 billion—was "purchase credit", i.e. credit created by way of sales by retail merchants. Nearly half of this purchase credit was assigned by the retailer to sales finance companies.

We were told that purchase credit would be "most directly affected by any legislation calling for interest rate form of disclosure," and the position was taken that "since the cost of credit is effectively the difference between the cash sale price and the time sale price it may be contended that it is unreasonable to ask that this mark-up be expressed in terms of an annual rate per year." The Chamber would rely on competition, which they say keeps cash prices in line, to do the same for the price of credit.

It is argued that "conversion of credit charges to interest per annum and the stating of same in a contract at the time of sale (1) is not practical in the case of all credit transactions; (2) that such legislation would seriously affect sales; (3) that the results would involve increased costs; (4) that such practice would tend to obscure rather than clarify credit costs and (5) that the requirement would impose a problem on all retailers but would particularly work a hardship on small merchants." The Chamber therefore supports disclosure of the dollar amount of finance charges, which they say the purchaser can readily compare with the cash price of goods or services so as to determine what he is paying for credit.

MONEY-LENDERS

The two important associations of money-lenders whose strong delegations appeared before us represent, in the main, different segments of the business.

The Canadian Consumer Loan Association formed in 1944, speaks for 54 companies, all licensed under the Small Loans Act. At the end of 1964 they carried 95 per cent of the outstanding balances of loans regulated under the Act. An important feature that distinguishes members of this group from those making up the Federated Council of Sales Finance Companies is that regulated loans—the major part of their business—are made directly by lender to borrower with no dealer intermediary. We were informed that like the credit unions, and unlike the banks, they lend mainly to lower income people, those who seldom have readily marketable assets which can be pledged as security. The small loans companies find it necessary to carry out a good deal of investigation before making loans. For this purpose they operate Lenders' Exchanges. Unlike the loans made by sales finance companies, which are generally for goods or services acquired now for future use, a high proportion of loans made by licensees under the Small Loans Act go into consolidation of debts or refinancing.

Small loans companies also transact business beyond that regulated under the Small Loans Act. Although they agree that regulation of small loans is in the public interest, they are opposed to the recommendation of the Royal Commission on Banking and Finance and others that the scope of that act be extended to cover loans up to \$5,000. The argument is that those borrowing above the present ceiling of \$1,500 are, in the main, people with higher incomes, to whom a choice of several kinds of credit, some at much lower rates, is now open.

The Federated Council of Sales Finance Companies, set up in 1957, represents 48 companies whose "primary function is to provide wholesale and retail financing for a wide range of durable consumer and business goods." These companies, generally known as acceptance companies, are not parties to the original transaction of a retail sale, but many of the basic terms of the contract are determined by the sales finance company. Their interest in maintenance of a high level of sales is obvious, and in certain respects it is identical with that of the retail dealer. More than 90 per cent of all new cars sold to dealers in Canada are financed by these companies, and this represents a very large part of their business. Other important segments are appliances, furniture and other major durables. In 1964 finance companies accounted for approximately 70 per cent of sales finance credit to consumers, and 90 per cent of instalment credit to business. Together, they held about one-sixth of the total consumer credit outstanding at the end of 1964.

The finance companies expressed the view that "the single most important public policy issue surrounding the field of consumer credit is the manner in which the finance charge is disclosed to the consumer." They maintain that the present method of expressing the cost in dollars and cents is "the most meaningful disclosure of finance charges, from the consumer's standpoint." Armed with this information, they say, the consumer can make "an intelligent and reasonable choice, not only between a purchase on a cash or credit basis, but also among the various competing sources of credit which are available to him." They firmly oppose the idea of requiring disclosure of an annual interest rate or charge for credit. It is argued that to focus attention on the interest rate "may confuse the consumer and provide opportunities for exploitation by some unscrupulous retailers." The finance companies take the stand that, "Legislation enforcing interest rate disclosure would be a disservice to the Canadian consumer."

Their answer to those who believe that use of consumer credit may be excessive, is education in the proper use of credit. This they consider to be one of their own important functions, a function which they are trying to fulfil by co-operation with "high schools, universities, newspapers, radio, television and Better Business Bureaus throughout the country."

RETAIL DEALERS

Like the associations representing the money-lending business, each of the two organizations of retailers is made up of members with more or less a community of special interests. Consequently, their points of view do not always coincide. Nevertheless, they have a common interest—shared, as mentioned above, with the finance companies—in maintaining the high and increasing volume of retail sales, a growing proportion of which are credit sales. Both associations of retailers affirm that they believe in full disclosure to the consumer of what they consider to be the information best suited to enable him to make his own choice of credit purchase.

The Retail Merchants Association is more than 60 years old. It was founded in 1896 and incorporated by Special Act of Parliament in 1910. It has some 20,000 paid-up members, including operators of small, medium and large retail establishments, but small businesses predominate. The Association is organized from the municipal level through provincial associations in all provinces but

Newfoundland. It considers itself "official spokesman for independent retailing in this country", and in spite of the trend towards large-scale store operations, they say there is a growing demand for highly specialized shops with considerable service. Independent stores still dominate in number of establishments and they account for approximately 70 per cent of the total volume of retail trade.

The Retail Council of Canada, formed in June 1963, speaks for the main big department stores and retail stores which account for some 30 per cent of the retail store trade.

The Retail Merchants Association takes the position that "full disclosure of the cost of credit should be made to each purchaser at the time the sale is consummated and the credit contract is signed." It should be "meaningful to the consumer and manageable to the retailer." They oppose "any regulation which would require 'disclosure' in the form of an effective rate of simple interest." They believe this would be "impractical, if not impossible" in their business. The Retail Merchants Association submits that a regulation of this kind "would serve only as an impediment to the ease with which consumer credit is presently granted." Their conclusion is that declaration of an effective rate of simple interest "may have consequences which would impede the economy of Canada." Instead, they advocate disclosure in dollars and cents, arguing that "the declaration of simple interest in a retail credit transaction might well be an open invitation to the minority to engage in unscrupulous practices and to exercise deception on the consumer by various forms of manipulation and misrepresentation."

Perhaps the main area of disagreement in policy between the Retail Merchants Association and the Retail Council of Canada concerns the question whether or not, if regulations do require disclosure of annual interest rates, special exemptions should be allowed for revolving or cyclical accounts. These accounts are used to a limited extent by the smaller merchants, but they are an important and a growing part of the business of big department stores. In this type of account the cost of the credit is generally not made known to the purchaser until some time after the purchase is made.

The stand taken by the Retail Merchants Association is that to give special privileges to this type of account while requiring declaration of the effective rate of simple interest on other credit accounts would discriminate against small retailers. They argue that the same regulations should apply to all. "The independent retailer", they say, "is not in a position to dictate to his customers that all forms of credit will be in the shape of revolving or cyclical accounts."

The Retail Council of Canada admits that, "One of the most important circumstances affecting a contract for the loan of money or the financing of a purchase is the charge being made for the money lent." But they do not believe "that any accurate conversion of a money charge to a simple annual interest rate can be made in respect of the type of credit accounts which comprise the major part of the credit granted by our members." These are the cyclical or revolving accounts which are so hard to understand, and about which we heard so much.

CONSUMERS

The Consumers' Association of Canada views consumer credit as a service with a price that can and should be shopped for carefully. They take the position that "in our competitive system free choice must go hand in hand with

knowledge." To make free choice possible, they rely on truthful disclosure by the lender and education of the borrower. If the consumer knows the cost of borrowing, both in money and in terms of simple annual interest, they believe he will be able to make intelligent use of credit. They therefore want "legislation making full disclosure of financial charges expressed in terms of simple annual interest obligatory on all credit contracts..." They would have "the Government of Canada control the manner of calculations and degree of accuracy in computing the financial charges and calculating the cost in terms of simple annual interest."

Further, the Consumers' Association of Canada "request the Federal and Provincial Governments to enact legislation making provision for a 'cooling-off' period of three days" in the case of door-to-door sales. As to revolving credit, they commend the system used by The T. Eaton Co. in Montreal where, "There is a service charge of $1\frac{1}{2}$ per cent per month calculated on the previous month's balance."

The Association supports the recommendation of the Royal Commission on Banking and Finance that power to regulate loans under the Small Loans Act be extended to cover loans up to \$5,000.

The Confederation of National Trade Unions with a combined membership of all affiliates numbering some 150,000 at the beginning of 1965, spoke from the experience of its members. They stated their conviction that "...credit buying is a social evil." They say it "creates the illusion that the majority can readily obtain goods they cannot acquire otherwise under the present economic system." The low salaries of many make this unrealistic; the high cost of interest further erodes their already precarious standard of living.

So convinced is the union of the need to protect families with low incomes, that their inclination would be to recommend abolition of the consumer credit system altogether. However, before suggesting such a radical step they say a good deal might be done to eliminate abuses and give the consumer more protection.

It is pointed out that, "Finance companies borrow at a low rate of interest and lend this same money at exorbitant rates." Misleading advertising and unnecessarily obscure contracts make it difficult for the borrower to find out what obligation he is assuming. It is argued that merchants and finance companies, interested in "profits beyond the sale profit" co-operate to bring this about. The high cost of "the multiplication of middlemen and agencies" is paid indirectly by the consumer.

The union has taken practical steps to educate its own members, and has offered the same help to the general population. Many working people have taken advantage of this. The union has organized a "family budget service" to protect the workers' limited purchasing power by (1) making clear to him the cost of credit, and (2) bringing about a better way of administering the family budget.

They feel that to make their work more effective, what is needed is better protection from the law. They say that the power over consumer credit is now in the hands of the financiers; that it should be reorganized in the interests of preserving the purchasing power and standard of living of consumers, and in the interests of the economy.

The Confederation of National Trade Unions agrees with the recommendation of the Royal Commission on Banking and Finance that the scope of the Small Loans Act should be extended to cover loans up to \$5,000. They would fix a maximum legal interest rate of 9 per cent.

Specifically, the Confederation of National Trade Unions recommends:

- 1. That "the vendor be obliged to clearly indicate in a sales contract":
 - (1) the cost of the product,
 - (2) the difference between the cash price and the price on the instalment plan,
 - (3) the rate and the cost of interest.
- 2. That legislators should declare illegal a provision commonly used in contracts for the sale of cars which has been declared by the courts to be "unfair and abusive" although it is "neither illegal nor contrary to public order." They say that, "Since the debtor remains liable for the final balance even after repossession and repair costs of the car, the charge is often greater than the value of the vehicle. In default of payment, the debtor remains liable for the repairs to be made by the garage, the balance of his account and the contract of the second purchaser." If provisions of this kind were outlawed, car dealers would be obliged to check more carefully the ability of the purchaser to repay the obligations he assumes.

The principal recommendations of the Confederation of National Trade Unions are summarized in their own words as follows:

- "1. The appointment of a commission to investigate interest rates, particularly with regard to the influence of such rates with respect to the purchasing power and living standards of the consumers.
- 2. That, in the interim, the rate of interest be set at a maximum of 9 per cent per annum, on a decreasing basis.
- 3. That adequate measures be provided to enforce the revelation of interest rates, real cost and administrative costs of loans and credit purchases."

The Canadian Federation of Agriculture, "a national general farm organization widely representative of farm people" supports the recommendation of the Royal Commission on Banking and Finance as to the need to continue effective control through the Small Loans Act on interest charged by loan companies. They agree that regulation of interest rates should be extended at least to loans up to \$5,000. The Federation questions the direction of policy which would move "away from controls, limitations and guarantees on interest rates."

They are not convinced of the need to raise the $\frac{1}{2}$ per cent provision, since they say the interest rate actually works out as somewhere between 12 and 24 per cent per annum. They note that the three considerations in money lending are:

- 1. the cost of the money to the loan company,
- 2. the cost of administration, and
- 3. the cost of losses for bad debts and collection from poor payers.

On loans over \$2,000, they believe 12 per cent per annum "is more than should be charged." If a company is lending to high-risk borrowers who raise the costs to unreasonable levels, perhaps these people should be refused loans.

The Federation "recognizes that buying on credit has become a well established practice in the Canadian economy, and that there are legitimate interest charges and other costs associated with providing the financing of purchases on credit." Nevertheless, "it thinks consumers have a right to know in advance...the real level of finance charges involved, expressed in both dollar amounts and simple annual interest rates", and "that consumers are also entitled to reasonable protection from excessive charges and exploitation at the hands of those providing credit services." They add that "without adequate finance charges disclosure legislation, consumers generally are unable to protect their own interests."

The Canadian Federation of Agriculture calls on the Government:

- 1. "to pass finance charges disclosure legislation" applicable to "farm machinery and supply credit transactions with farmers as well as to consumer credit as more narrowly defined."
- 2. "to limit interest rates charged by finance companies to reasonable levels."

Specific suggestions are made for implementation of the legislation:

- 1. The responsibility should be given to "an appropriate department of government."
- 2. The administration would issue "an official standard form for finance disclosure purposes" designed to elicit clear and simple information. The form "would be required to be used and attached as one of the documents in every transaction involving consumer credit."
- 3. The administration would issue interest rate and finance charge books to save finance companies, retail stores and dealers from the need to make complex calculations.
- 4. The Act should contain a provision that "the price of the article must be that at which cash transactions are normally carried out."

The brief presented on behalf of the Family Bureau of Greater Winnipeg, a social agency financed by the Community Chest, provided us with an insight into the serious human consequences that can result from over-extension of credit. At the same time as they express concern about "consumer credit and debt collection", they recognize the important part that consumer credit plays in the economy. The brief points out that the federal government, "in the public interest" controls currency, and to some extent banking. Consumer credit has developed into "a third purchasing system" which requires government attention.

Although the agency welcomes provincial legislation to provide relief from unconscionable transactions, they emphasize that what is needed is protection "at the time transactions are being made." Families are sometimes forced to skimp on necessities of life to meet payments on agreements which would never have been made had they been understood.

But dealings that cause difficulties to pile up are not always unethical. Social agencies are concerned about credit issued in situations "where the

ability to pay does not exist." They "sharply question" the assumption that in order to protect his own interests the creditor can be relied on to exercise the necessary caution. The creditor is not necessarily the chief loser when payments fall behind. Concern is needed for the debtor, for his family, and for the community at large. The tensions built up in harassed individuals and families "frequently contribute to family breakdown, mental illness, crime, and economic dependency."

Illustrations were provided of how situations arise for which there is no foreseeable solution even though lenders act "according to routine business practices, and the borrowers, without dishonest intent although without realistic thinking..." The submission is that, "The widespread existence of situations like these demonstrates that our present system of relying solely on the caution of the creditor does not provide adequate control."

The Family Bureau of Greater Winnipeg urges that legislation along the lines of the Orderly Payment of Debts Act (which was so helpful to low-income families in Manitoba until 1961 when it was declared to be bankruptcy legislation and therefore outside provincial jurisdiction) be enacted by amendment to the federal Bankruptcy Act. (See discussion of recent amendments, p. 1344.) The agency would also like to see provincial legislation to exempt from garnishment or seizure "basic necessities" related to size of family; also "protections to the purchaser's equity on repossession of goods." Following is a summary of specific recommendations made.

1. That the total interest and other charges be stated as a simple annual percentage in both loans and conditional sales contracts.

They would amend the Interest Act "to include in the definition 'interest' all the costs of the loan on lien notes, conditional sale contracts and chattel mortgages"; bring conditional sales and lien notes within the Small Loans Act which, in its definition of "loan" includes all the costs of the loan.

- 2. That a waiting period be established in respect of conditional sale contracts and lien notes. This would be a three to five-day cooling-off period.
- 3. That there be protection from excessive charges on small loans, including conditional sale contracts.

The Family Bureau of Greater Winnipeg supports the Consumers' Association of Canada in recommending that the Small Loans Act should apply to loans up to \$5,000. They would add "conditional sale contracts, lien notes and chattel mortgages."

- 4. That a minimum down-payment be required in all conditional sale or lien notes.
- 5. That steps be taken to investigate the practice of selling conditional sale contracts or lien notes in bulk to collection agencies and finance companies, with a view to establishing some controls in this area of business practice.

It is suggested that the assignee of a lien note or conditional sale contract should take it "subject to the equities between the original purchaser and vendor."

6. That the Parliament of Canada should take immediate steps to amend the Federal Bankruptcy Act to provide enabling legislation under which a scheme of orderly payment of debts could be established by the provinces. (See p. 1344.)

CREDIT UNIONS

The Ontario Credit Union League Ltd., incorporated under provincial charter in 1942, made its submission "both on its own behalf and on behalf of the 1,425 credit unions in Ontario", members of the League. The League in turn is a member of the Credit Union National Association which also appeared before us.

The Committee was told that it is the practice of credit unions to make full disclosure to members of the cost of their loans, both in dollars and percentagewise, and we were given a simple formula for doing this. The belief was expressed that "... similar disclosure of dollar cost and percentage charge can be made by other lenders", and it was strongly recommended that all consumer credit lenders should be required to state in all contracts and all advertising and publicity:

- 1. the full dollar cost of credit (including all charges);
- 2. the percentage rate of all charges expressed in a uniform way.

The League endorses the recommendation of the Royal Commission on Banking and Finance that regulation of small loans be extended to amounts up to \$5,000, with the present 2 per cent per month maximum applying on the first \$300, and 1 per cent per month maximum on all higher amounts.

The brief of the Credit Union National Association points out that the reason why it is necessary to disclose to the borrower "the total cost of the loan expressed both in dollars and cents and in terms of per centum per annum" are:

- 1. so the borrower will fully understand the obligation he is undertaking; and
- 2. so that he will be able to compare the cost of the loan with any other loan he might be able to secure.

Approval is expressed of provincial legislation such as the Ontario Unconscionable Transactions Relief Act, but it is emphasized that "there is also a desperate need for disclosure legislation to prevent the innocent or the ignorant user of credit from signing such a contract in the first place."

Specific recommendations are these:

- "(a) that extenders of every kind of credit be required to disclose in writing to prospective borrowers both the total cost in dollars of the credit to be extended and the rate in terms of simple annual interest;
 - (b) that all advertising by credit extenders give full details of the total costs in dollars and in terms of per centum per annum;
 - (c) that victims of unconscionable transactions be granted redress by the courts, and those who have exacted the unjust terms be penalized under the law."

They also advocate continuing education of the consumer in the better handling of his finances.

La Federation des Caisses Populaires Desjardins, in addition to describing the origin of their movement, which is discussed elsewhere, provide examples of the way in which they clearly set out payment conditions of loans, leaving the borrower in no doubt about the interest rate per annum, and illustrating how the rate is calculated on the gradually decreasing debt. For instance, the total interest paid on a loan of \$100 for one year at 6 per cent, repaid over 12 months at the rate of \$8.34 a month, is \$3.30. (The part of the payment going to interest gradually drops from 50 cents the first month to 5 cents for the final month.)

The Committee was informed that the difference between the annual interest rate on mortgages and the charge made for personal loans is about 1 per cent. The equivalent of this 1 per cent reduction for mortgage loans is also given for personal loans "secured by shares, savings, or readily negotiable bonds."

La Federation des Caisses Populaires Desjardins urges the need for legislation:

- "(a) to determine a reasonable limit to the cost of consumer credit and to eliminate usury;
 - (b) to oblige creditors and merchants to reveal the *real cost* of *credit* in terms of simple annual interest rate expressed in percentage form, so that the consumers may compare the costs of loans and credit terms offered and know the obligation they undertake;
 - (c) to force creditors and retailers to tell the truth as to the rate of charges when they advertise;
 - (d) to foresee the cancellation of those contracts which are not complying with this legislation;
 - (e) to oblige the lenders of money who presently come under the jurisdiction of the Small Loans Act to report to the Federal Superintendent of the Assurances on all their loans not exceeding five thousand dollars (\$5,000);
 - (f) to oblige consumer goods retailers to demand from the consumer a money down payment equal to 20 per cent of the regular price of the merchandise offered, at the time of purchase, and to prevent them from charging interests and other finance costs exceeding 1 per cent per month or 12 per cent per year, and to establish interests and other financial charges on the unpaid balance of credit according to the simple annual interest method."

THE EXPERTS

In addition to the many experts who represented particular institutions or were part of delegations speaking for various groups, independent experts gave us the benefit of their technical knowledge, gained in the academic and practical worlds. Mr. Douglas D. Irwin, C.A., Financial Consultant to the Ontario Select Committee on Consumer Credit, and Dr. Jacob S. Ziegel, Professor of Law at the University of Saskatchewan and author of authoritative publications on consumer credit, prepared written submissions which are summarized below.

Mr. Irwin emphasized that pure interest rarely exists, but nevertheless the term is in common use. He suggested that the term "interest" might be

avoided and discussion could be simply in terms of "the cost of money". However, a committee member expressed apprehension that to do this could further confuse the constitutional issue.

A summary of Mr. Irwin's expert opinion follows:

"1. It is mathematically possible to determine a rate % on all loan situations by use of:

-actuarial methods

-arithmetic methods

- 2. Practically, it would be an intolerable administrative burden to use the above methods from first principles to determine rates on individual contracts. but rates may be readily determined for an individual contract by development of tables of universal application to all contracts of a specific lending classifification (with the exception of cycle credit accounts which are subject to special circumstances).
- 3. Disclosure requirements should be of universal application and the basic methods of calculating rates should be determined for each classification of loan contract.
- 4. Use of tables would not appear to add a significant administrative burden insofar as tables are presently used, extensively, to determine finance charges.

However, practical considerations suggest that the tables should permit a measure of tolerance when applied to a particular contract. A degree of accuracy of one-eighth of 1% has been suggested but this could be further refined.

5. A common language of expression and common criteria of measurement could be sought so that rates would be comparable. Pursuant thereto it would appear necessary that all elements of the cost of borrowing in all contracts must be included in the calculations.

In the case of blended payment contracts all payments should be nearly equal (say within a variation of 10% from the average).

- 6. Cycle credit accounts may have to be considered separately. If the buyer (borrower) retains the initiative the lender may have to be permitted some tolerance in regard to disclosure of the effective rate applicable from day to day. Compliance with rate disclosure might be confined to declaration and imposition of a monthly and/or annual rate % on the current balance or average balance.
- 7. Disclosure of rate % may be in addition to, not in substitution for, disclosure in dollars thereby providing for common language and measurement without disturbing possible borrower preferences."

Dr. Ziegel's brief contributed a good deal of the historical and background information used and acknowledged elsewhere in this report.

He points out that two American economists, Nugent and Henderson, predicted more than 30 years ago that, "As in the small loans field, society will probably begin by restricting the use of certain credit instruments and end by finding complete supervision necessary." A survey of the situation today "shows that their prophecy was substantially correct, not only for the United States, but also for other countries," Generally speaking, the initial concern is to protect the buyer's or hirer's equity. Then comes prohibition or regulation of unfair contractual clauses, especially those relating to warranties and conditions. "In the third—generally post-war—stage there is a belated realization of the importance of regulating the financial terms of the agreement. Hence disclosure requirements and hence the limitation of finance charges of various kinds and the statutory regulation of the buyer's right to rebate in case of prepayment."

Dr. Ziegel says "the social importance of some form of regulation can hardly be denied." And he concludes with this statement:

"In the twentieth century, the century of the common man, the common man, paradoxically, has been at a disadvantage because of the powerful forces arraigned against him in the market place and his own excusable ignorance of legal and economic facts...."

In a supplementary brief dealing with the constitutional aspects of consumer credit regulation Dr. Ziegel listed sections of the British North America Act which in his opinion confer specific powers to legislate concerning consumer credit. They are:

Federal government: Section 91,

- (15) Banks and banking
- (18) Bills of exchange and promissory notes
- (19) Interest
- (21) Bankruptcy and insolvency
- (27) Criminal law

Provincial governments: Section 92,

- (13) Property and civil rights
- 91 (15) He considers that this section would cover "all aspects of consumer loans made by the chartered banks." He would have the position of the banks clarified, permitting them to charge more than 6 per cent, but requiring that actual, all-inclusive charges be stated in one rate. He would lay down regulations concerning advertising, and proclaim the right of the consumer to prepay a loan and save on interest payments, something that the banks now permit as a courtesy.
- 91 (18) He would make it impossible to deprive a consumer who is being sued on a note, of the right to raise defences which could be raised against the original seller. The businessman already has this kind of protection.
- 91 (19) He supports the principle of a disclosure law "which would require the finance charge component in every consumer credit transaction to be stated both in terms of dollars and cents and in terms of a percentage rate on the declining balance of the principal." He adds his support to the recommendation of the Royal Commission on Banking and Finance that the limit of the Small Loans Act be raised from \$1,500 to \$5,000, and that the rate structure be reviewed. He would extend the Act to cover "all other consumer credit transactions involving a sum not exceeding \$5,000."

The supplementary brief discusses the need to clarify the extent of the federal government's power to legislate concerning interest and matters incidental thereto, but be that as it may, Dr. Ziegel points out that "if the federal government has no power to regulate finance charges under this head, then the provincial governments do have it."

91 (21) "Provincial legislation frequently authorizes a county or district court judge to order the payment of a judgment debt by instalments." However, it has been held that legislation to permit consolidation of debts is beyond

provincial jurisdiction. It rests with the federal government, because it deals with bankruptcy and insolvency, a subject within the exclusive jurisdiction of the federal government. Dr. Ziegel urges the federal government to exercise this power so that consumers who over-extend their financial resources can make plans "to rehabilitate themselves expeditiously and with minimum expense." (See p. 1344.)

- 91 (27) Under the wide powers of the federal government to legislate concerning the criminal law Ziegel suggests that,
 - (a) certain types of undesirable activities which do not fall under other headings of section 91 could be prohibited (e.g. prohibition of "cutoff" clauses and wage agreements).
 - (b) criminal law power could be an alternative for legislation that may fall under one of the other headings in section 91, e.g.
 - 1. Prohibition of usurious finance charges in instalment sales and service agreements, and
 - 2. Disclosure law.

But whether or not this use of the criminal law powers would stand up in the courts he felt remained to be seen. Dr. Ziegel summarized his views as follows:

- "1. There appears to be little doubt that, by virtue of its powers over banks and banking, the federal government has plenary powers to regulate all aspects of consumer credit loans extended by the chartered banks.
- 2. It seems equally clear that the federal government has the constitutional power—if not indeed the exclusive power—to curb abuses connected with the taking and negotiation of promissory notes. It is submitted that it also has a concurrent power to prohibit the insertion of 'cut-off' clauses in consumer credit agreements.
- 3. It is submitted that the *Barfried* case (discussed at length in the proceedings) does not impugn the validity of the federal Small Loans Act and future legislation of a similar character, and that a disclosure law would fall within the 'interest' power of the federal government, at any rate where that law is restricted to the disclosure of the cost of loans.
- 4. Whether the federal Interest power also extends to the regulation and disclosure of finance charges in instalment sales is a moot point, in view of the 'time-price' doctrine. The prohibition of usurious finance charges could, however, probably be justified under the criminal law power, though the justification of a disclosure law under this head would present substantial difficulties.
- 5. Finally, there is little doubt that the federal government has jurisdiction under its bankruptcy and insolvency powers to adopt legislation to provide relief for consumers who are overburdened with debts."
- Mr. Dan McCormack is included with the independent experts because of his experience of more than two decades as sales manager for one of the largest independent sales finance companies in Canada. No longer in that business, he has, in his own words, "no axe to grind", but his intimate knowledge of "captive sales agencies and captive sales financing"—an area hardly touched on by others—was most helpful to the Committee.

Mr. McCormack did not prepare a formal brief. He made his presentation in person and submitted to extensive questioning. His evidence dealt mainly with "denial of economic freedom to dealers" because of manufacturers dictating to them the "choice" of finance companies. However, he did admit to counsel for the Committee that dealers, in turn, whether independent or captive, sometimes exert pressure on customers to direct their "choice" of financing.

VI COMMITTEE'S FINDINGS

RECENT TRENDS

In order to place in perspective changes that have occurred in recent years in the whole consumer credit picture, we have compared the figures provided by the Bank of Canada for the years 1953 and 1963. In that ten-year period, as Table 4 shows, all segments of the consumer credit business have expanded but the rate of growth has varied widely. The most striking change is due to the entry of the chartered banks into the small loans business on a large scale. Now the banks have displaced the retail dealers as the largest segment. Both instalment finance companies and life insurance companies are relatively less active in consumer lending than they were a decade ago, and the reasons for that are discussed elsewhere. Growth of consumer loan companies has been phenomenal. Credit unions and caisses populaires have practically doubled their share of the credit business, but they continue to represent a relatively small segment of the whole (12 per cent).

 ${\bf TABLE~4} \\ {\bf Change~in~Composition~of~Consumer~Credit~Outstanding~at~Year~End,~1953~and~1963} \\$

Credit Grantors	1953		1963		10-Year Increase	
	Millions of \$	% Distribution	Millions of \$	% Distribution	Millions of \$	% Increase
Retail dealers	624	31.5	1,141	21.6	517	82.9
Instalment finance companies	516	26.0	873	16.5	357	69.2
Chartered banks	308	15.6	1,432	27.1	1,124	364.9
Life insurance companies	225	11.4	385	7.3	160	71.1
Consumer loan companies	176	8.9	808	15.3	632	359.1
Credit unions and caisses populaires	129	6.5	640	12.1	511	396.1
Quebec savings banks	3	0.2	14	0.3	11	366.6
All credit grantors	1,981	100.1	5,293	100.2	3,312	167.2

Source: Bank of Canada brief, proceedings, p. 112.

The fall of the retail dealers from first place occurred in spite of tremendous growth in the department store credit sales. What has happened is that the weight of the retail credit business has shifted. At the same time as many retailers have been feeling the competition from other forms of credit, the big department stores, by moving into a system of accounting which is not readily adaptable to smaller firms, have been increasing their share of the credit business within the retailers' segment. (See Table 5.)

TABLE 5
CHANGE IN COMPOSITION OF CREDIT ON RETAIL SALES OUTSTANDING AT YEAR END, 1953 AND 1963

Credit Grantors	1953		1963		10-Year Increase	
	Millions of \$	% Distri- bution	Millions of \$	% Distri- bution	Millions of \$	% Increase
Department stores	167	14.6	456	22.6	289	173.1
Charge account credit (including oil company credit cards)	274	24.0	413	20.5	139	50.7
Instalment credit	183	16.1	272	13.5	89	48.6
At retail level	624	54.7	1,141	56.6	517	82.9
Instalment finance companies	516	45.3	873	43.3	357	69.2
All retail credit grantors	1,140	100.0	2,014	99.9	874	76.7

Source: Bank of Canada brief, proceedings, p. 112.

This has no doubt been an important factor in the overall increase in their sales. Comparative data for department stores and for the other retail group in which credit granting is most common—the furniture, and appliance and radio dealers—are shown in Table 6.

TABLE 6

RETAIL SALES OF DEPARTMENT STORES AND OF FURNITURE, AND APPLIANCE AND RADIO DEALERS, CANADA,

1954 AND 1963

	1954 Millions of \$	1963	9-Year Increase	
Converse to instruments all Tallers		Millions of \$	Millions of \$	%
Department Stores	1,062	1,649	587	55.3
Furniture, and Appliance and Radio Dealers	486	581	95	19.5

Source: Supplementary brief, Retail Council of Canada, proceedings, pp. 706-7.

Next to the chartered banks, the greatest absolute increase in the 10 years ending with 1963, in consumer credit outstanding, is represented by the consumer loan companies. Although these companies continue to deal mainly in cash loans, it has been suggested that they are gradually moving into the purchase credit area. Table 7 gives some support to this theory, and it is a possibility that the Committee has kept in mind.

TABLE 7

CHANGE IN COMPOSITION OF BUSINESS OF CONSUMER LOAN COMPANIES, SHOWING OUTSTANDING CASH
LOANS AND INSTALMENT CREDIT AT YEAR END, 1953 AND 1963

Nature of Credit	1953		1963		10-Year Increase	
	Millions of \$	% Distribution	Millions of \$	% Distri- bution	Millions of \$	% Increase
Cash loans	173	98.3	753	93.2	580	335.3
Instalment credit	3	1.7	55	6.8	52	1,733.2
All consumer credit	176	100.0	808	100.0	632	359.1

Source: Bank of Canada brief, proceedings, p. 112.

SMALL LOANS

Throughout the hearings of this Committee no subject has come up more often than the Small Loans Act, and practically all the words spoken about it have been words of praise. We were told—and the hearings have left us in no doubt—that a book could be written about this Act alone.

The Small Loans Act came into effect in 1940 at a time when it was generally agreed that the situation with respect to small loans was deplorable, and that legislation was needed in the public interest to bring order out of chaos. The provinces were consulted before the Act was adopted. Although one or two of them expressed some reservation about its constitutional validity, none opposed it at that time, nor has any province done so since. There was naturally some opposition from money-lenders, but by and large, the Small Loans bill had the blessing of those whose business it was designed to regulate. And to this day, with regulations adapted to changing conditions, the Act has continued to enjoy the confidence of those in the business. In fact the Canadian Consumer Loan Association helps the Superintendent of Insurance in policing the small loans business generally.

Administrators of the legislation assure us that enforcement has presented no serious difficulties; the few occasions on which it has been necessary to apply legal sanctions have generally arisen out of misunderstanding rather than deliberate evasion of the Act.

We heard no suggestions that operation of the Small Loans Act should be in any way curtailed, but many have urged that protection of the small borrower be improved both by increasing the size of the loan to which the Act applies, and by broadening the definition of "loan" to include specifically purchase credit as well as loan credit.

The arguments in favour of broadening the scope of the Small Loans Act are: (1) that more than 25 years' experience demonstrates the value of its provisions, and it would be in the public interest to extend the jurisdiction exercised under the Act; (2) that since the Act came into effect the whole field of consumer credit has greatly expanded and changed in nature, and that the small loans business has been much affected by these changes.

The Act has served many small borrowers well. Although the upper limit was originally \$500, since 1957 protection has been extended to those borrow-

ing up to \$1,500. The Royal Commission on Banking and Finance has recommended that the upper limit should be further raised to include loans up to \$5,000. This recommendation has been endorsed in briefs presented to us by the Consumers' Association of Canada, The Canadian Federation of Agriculture, the Family Bureau of Greater Winnipeg and others. It is opposed by the consumer loan companies, and Mr. MacGregor, with long experience in administering the Small Loans Act, feels that to move up to \$5,000 might mean going beyond consumer finance into an intermediate area.

The other way in which we have been urged to recommend extension of the scope of the Small Loans Act is to ensure that it applies specifically to purchase credit as well as loan credit. Many types of credit transaction common today were not even contemplated a quarter of a century ago, and it is becoming increasingly difficult to say whether a transaction involves mainly the sale of goods or the lending of money. At the same time the evidence shows that the money-lending business has gradually moved away from the simple matter of supplying needy borrowers with small sums of money.

The small loans business continues to grow both in amount of money involved and in number of loans made. Loans regulated under the Act advanced in one year now total more than \$800 million; the number of accounts is close to 11 million, and the average loan is \$570. As Table 8 shows, the size of the loan has been gradually increasing in recent years.

We learned from the report of the Royal Commission on Banking and Finance that "the administrative expenses of the consumer loan companies are the highest of any class of financial institution." The high expenses are associated with numerous small branch offices. "They have almost doubled in the seven years ending in 1961 until now there are a quarter as many consumer loan offices as there are chartered banks." In spite of these high costs, net profits after taxes are also high compared with other major institutions. For example, they are more than double those of the mortgage loan business.

TABLE 8 NUMBER OF SMALL LOANS MADE BY SIZE OF LOAN, 1962-1964

	Year						
Size of Loan	1962		1963		1964		
\$	No.	%	No.	%	No.	%	
1- 500	642,108	49.2	650,678	47.1	667,082	45.4	
501-1,000	584,825	44.8	608,337	44.1	646,797	44.0	
1,001-1,500	77,222	5.9	121,048	8.8	155,815	10.6	
Total	1,304,155	99.9	1,380,063	100.0	1,469,694	100.0	
Average size of loan	\$5	37	\$558	PAUL 10 101	\$570	12450 4 3	

Source: Report of the Superintendent of Insurance for Canada, 1964, p. vi.

Refinancing and Consolidation of Debts

It has become a widespread pattern in recent years—evidently encouraged by money-lenders-for a person who requires a further loan before he has discharged his present indebtedness, to borrow more than enough to pay off V 208-51

his debt or debts, receiving at the same time a certain amount of money for his immediate use. If the transaction is with the finance company to which he already owes money, this is called refinancing his loan. If the new and larger loan is taken to pay off various debts, some to other creditors, it is called consolidation of debts.

Both practices have the effect on the borrower of increasing his indebtedness and putting off, perhaps indefinitely, the happy day when he hopes to be in the clear. Furthermore, the cost of the loan, that is the interest and other charges which he must pay for the use of the money, is likely to snowball. Those who enter into arrangements of this kind are generally low-income families in desperate need of cash, the families least likely to be in a position to secure money at favourable rates, and probably also lacking in understanding of business transactions. With current emphasis on the need to protect the family as an institution, and evidence on all sides of the threat to family solidarity that results from unmanageable debt, this seems to be an area where more protection is needed.

Without suggesting that there is no legitimate place for refinancing and consolidation of debts, we would point out that it can open the door to abuse. The practice of refinancing is now so common that only about 35 per cent of the money debited to present debtors is actually paid to them in cash. Well over 60 per cent goes to refinance previous loans. (See Table 9.)

Spokesmen for a number of consumer loan companies recently told the Nova Scotia Royal Commission that "there will be as many as three refinancings after the first borrowing and that the average borrower will remain on their books continuously for about seven years." The Nova Scotia Commissioner remarked that "a very substantial proportion of the persons who borrow from the consumer loan companies remain more or less indefinitely on the books of these companies." Because these current debtors are the source of 74 per cent of all new business, the practice of refinancing makes a big impact on the over-all accounts. So great is the impact that 47 per cent of all small loans goes into refinancing, leaving little more than half to be paid to borrowers in cash. (See Table 10.)

How the cash advanced is shared by those already on the books of the lenders, new borrowers, and those who have discharged earlier loans is shown in Table 11.

TABLE 9

REGULATED SMALL LOANS ADVANCED TO CURRENT BORROWERS, 1962–1964

	Year						
Description of Loans to Current	1962		1963		1964		
Borrowers -	\$	%	\$	%	\$	%	
For refinancing	336, 231, 421	64.8	370,839,738	65.3	396, 307, 112	64.3	
New funds advanced	183,014,326	35.2	196,792,439	34.7	220,078,008	35.7	
Total	519, 245, 537	100.0	567, 632, 177	100.0	616,385,120	100.0	
Loans to current borrowers as percentage of all small loans	74		74		74		
All small loans 700, 906, 537		769, 648, 673		837, 636, 533			

Source: Report of the Superintendent of Insurance for Canada, 1964, p. vi.

TABLE 10

ALL REGULATED SMALL LOANS, SHOWING NEW FUNDS ADVANCED TO BORROWERS AND MONEY APPLIED ON DEBTS ALREADY INCURRED, 1962-1964

	Year			
Destination of funds	1962	1963	1964	
	\$	\$	\$	
Advanced to borrowers	364, 675, 116	398,808,935	441,329,420	
Refinancing	336, 231, 421	370,839,738	396, 307, 112	
All small loans	700,906,537	769,648,673	837,636,533	

Source: Report of the Superintendent of Insurance for Canada, 1964, p. vi.

TABLE 11

New Funds Advanced in Regulated Small Loans by Class of Borrower, 1962-1964

	Year							
Philippin Intertals or	1962		1963		1964			
Type of Borrower	\$	%	\$	%	\$	%		
Current borrowers with earlier loans undischarged	183,014,326	50.2	196, 792, 439	49.3	220,078,008	49.9		
New borrowers	128, 117, 933	35.1	143,444,483	36.0	157,414,766	35.7		
Previous borrowers with earlier loans discharged	53,542,857	14.7	58, 572, 013	14.7	63,836,646	14.5		
All new funds advanced	364, 675, 116	100.0	398,808,935	100.0	441,329,420	100.1		

Source: Report of the Superintendent of Insurance for Canada, 1964, p. vi.

Summary

The present situation is, then, that those who are already in debt to the small loans companies or money-lenders—and more than half of the borrowers are in that position—actually receive in cash only 36 per cent of the small loans debited to their accounts. Furthermore, nearly half of all funds advanced in small loans go, not to the borrowers, but to their creditors.

Who some of these creditors are can be deduced from the statement in the report of the Royal Commission on Banking and Finance that many of the consumer loan companies are "subsidiaries or affiliates of sales finance companies or of foreign-owned consumer loan companies." At the end of 1961 "five American-owned companies had 57% of all business and three subsidiaries of Canadian finance companies a further 28%."

That consolidation of debts is a lucrative business is borne out by a statement of a representative of the Retail Merchants Association. "At the moment," he said, "even some of the smaller finance companies are trying to get in on this credit bandwagon. They are trying to get people to consolidate their

accounts, to borrow the money from them and pay cash. Many of those dealers in Canada now are refusing to take cash for goods contracted for on credit, because the credit is a good thing. They are in the finance business rather than in ordinary business."

In view of the fundamental changes in business methods as they affect transactions regulated by the Small Loans Act, the time appears to be ripe to re-think the definition of a small loan. Perhaps the whole purpose of the Act should be reviewed in the light of current practices in the credit business in the sixties.

The primary function of the small loans companies and money-lenders used to be to enable needy people to borrow small sums. Although they continue to be practically the sole source for desperate borrowers, the business of actually providing cash has become much less important to them as they have moved into other, and more lucrative areas.

It is not a simple matter to determine an appropriate scale of maximum rates for small loans. In Mr. MacGregor's words, "The proper objective would seem to be the level at which efficient lenders only may make a reasonable profit rather than a higher level that would attract the inefficient as well. Looked at from the borrower's standpoint, one must have regard for the desirability of ensuring adequate facilities, especially for needy borrowers of small amounts, and yet of securing the best procurable rate."

What facilities are now available to the little man who finds himself in need of a loan? Unless he is a member of a credit union he has little chance of borrowing at a low rate of interest. Of the three main sources open to him one, the finance company, does not deal directly with the consumer. If the money is needed to purchase goods he may be able to buy them on credit, in which case he may become indebted to the retail dealer or to a finance company if the agreement is sold. But if his need is for cash, there appears to be no alternative to borrowing from the small loans companies or money-lenders. The trouble with that is that if the man is already in debt—a most likely situation—the condition attached to receipt of money is likely to involve him in additional borrowing, putting off even further the day when he can hope to be out of debt.

Many customers of small loans companies and money-lenders are people who are unable to obtain credit elsewhere. Some have no doubt been turned down by the banks. The main reasons for this, as revealed in the Poapst sample survey for the Royal Commission on Banking and Finance, are likely to be that they lack security, guarantee or collateral (39.3%); tight money policy (24.7%); poor risk (9.8%); insufficient income (9.5%). Furthermore, we were informed that about 50 per cent of those who apply for small loans to the consumer lending companies or money-lenders are rejected.

Even after this selection process, 60 per cent of the borrowers from these companies earn \$400 or less per month, and about 80 per cent earn \$500 or less. Because sales finance companies are not regulated, comparable information is not available concerning the financial status of their debtors, but there is no absolute selection of risk such as operates in the banks and insurance companies, and consequently a considerable proportion of their dealings are with people of small means. Table 12 shows that these three institutions—small

loans companies and money-lenders; finance companies; and retail merchants—charge a much higher rate than do institutions which restrict their loans to the better off.

That is not to say that all borrowers from high-cost lenders are poor people, but individuals with substantial incomes and considerable assets are in a better bargaining position and are able to borrow at lower rates. Since choices are made only among actual alternatives, for the low-income groups the striking change in the decade 1953 to 1963 was the tremendous increase in involvement with consumer loan companies. Admittedly, retail dealers and finance companies both have more money outstanding, but their lending is not concentrated among the poor. The growing importance of the banks in consumer lending has had little effect on the business of the money-lender, since the banks restrict their lending to a higher income group. Part of the recent mushrooming of consumer credit—particularly bank loans—represents borrowing by what have been called unrationed borrowers. These are the people with other alternatives who borrow money only when rates are favourable.

SALES FINANCE COMPANIES

Sometimes consumers wish to make substantial purchases which they are unable or unwilling to make out of savings. The balance may be financed by the retailer, or he may assign the conditional sale contract to a finance company. Companies of this kind, which grew up following World War I to finance automobile sales, continue to find their principal source of business in this area, but financing of household goods and of commercial and industrial items is also important to them. The role that these companies play in the consumer credit finance field has grown tremendously in the post-war years, and they are the largest single group of borrowers in the money market. But their developing power and influence have not been matched by increased accountability to the public. As the Royal Commission on Banking and Finance noted, they are the only major financial institutions unregulated by any act other than normal company legislation. They make no reports to responsible officials of the kind that form the basis of published data on consumer loan companies and money-lenders.

The finance companies insist that they are neither retail merchants nor money-lenders, but they describe themselves as "in the business of extending credit". Nevertheless, the larger companies have subsidiaries which are consumer loan companies. They also have affiliated insurance companies to provide that "service". And it is these large companies that control the lion's share of the business. Like the small loans business, sales financing is highly concentrated in a few companies.

Ten finance companies do about 90 per cent of the business covered by DBS statistics; the four largest account for about 80 per cent. Most of the others—there are some 150 in all—are quite small, many with only one office. At the close of 1965 Canadian consumers owed sales finance companies \$1,140 million, and more than \$900 million of this, roughly 80 per cent, was for the financing of passenger cars (including those sold for commercial as

well as personal use). Financing the sale of motor cars accounted for 78 per cent of the business done in December 1965.

Although the finance company is not an actual party to the original contract between buyer and seller, it certainly seems to be looking over the seller's shoulder. The finance company has usually determined in advance for both buyer and seller the financial terms of the deal, generally including the requirement that the purchaser sign a personal note, which will be assigned to the finance company along with the agreement for sale. The finance companies even provide retailers with a standard form on which agreements are made. Once the customer has signed on the dotted line his relation to the finance company is soon made clear. In the words of one of their representatives, "We deal with the consumer after the fact, because he makes his payments directly to our offices." Some sales finance companies buy these agreements subject to recourse against the merchant if the customer defaults. The customer has no such recourse against the finance company if the goods prove to be deficient. The President of the Federated Council of Sales Finance Companies referred to the purchaser as "the customer of the dealer and therefore, indirectly, our customer ..."

Finance companies compete to have retail dealers bring them their contracts, and the competition is in the terms on which they offer to buy these agreements. An important inducement offered to the retailer to obtain these profitable contracts is the "wholesale" financing of their inventories at much below retail rates (around 6½ per cent on new cars, 7½ per cent on used cars, including the "service charge"). Availability of credit at favourable rates is important to the retailer, and for some smaller businesses it may be essential to survival. We were informed that the sales finance company pays for the dealer's cars at the factory, and that the same arrangement may apply to appliances and boats. A member of the Committee expressed his view based on wide experience, that, "Retailers cannot possibly go into business today without the service of an acceptance corporation or a finance company."

Another bond between the finance companies and the retail dealers is that they share with the dealer the finance charges which the customer pays. The sum set aside for the dealer, sometimes called the dealer's reserve, is "the difference, if any, between the retail price for the financing established by the dealer and the wholesale price established by the finance company." The exact amount credited to the dealer varies somewhat, depending on whether the sale is of appliances, home improvement, new or second hand car. The dealer's share is said to vary from 10 per cent to 20 per cent of the total charge to the consumer.

A member of the Chamber of Commerce delegation, also Vice-President and Deputy General Manager of the Industrial Acceptance Corporation Limited, compared the dealer's share with the insurance agent's commission. The analogy implies that the finance company is paying for the service. Many retail dealers are very close to being agents of the finance companies. As one finance company representative put it, "It is the merchant who creates the business on our behalf."

ECONOMIC EFFECTS OF CONSUMER CREDIT

It is more than thirty years since Robert S. Lynd called the consumer "the man few economists know". Much has happened since that time to bring the consumer and his behavior to the attention, not only of economists, but

also of governments and administrators. It is now recognized that decisions of consumers concerning whether to buy, what to buy, and when, exert a powerful influence on the flow of goods and services. When all is said and done, the goods and services produced and consumed form the substance of our national economic life. The Royal Commission on Banking and Finance observed that "it is the individual and collective wants of persons that the other categories of borrowers (the financial institutions and markets) are ultimately designed to serve."

Personal expenditure on consumer goods and services accounts for roughly two-thirds of Canada's gross national expenditure. The importance to the economy of all this spending is beyond dispute but the more specific interest of the Committee is in the fact that a high proportion of the purchasing power of consumers each year goes for goods and services already received; at the same time they are committing their future income for things to be enjoyed now.

What effect this growing custom will have on the overall economy is causing some concern to responsible people. As far back as 1938 the final report of the Banking and Commerce Committee of the House of Commons spoke of the need for "further information as to the relation between consumers' credit and business depressions." Today the issue may be inflation rather than depression, but in a general sense several members of the Committee repeatedly raised the same question: possible effects on the economy of either uncontrolled rise or too much restriction on consumer credit.

Nobody suggested that consumer credit was not rising fast enough now. Except for references to the reduction in consumer spending that took place during World War II-when prices were controlled and consumer goods were scarce—and fears voiced by representatives of the finance companies and retail businessmen concerning possible repercussions if credit were to be curtailed, little light was shed on the economic effects that could be foreseen if the tide were stemmed. The General Manager of the Retail Council of Canada thought that increased use of credit probably caused people to invest more in capital goods, such as labor saving devices, and less in services. We note that the Ontario Committee felt it was not within their terms of reference to evaluate "whether the total volume of credit is at a desirable level or whether legislative action should be taken to restrain the use of credit generally..." Professor Ziegel gave us his view that credit restrictions would not impede the economy. He said that British experience with fairly strict regulations speaks for itself. "Consumer credit there has doubled... in the last five years." He added: "I think the same is true of Australia."

When a country is threatened with inflation or recession various methods may be employed to deal with it. We rely mainly on monetary and fiscal policies as an antidote. Monetary policies are used to regulate the overall amount of credit. When interest rates rise, there is a general tightening of credit to business, but a rise in interest rates appears to have little effect in curbing consumer credit. The reason for this is that in a period of tight money those with money to lend become more selective, making fewer loans and investments of the kind that tend to produce lower yields. The usual high yield on money lent to consumers is not particularly sensitive to changes in

the much lower business interest rates. There may be a certain amount of credit rationing by the banks, and there are signs now that the banks are emphasizing saving in their advertising. The way Mr. Bouey of the Bank of Canada explained it was that finance companies can always get hold of money if consumers "want to pay" 15, 18 or 20 per cent.

Neither do consumer loan companies appear to make any major changes in their lending policies. Small lenders, who must depend on bank credit, may be short of funds, but the Royal Commission on Banking and Finance notes that subsidiaries of Canadian and American firms—and they do most of the business—"obtain all the funds they need from their parents and appear to be little affected by such difficulties."

So lucrative is the retail financing of motor cars that to ensure the flow of this consumer credit business, finance companies continue to undertake the wholesale financing of cars even if it is hardly worth the paper-work when they must borrow at approximately 6.25 per cent and lend at 6.50 per cent.

More than one member of the Committee raised the question whether unrestricted growth of consumer credit impairs control over monetary policy. Perhaps as good an answer as any is to be found in the evidence given in an earlier enquiry by the Governor of the Bank of Canada concerning his predecessor's efforts in 1956 to curb the volume of consumer credit, particularly instalment finance, by attempting to get voluntary agreement of the credit grantors. He was not successful. The Co-Chairman's question to the representative of the Bank of Canada as to whether "there is any indication that legislation permitting some control by the Bank of Canada over consumer credit agencies at a time of financial or monetary emergency would be beneficial" went unanswered. However, Mr. Bouey agreed with a member of the Committee that "if we felt consumer credit was getting out of bounds we could not look to the Bank of Canada to curtail it, it would have to be done through some act of Parliament."

SOCIAL EFFECTS

The importance of the collective spending of consumers in influencing economic conditions has been considered above. But it must not be forgotten that how well Canadians manage their personal finances is of fundamental importance also to the well-being of the household and family, and indeed of the whole society.

It is reassuring to have the opinion of the Royal Commission on Banking and Finance that "by and large Canadians manage their finances with greater wisdom than appears to be popularly believed. Most households appear to have a reasonable pattern of assets in relation to family needs, income and risk-taking ability. Most, too, have made sensible use of instalment and other credit to acquire physical assets that yield them high returns, not only in financial terms but in terms of convenience and ease of household living."

Overall statistical data document the striking growth of credit in the post-war years, but detailed information concerning consumers' personal finances is sparse. Available data are usually in gross figures or averages, and much of the discussion concerning possible dangers in over-extension of credit has been in terms of comparison of total consumer credit with aggregate earning power of consumers, with their total assets, or with the gross national product. When Mr. Bouey of the Bank of Canada was considering the "ratio of consumer credit to personal disposable income", he recognized that it can give only "a very rough indication of the probable capacity and willingness of

consumers to incur further increases in debt." The Nova Scotia Royal Commission on the Cost of Borrowing Money, the Cost of Credit and Related Matters, points out the need for statistics on personal finances of consumers. The report of that Commission observes that the degree to which individuals are excessively committed cannot be determined by reference in general to the financial position of consumers. Professor Neufeld of the University of Toronto has also spoken of the need for "data on personal disposable income and net worth of individuals using consumer credit."

Although it is subject to the same limitation that it deals with "the average borrower", one of the few informed opinions that has come to our notice concerning a safe amount of credit for an individual to assume, is found in a statement made to the Ontario Committee by the chartered banks. They suggest that "instalment obligations up to 15 per cent of net income, exclusive of residential mortgages" would be reasonable. One who represented the Consumers' Association of Canada at the hearings of our Committee, recently told the Canadian Home Economics Association that only families who have an income above subsistence level can afford to use credit at all. Well publicized recent studies suggest that roughly one-fifth of Canadians are in what is declared to be the poverty group. It would therefore seem that her estimate that about 10 per cent of Canadian families are unable to cope with credit is no exaggeration. The words of the final report of the Commons Banking and Commerce Committee of June 1, 1938 bear repeating to-day: "The unhappy lot of those who have a deficit economy, in the sense that they are chronically unable to live within their income, is not to be bettered by borrowing (no matter the rate)."

Consumer credit can take various forms, but not all kinds of credit are available to the low-income groups who do not usually possess assets which can be pledged for security. Banks and insurance companies lend mainly to those who are better off, leaving the poor people-unless they can borrow from credit unions—to the small loans companies, retail credit dealers and the sales finance companies, all of whom, for reasons explained elsewhere, charge high rates.

A man may borrow from one party to pay another in cash, or he may deal with a merchant who sells him an article (or a service) and at the same time lends him the money to pay for it. If, as often happens, the retailer sells the instalment contract to a finance company, the debtor may be obliged to make his payments to one who has no obligation whatever to him. But the sale of the original agreement to pay does not change the nature of the transaction. The essential unity in consumer credit is the fact that it practically always arises out of the sale of goods and services, and in every case it creates debts which the consumer undertakes to pay.

From the point of view of the consumer, then, the important first question is whether or not he can afford to add to his commitments. This is something which the wise buyer decides for himself. But temptation is great in a world of easy credit, and not everyone is sufficiently well informed to make a rational decision. The danger is that poor people will, through lack of understanding of the consequences, bite off more than they can chew. At a conference on consumer credit held at the University of Saskatchewan a few months ago, a Co-Chairman of this Committee observed that the poor need protection because "they are more gullible, more easily cheated, less conscious of the quality of goods they buy, more likely to over-commit themselves, more likely to deal with high cost neighbourhood stores and pedlars, less aware of credit charges, less able to understand and assert their rights." He added that, "For them a missed pay cheque spells disaster."

Losses on loans and on time sale agreements are relatively small. Should payments fall behind, a well organized collection system includes "reminder notices, telephone calls, letters, and, in some cases, personal calls at customers' homes." Finally, there is the threat, at least, in the mind of the borrower, of legal proceedings, perhaps the dreaded garnishee of wages. Little wonder that the sacrifices that may have to be made by the debtor's family to keep up payments over an extended period are not the lender's prime concern, particularly if all contact with the original seller ends when the customer signs on the dotted line, and the agreement is immediately sold to a finance company.

Obviously, it is before he commits himself that the unwary consumer needs disinterested advice. Today this kind of person puts himself in the hands of those whose business depends on selling goods and services. A representative of sales finance companies, arguing against disclosure of annual interest rates, told us that the interest of the common man "is not how much percentage interest he is going to pay but, basically, is he apt to obtain credit." The applicant for the loan may very well allow the urgency of his present needs to obscure a realistic assessment of his future financial position, and enthusiasm for maintaining a business quota is likely to be uppermost in the mind of the lender. These circumstances combine to create a potentially dangerous situation for the borrower with scant resources.

Counselling

The president of the Canadian Consumer Loan Association told us of experiments being conducted in Ottawa and Winnipeg by the Credit Grantors' Association with what they call a "free debt counselling service" to help those whose debts have grown beyond their capacity to cope with them. Managers of various companies contribute their time in the evenings to counsel these people. This type of counselling was provided for 310 Winnipeg families in 1963 and 225 in 1964. We were told that the plan is expected to spread. There was some suggestion that these experimental programs "are trying to give free service" to those not in a position to pay for consolidation of their debts, but, generally speaking, consolidation of debts appears to involve adding to already high interest charges. A member of the Committee asked whether it would not be better to arrange for consolidation of debts without increasing the amount of money involved and adding to the interest. The answer was: "...I think that most good Canadian citizens are not anxious, when they get into a state of indebtedness, to go to a welfare agency and get assistance in that way. They want to pay their own way." We are informed that company staff is available "to talk to people and to guide them and counsel them in how they should pay and straighten themselves out."

We have learned also of a private agency called The Credit Counselling Service set up in Toronto under a 23-member board of directors. The president, a lawyer, said in a press interview that "the service was an outgrowth of a general belief among social workers, family courts and businessmen that inability to handle money creates many personal problems in a large cross-section of the community." The president states that the agency is not a charitable organization, and that they are "just as interested in seeing that the creditors get paid for goods legally bought as we are in guiding a debtor, or managing his affairs so he can pay his way out of his difficulties". Emphasis seems to be on working out ways to meet the payments and on the use of credit. There is apparently no plan to give advice on whether or not a purchase should be made.

The brief presented to us by the Canadian Consumer Loan Association stated that, "It is a matter of record that consumer loan companies cooperate

fully with the armed forces benevolent funds and other welfare organizations when such organizations are called upon to assist families to adjust their affairs." The annual reports published by the Army Benevolent Fund Board set up by Parliament in 1947, illustrate the importance to veterans and serving soldiers, and hence to society, of this cooperation. Because families of serving soldiers and veterans form a large and probably representative sample of Canadian families, their experience with consumer credit problems provides an insight that is unique. Furthermore, many of the situations dealt with by the Fund have originated in civilian life.

In its report for the year ended March 31, 1962 the Board notes that "the consumer credit 'explosion' has had a serious effect on the financial well-being of a number of Canadian families."

"Where the head of the household had thorough knowledge of money management based on a high educational level or perhaps sound training given by parents, no problem arose. If, on the other hand, the family had no opportunity to learn the fundamentals of domestic financing, they very often became the victim of highly-developed sales practices and easy credit with the inevitable result—a serious debt problem.

Many of these families were found to have a critical lack of knowledge regarding interest rates, carrying charges, conditional sales contracts, charge accounts, revolving budgets and other forms of financing which must be readily understood if the consumer is to avoid becoming involved in personal debts."

The following extracts from two recent annual reports of the Board graphically describe contemporary problems affecting a great many Canadian families:

1963: "Again this year, the number of applications where a summons or judgment for debt has been issued showed a marked increase. Creditors appeared to be resorting to seizure, garnishment of wages, repossession of goods or other legal action for the satisfaction of debt in greater extent than has been the custom in previous years."

1964: "The cost of living continued to be a real problem for families living on a marginal income—and the need for assistance for such families marked the year's activities.

The type of applicant assisted by the Fund is usually a good citizen. He is attempting to provide a reasonable standard of living for his family and very often his problem can be met by financial assistance, together with counselling which will permit him to overcome the temporary financial distress. The Fund has accepted the responsibility to help this group, where there is a willingness to help themselves."

Some measure of the importance of the work of the Army Benevolent Fund is the number of cases dealt with in a year. In the fiscal year ended March 31, 1964, 3,142 grants were approved, most of which were made when an unexpected contingency had caused a financial problem. These contingencies included "sickness, accident, death or other occurrence resulting in loss of income, damage to property or severe financial indebtedness." Although many individuals helped by the Board are already financial casualties, a continuous preventive program is also carried on through publication of informative material on budgeting, consumer buying, sales financing, consumer borrowing, buying and selling of automobiles, insurance and savings plans, as well as by preventive individual counselling.

There is no doubt that a great many families—especially those with low incomes—desperately need financial advice. Those who can no longer cope with their debts certainly need help, but from the point of view of the individual consumer as well as that of society, the need for advice is most urgent before any new commitment is made. We are impressed with the preventive work done by the Army Benevolent Fund Board, and feel that to make that kind of help available to all families would be in the public interest.

Because those offering to lend money or sell goods are hardly in an independent position to advise prospective customers, we believe this kind of advice should be offered through the regular family agencies in the community. Emphasis would be more likely to focus on the best use that can be made of the limited family income, and there would be less chance of stress being put mainly on "the proper use of credit" when the budget cannot reasonably provide for any extra outlays.

When it has been decided on a rational basis that the consumer can safely assume a proposed debt, then the question arises as to which form of credit is the best buy for him. That usually boils down to the cost of the loan, a subject that is discussed below. Other than the cost of the loan, and consequences that follow for those whose payments fall behind, conditions of borrowing are of greater interest to lenders than to borrowers. For it is the method of financing the loan that determines who ultimately collects, and how much, for the use of the money and services connected with the transaction (i.e. interest and other charges). Finance companies, consumer loan companies and retail dealers as well as banks and credit unions, are all anxious to increase their share of consumer credit, although some are more selective than others of their clientele.

THE COST OF THE LOAN

It costs money to borrow, that is to rent the use of someone else's money, and individuals and families are advised to shop for credit as for other goods and services. This advice comes not only from the Consumers' Association of Canada but also from those who offer to supply the credit: finance companies, money-lenders and retail merchants. The need for a loan is often directly related to an immediate outlay. Once it has been decided that the individual must borrow, the important question for him is whether it would be advantageous to borrow cash or to deal on credit with the seller of the goods. A spokesman for the Canadian Chamber of Commerce agreed that the best way of deciding this is to determine the respective rates of interest. If the decision is to buy on credit, it is well to take into account the possibility that the credit agreement may be sold to a finance company, setting up new obligations to unknown parties.

Should the plan be to borrow and buy for cash, the next question is where the prospective borrower can get the best buy. Those who have a relatively large current income, relatively good financial prospects, and sufficient assets that can be liquidated which they are willing to pledge as collateral, are in a good bargaining position. These individuals, who are not only willing but practically certain to be able to pay, are a lender's best risk. Although consumers generally pay a higher rate for credit than businessmen, those who are considered first class risks have no trouble in borrowing from banks. They are also more likely than the average man to have insurance policies on which they can raise money. Rates charged by insurance companies are most favorable, and bank rates on consumer loans are also relatively low.

But these sources are not generally open to the low-income group. Except for those who are members of credit unions, they must borrow from loan companies or money-lenders. Some kinds of retail credit buying are also open to them. Generally speaking, only the more expensive types of credit are available to the poor.

The main reasons for this are that in the small loans business, loans are by definition of a size that raises the costs of administration; and since these loans are often made without security, there is said to be considerable risk attached. In retail sales financing the costs of administration are generally high. Current rates paid by consumer borrowers are summarized in Table 12.

TABLE 12
ESTIMATED ANNUAL PERCENTAGE COSTS OF CONSUMER BORROWING

	Rates	
control tentrology of a readily production of the second	Stated %	Effective Annual %
Cash loans		
Chartered banks	6 p.a.	$9\frac{1}{4}-11\frac{1}{4}$
Credit unions	1 per month	8–10
Caisses		6-8
Consumer loan companies (de-		
pending on amount of loan;		
under \$1,500)		15.24-24
Life insurance policy loans		6
and the second s		
Credit buying		
Sales finance companies		
New Cars		12.5-18.8
Smaller contracts		16-23
Retail stores		13-17 approx.

Source: Compiled from data provided by Research Department, Bank of Canada.

Because the above rates differ somewhat from those presented by Mr. Andre Laurin of the Confederation of National Trade Unions, Mr. Laurin's estimates are set out below:

	Approximate annual %
Cooperatives	6
Banks	6-12
Finance companies	6-24
Acceptance companies	18–60

The man on the street thinks of the cost of borrowing money as interest, and generally speaking, that is the cost as far as the businessman is concerned when he is lending mortgage money or borrowing himself. But when he is dealing with the private consumer the word "interest" is taboo. So deep-seated is the desire to avoid speaking of interest rates that a representative of the sales finance companies said they figure their business in terms of "the return per \$100 that we make available". A member of the Committee quickly observed that this was really the same thing as talking about percentages. In

dealing with the consumer a separate method of calculation is used: all costs of a loan are usually lumped together in what is called the service cost for the whole transaction. Abandonment in transactions with the consumer of the age-old and otherwise universal practice of expressing yield on money as a percentage per annum was singled out by the Nova Scotia Royal Commission as "the direct and principal cause of much of the confusion which undoubtedly exists today concerning the cost of lending and credit."

The Nova Scotia Royal Commission pointed out that, without exception, disinterested Canadian sources favor disclosure of the cost of credit as a rate of interest. For loans regulated under the Small Loans Act, of course, all related charges are included in the cost of the loan. Opposition to extending this concept to larger loans and to retail credit agreements "has almost exclusively come from the industry, particularly from the highly vocal and well-organized sales finance companies who have mounted an extensive campaign against it."

Those who undertake to pay finance charges are in a poor position to assess their value when they are given no information as to how the charges are made up. Representatives of the finance companies who appeared before us estimated that more than half of the cost of the money they provide is for other than interest charges. We learned from the Chamber of Commerce delegation that "...most retail stores find two-thirds of the cost [of extending credit] is other than interest, and one-third may be classed as money cost. The other costs are legal, staff, space, telephone, stationery, investigation, collections, reserve for losses, etc. The charge for forebearance, or what we think of as interest, will cover only one-third of the actual cost of most retail transactions on credit."

No person has suggested that interest is not a factor in the cost of lending money. Professor Ziegel assured us that "so far as economists are concerned, interest means the cost of the loan or other credit being extended". That is not, however, the judicial interpretation. Admitting that other costs than interest often enter, it seems reasonable to inquire what these costs are, and to what extent they occur in different types of consumer credit. We have the word of a financial expert, that pure interest is an economic concept of the value attached to the use of money, per se. It is compensation for deferring satisfaction of wants which immediate use of the money would otherwise bring. Pure interest in this sense rarely exists, but the term is nevertheless in common use where other factors are present in the cost of the loan. "Perhaps the closest approach to pure interest", said Mr. Irwin, "is found in the case of a government Treasury Bill in regard to which service cost, direct costs and risks are, practically, non-existent."

Except for the rare case of pure interest, "every charge for the use of money includes, in some measure, at least three of the following elements:

- 1. Pure interest
- 2. Risk
- 3. Service costs
- 4. Direct outlays (e.g. legal fees)"

If the interest element is to be considered as simply compensation for forbearance of use of the money, presumably the interest rate could not depend on who borrows the money. The much higher cost of money to consumers must lie in the other three elements. As to the risk, it is true that consumer loans and consumer credit are often granted without security. However, the evidence as to losses suffered by lenders convinces us that the risk is relatively small, certainly not sufficient to account for the great difference in cost of consumer loans as compared with business loans. We agree with the Nova Scotia Royal Commission that, "Risks are grossly overstated in the modern context." It is doubtful whether the lender's risk is any greater—or even as great—as that assumed by the unsophisticated consumer when he signs an agreement to buy goods, perhaps of doubtful quality, from an establishment which he may never have heard of before.

"Service costs" are seldom spelled out and they naturally vary a good deal. Though some services are admittedly provided for the convenience of the consumer, others, such as purchasing the contract and investigating the applicant, are more likely to benefit the lender. When it was suggested to a representative of the Canadian Chamber of Commerce that "... what you are saying is that credit is an expensive service to the customer." the answer was: "It is a service. Whether it is expensive or not is a matter of opinion." Since there are no absolute standards in this area, opinions appear to be roughly divided between those in the money-lending business and all other members of the community. It is significant that the consumer is given little or no information on which he could base a reasonable judgment, and no choice as to whether or not he wishes to buy the services.

Direct outlays, including legal fees, enter into overall costs of lending. In the case of finance companies and money-lenders, costs of this kind as well as investigation of individual circumstances, should be greatly reduced by standardization of transactions and by the large amount of business done with people already on the books. (See p. 1391.)

As for retail credit—department stores should seldom require costly legal work on individual accounts. There must be considerable expense connected with the sale of cars, but it should not be too difficult to account for necessary legal fees and disbursements in the same way as is done in mortgage deals and other transactions.

Our conclusion is that there is good reason for charging higher rates to consumer borrowers than to business borrowers, but we do not understand why the spread should be so great. If lenders refuse to reveal the elements that enter into the costs of consumer loans, we can only conclude that the charge is higher than economically justifiable. A spokesman for the finance companies defended their resistance to stating interest rates on the grounds that "people would be inclined to take a second look." This statement provoked one of our members to observe that that would be all to the good.

HONESTY AND TRUTHFULNESS

The Committee affirms its belief in the inherent honesty and truthfulness of the average Canadian. We include both individual businessmen and the general public—by no means mutually exclusive groups. All workers are consumers, and most adult consumers are workers. All businessmen are members of the general public, but only a minority of the public are businessmen, or even acquainted with business practices.

Borrowers

We learn from lenders that failure of borrowers to pay as promised results not so much from irresponsibility or deceit on the part of the debtor as from unforeseen changes in his circumstances such as ill health or loss of employment, making it impossible for him to fulfil his undertaking. Other evidence, particularly that of the credit unions and social agency representatives, emphasizes the part that lack of understanding of a transaction can play in entering on the road to disaster.

A committee which appeared before the Nova Scotia Royal Commission on behalf of the local branch of the Credit Grantors Association of Canada, the retail committee of the Halifax Board of Trade and the Halifax-Dartmouth Credit Exchange, related their experience that "as much trouble had been occasioned by irresponsible credit granting and lending as by irresponsible borrowing and buying." Nevertheless, experience of administrators of the Small Loans Act—the only source of information concerning Canada-wide consumer borrowers over an extended period—is that lenders regulated by the Act seldom contravene its provisions. Any infractions have generally been due to misunderstanding rather than deliberate evasion. But even if we accept the fact that borrowers are generally truthful and that most lenders are carrying on a legitimate business in an ethical way, all admit that there is room for improvement in consumer lending practices.

Businessmen have a legitimate interest in curbing practices that give their business a bad name as well as in improving the efficiency of their methods. Legitimate operators in the small loans business welcomed the Small Loans Act which did so much to rid them of the unfavorable image of the moneylender. Obviously, a good deal of the resources of money-lenders or credit grantors go into selection of their risks and the exercise of control over extension of credit on their behalf. This helps to explain the very small losses on bad debts suffered by banks, finance companies, department stores, other retail stores, and even the consumer loan companies which deal mainly with the lower income groups. Representatives of these institutions informed us that their losses on loans are almost as low as those of the credit unions which have the undoubted advantage of personal acquaintance with the borrowers who are also their lenders. Losses suffered by these different lending institutions generally vary only within a relatively small range—from about one-half to one per cent. It is obvious that the interests of lenders are well protected.

It is the special role of government to protect society's weaker members. In transactions between corporations and businessmen on the one hand and the man on the street, there is no doubt about who is in the weaker bargaining position. Although some evidence of abuses was presented to our Committee, we learned a good deal more about this aspect from reports of individual cases brought to the attention of provincial investigating bodies. Abuses appear to be most common in the sale of used cars and in door-to-door selling; the growing practice of consolidation or refinancing of debts also gives us concern, and it is discussed elsewhere. There is evidence of changing practices in retail selling which may benefit some kinds of business at the same time as they damage the prospects of others. The second mortgage field, though not within our terms of reference, becomes relevant to consumer credit when, as sometimes happens, a mortgage is taken out to pay for consumer goods. Another practice, common in the United States, is emerging here: that of selling in a package deal with the house, a stove, refrigerator, washer and dryer—the durable goods that now make up a considerable part of consumer credit buying. Assuming that various segments of business will each look after their own interests, the fact remains that decisions facing the average man are becoming increasingly complicated, and the consumer's need for advice and protection grows.

Advertisers

Spokesmen for social agencies have long advocated that advertising of small loans be regulated, but until fairly recent times loan companies have claimed that they were advertising to inform the public that loans were available, not to persuade people to borrow. That is hardly a serious argument today when we are continually bombarded with suggestions to travel now to far-off places, and pay later, or to see "friendly Bob Adams" who will consolidate all our debts. There is a basic conflict between the philosophy of the advertising man, "Don't sell the steak—sell the sizzle" and the consumer's desire to buy a good steak. Nowadays advertisers lure customers with repeated reminders of the importance of making this purchase or taking that trip if they want to be like the others. Children and young people are extremely sensitive to advertising of that kind, and parents are naturally influenced by the aspirations of the family as well as their actual physical requirements.

The unsophisticated are easy prey for novel merchandising devices including package deals, special offers, premiums and services of all kinds when they are represented as means of stretching a small income. The endless stream of persuasion via television, radio, magazines, newspapers, billboards and in the mail, has become a predominant part of our environment.

It hardly seems fair to pit the man on the street against the most sophisticated psychologists employed to pierce his armor, but it would be difficult to regulate the gentle art of persuasion. However, when it is a question of misleading or deceptive advertising responsible authorities must protect the gullible. The Retail Merchants Association is concerned about practices of a few retailers who "persistently and deliberately carry misrepresentations in their advertising." A representative of the Association who appeared before us, recently told the press that while misrepresentation is practised only by a small percentage of retailers, the "image of deceit" rubs off on thousands of legitimate storekeepers who are trying to do business honestly. Association members say they are happy to face fair competition, but they are hurt by a few competitors who offer bargains that the public will never get.

Concrete examples of misrepresentation in advertising were brought to the attention of the Committee. One advertisement suggested that a sewing machine would be given away free with the purchase of a cabinet, the price quoted for the cabinet and the machine together being the same as the price for the cabinet alone. Another led prospective customers to believe that by purchasing a record library it was possible to acquire a stereo set free. The price quoted for 62 records was \$4.98 each. Only 15 of these records were listed on the open market at that price, 17 were selling at \$1.98 or \$2.98, and

the remaining 30 were discontinued records. Then there was the offer to buy \$180 worth of silverware for \$69.95, accompanied by a "credit gift certificate" for \$110. The "balance payable" was exorbitant for the inferior merchandise offered.

Merchandising and advertising of goods and services important to health and safety have been regulated for many years by the Department of National Health and Welfare, and innovations of all kinds are constantly watched. Weights and measures are regulated with a view to preventing fraudulent and deceptive packaging. But there is strong public demand for further protection, not only from dangerous products and short weight, but from outright misrepresentation and fraud. The Retail Merchants Association would have the Combines Branch of the federal government regulate advertising in the same way as the Federal Trade Commission does in the United States, with power to order advertisers whose claims contain misrepresentations to "cease and desist."

An insurance consultant recently expressed the kind of concern that ethical businessmen have when standards of conduct in their own field are threatened, noting that advertising and sales methods employed by some accident and health insurance companies "provide an example in many cases of actions which may be legal but are far from ethical". He went on to say that, "Policy provisions which are hard for the insured to understand even when the insurer makes every reasonable effort to clarify them present problem enough. But for the unethical company, the temptation to take advantage of the insured's lack of knowledge is irresistible, and it is a simple matter so to word its advertising and its policy contracts as to trap the unwary, without actually breaking the law.¹."

Similar concern for maintaining ethical standards in the retail business was expressed to us by a representative of the Ontario Retail Merchants Association. He referred to misleading advertising which seems to suggest no down-payment and which would convey the impression that no extra cost was involved in buying on credit. He felt that people advertising along these lines should be required by law to state what the ultimate total payment would be.

We heard criticism of those who advertise cash loans in such a way that the unwary greatly underestimate the cost of the loan. A professor who appeared before us mentioned the need for regulation of advertising practices of banks. He would make it mandatory for banks to disclose in their advertising the actual cost of the loan, stated in the same way as in the agreement itself.

Several submissions emphasized that all advertising of costs by those who extend credit, whether by lending money or by selling goods, should be

^{1&}quot;Insurance Ethics—From the Inside Looking Out", Henry K. Duke, CPCU, CLU, Annals of the American Academy of Political and Social Science, January 1966, pp. 102-107.

required to state the total cost in annual percentage rates as well as in dollars and cents. That is a necessary part of applying the concept of full disclosure not only to those who are at the point of entering into a financial obligation, but to all Canadians. Only if the consumer understands the cost involved will he be able to decide freely and rationally whether his financial situation makes it feasible for him to assume credit. And his freedom to choose among different kinds of credit the arrangement that is the best buy for him, obviously depends on statement of the cost in simple and uniform terms.

APPENDIX No. 1

SENATORS AND MEMBERS OF PARLIAMENT WHO SERVED ON THE COMMITTEE DURING INVESTIGATION OF CONSUMER CREDIT

(November, 1963 to April, 1966)

For the Senate:

The Honourable Senators

Bouffard (Deceased)	Lang
*Croll (Joint Chairman)	*McGrand
Davey	Robertson (Kenora-Rainy River)
Deschatelets	(Deceased)
*Gershaw	*Smith (Queens-Shelburne)
Hastings	Stambaugh (Retired)
Hayden	*Thorvaldson
*Hollett	Urquhart
*Irvine	*Vaillancourt—17.

For the House of Commons:

Messrs.	Miss Jewett
Allmand	Messrs.
Andras	Lachance
Basford (Joint Chairman)	Lefebvre
*Bell (Saint John-Albert)	Kindt
*Cashin	*Macdonald (Rosedale)
Chretien	*Mandziuk
*Clancy	Marcoux
*Coates	*Matte
Cote (Longueuil)	*McCutcheon
*Crossman	*Nasserden
*Deachman	Olson
Drouin	Orlikow
Duquet	Otto
Gauthier	Pennell (Hon. L.)
Greene (Hon. J. J., Joint Chairman)	Pugh
Gregoire	*Ryan
Gundlock	Saltsman
Hales	*Scott
Irvine.	*Vincent—38.

^{*}Served throughout the hearings on consumer credit.

APPENDIX No. 2

LIST OF WITNESSES

Date of Appearance	Name	Title	Organization
 June 2 and 9, 1964 June 9, 1964 		Then Supt. of Insurance. Admin. Officer	Dept. of Insurance, Canada
3. June 16, 1964	Gerald K. Bouey	Chief, Research Dept	Bank of Canada
4. June 23, 1964	(John M. Hallinan	General Manager)	
5	John H. F. Burton	Assistant Supervisor of Exams	Ontario Credit Union League
6. July 7, 1964	(J. M. Bentley	President	
7	David Kirk	Exec. Sec	Canadian Federation
8	Lorne W. J. Hurd	Assistant Exec. Sec	of Agriculture
9. July 14, 1964	Robert Ingram	Manager Can. Operations	
10	Robert Davis	League Legislative Specialist	Canadian Credit Union National Association
11. Oct. 20, 1964	Mrs. V. Wilson	Chairman, Comm. on Planning and Organization	
12	Mrs. A. G. Brewer	National Advisory Council and former Publicity Chairman	Consumers' Association of Canada
13. Oct. 27, 1964	G. Egerton Brown	Director, Immediate Past Chairman of Executive Council	
14	Paul Beaudoin, C.A	Member	Canadian Chamber of Commerce
15	W. F. Corning	Research Assistant	
16. Oct. 27, 1964 and Mar. 23, 1965	Keith MacDonald	Member	
17. Oct. 27, Nov. 17, 1964; Mar. 9, 1965	N. Liston	Member	Canadian Chamber of Commerce and Retail Council of Canada
18. Nov. 10, 1964	Dr. Jacob S. Ziegel	Associate Professor of Law, U. of Sask.	
19. Nov. 17, 1964 and Mar. 9, 1965	(A. J. McKichan	General Manager)	
20	J. W. Erwin	Member	
21	H. A. Simmons	Member	Retail Council of
22. Mar. 9, 1965	Paul Harrison	Member	Canada
23	W. G. Upshall	Member	
24. Dec. 1, 1964	S. J. Enns	M.P., (Portage- Neepawa)	Family Bureau of
25	Daniel B. Fenny	Bureau Rep	Greater Winnipeg
26. Dec. 8, 1964	Andre Laurin	Tech. Advisor of Ed. Service, Family Budget Section	Con. of National Trade Unions

LIST OF WITNESSES

	Date of Appearance	Name	Title	Organization
27.	Dec. 15, 1964	(Emile Girardin	President	
28.		Paul-Emile Charron	Assistant Director General	La. Fed. des Caisses Pop. Desjardins
29.	Feb. 23, 1965	Douglas D. Irwin, C.A	Financial Consultant, Ont. Select Committee on Consumer Credit	
30.	Mar. 16, 1965	(Don Rolling	Assistant Manager	
31.		W. W. Boys	Second Vice-Pres. Dom. Ass'n	Retail Merchants Association of Canada Inc.
32.		Vincent R. Deir	Director, Ontario Association	Canada Inc.
33.	Mar. 23, 1965	Peter Paul Saunders	President	No. of the Land of
34.		G. E. Trudeau	Director	
35.		J. Johnstone	Chairman, Legal and Legislative Committee	Edward Compiler
36.		W. Watson	Vice-Pres	Federated Council of Sales Finance
37.		Dr. J. Singer	Research Director and Consulting Economist	Companies
38.		E. Michael Howarth	Executive Vice-Pres	
39.		Kenneth Inch	Member	
40.	Mar. 30, 1965	(J. T. Wood	President	
41.		J. S. Land	Past Pres	
42.		E. J. Hendrie	Past Pres	
43.		R. A. Mackenzie	Member	Canadian Consumer
44.	e second of the Linear	R. G. Miller	Member	Loan Association
45.		Helmut Miller	Member	
46.		R. W. Stevens	Counsel	
47.	A Company of the Comp	F. C. Oakes	Public Relations Chairman	
48.	April 21, 1966	Dan McCormack	Vice-Pres. and General Manager, Carling Acceptance Limited.	

APPENDIX No. 3

BILLS REFERRED TO THE COMMITTEE

Shortly after the appointment of the Joint Committee on Consumer Credit by the 26th Parliament, eleven bills already on the order paper were referred to us for study. All but one—the well-known disclosure bill which has been introduced in the Senate repeatedly since 1960—originated in the House of Commons. Some of these bills have changed sponsors during the life of the Committee, and a few new bills were subsequently referred. It sometimes happens that an identical bill, re-introduced in a new session, is again referred to the Committee; there are other instances in which a bill which has been several times introduced in Parliament with no change in substance, has been referred to us only once.

The bills considered by the Committee (14 in all when duplicates have been eliminated) are listed below in the order in which they were officially brought to our attention. Each bill is explained briefly, and some general comments follow.

iollow.			
Bill Referred By		Title and Purpose	Sponsor or Sponsors
26th Parliament	(1)	An Act to make provision for the Disclosure of Information in respect of Finance Charges	Senator Croll
		Every person who carries on the business of extending consumer credit would be required to disclose in writing to the consumer the total cost, expressed both as a lump sum and in simple annual interest.	
	(2)	An Act to amend the Bankruptcy Act (wage-earners' assignments)	Mr. Gilbert (Broadview)
		Outlines procedure for granting debt-ridden wage-earners extension of time up to three years or longer in court's discretion, at price of discipline of budgetary control, to pay debts 100 cents on the dollar. Also provides for relief against unconscionable transactions.	and Mr. Orlikow (Winnipeg North)
	(3)	An Act to amend the Small Loans Act (advertising)	Mr. Orlikow
		Would require licensees advertising amount of monthly or periodic repayments to state cost in terms of annual percentage rates.	
	(4)	An Act to amend the Small Loans Act (interest rates)	Mr. Orlikow and
		The rate of interest or "cost of loan" would be reduced from 2 to 1 per cent per month on any part of the unpaid principal balance not exceeding \$300.	Mr. Gauthier (Roberval)
	(5)	An Act to provide for the Control of Consumer Credit	Mr. Scott
		Provides for disclosure of actual amount of interest charged on the sale of both real and personal property, as well as for restricting interest to 10 per cent per annum.	(Danforth)
	(6)	An Act to amend the Bills of Exchange Act and the Interest Act (off-store instalment sales)	Mr. Orlikow
		Amendment to the Bills of Exchange Act would give consumer three full days to cancel any bill or note given as collateral in sales made in his home or other "off-store" premises. The change in the Interest Act would compel the seller to include a clause to this effect in the contract.	

clause to this effect in the contract.

Bill Referred By		Title and Purpose	Sponsor or Sponsors
26th Parliament	(7)	An Act to amend the Bills of Exchange Act (instalment purchases) Object is to enable persons who give bills or notes in retail credit transactions to defend themselves against transferees by requiring that note on face indicate relationship with a retail transaction.	Mr. Peters (Timiskaming)
	(8)	An Act to amend the Interest Act Proposal that interest be limited to 12 per cent.	Mr. Orlikow Mr. Ledue (Gatineau) and Mr. Allard (Sherbrooke)
	(9)	An Act to amend the Interest Act (application of Small Loans Act) Would limit interest rates generally to those stipulated in	Mr. Martin (Timmins)
	(10)	the Small Loans Act unless otherwise provided by law. An Act to provide for Control of the use of Collateral Bills and Notes in Consumer Credit Transactions	Mr. Ryan (Spadina)
		Consumers who sign promissory notes as collateral in credit transactions would be warned that they could become liable to innocent purchasers of same. Interest rates would be limited to 1 per cent per month on principal amounts up to \$500 and one-half of 1 per cent on any balance exceeding \$500.	
	(11)	An Act to amend the Combines Investigation Act (captive sales financing)	Mr. Noble (Grey North)
		Would prohibit practice of "captive" sales financing by manufacturers or distributors of goods or associated sales finance companies, and so permit customers to shop in a free, competitive market.	
27th Parliament	(12)	An Act to amend the Weights and Measures Act (truth in packaging)	Mr. Orlikow
		Bill is intended to ensure that a retail purchaser of packaged goods is fairly informed of the weight or measure of the contents.	
	(13)	An Act to amend the Small Loans Act (interest rates) The upper limit of loans to which the Small Loans Act applies would be raised from \$1,500 to \$5,000. For loans over \$1,000 the interest rate would be reduced to one-half of 1 per cent per month on unpaid balance.	Mr. Allard
asul(en	(14)	An Act to amend the Small Businesses Loans Act (trucking industry) "Trucking" would be added to the definition of a business enterprise. The definition of "small business enterprise" would be broadened to include a business with estimated gross revenue up to \$300,000 instead of \$250,000.	Mr. Leblanc (Laurier)

Comments on Bills

Disclosure

One of our main recommendations endorses the substance of the Senate bill dealing with disclosure in writing of the total cost of consumer credit both as a lump sum and in simple annual interest. This bill is a descendant of one first introduced in the Upper House in 1960, now simplified for the reason that some of the original provisions are being taken care of in other ways. The revision of the Bank Act now before Parliament, which followed the report of the Royal Commission on Banking and Finance, means that banks will lead the parade of financial institutions giving meaningful disclosure to their customers of the full cost to them of borrowing money. The long-time sponsor of the bill, which applies the same principle to other lenders has said that, "We can expect and cannot accept less from other credit grantors in the field."

As to the disclosure bills originating in the House of Commons, one goes beyond our terms of reference in that it covers real property transactions as well as consumer credit. The other would require small loans licensees to specify in their advertising the cost of loans. We agree with the objective of this bill, and one of our recommendations attests to that.

Interest

There is ample evidence of widespread support for bringing down the cost of borrowing. Three members of parliament have separately introduced bills to amend the Interest Act so as to limit the interest rate to 12 per cent per annum. Another bill would extend to other types of loans the rates fixed under the Small Loans Act. Three separate bills propose a reduction in the rates under the Small Loans Act, one of them providing also for extension of the scope of the Act to loans up to \$5,000, a plan which has solid support and which is among our recommendations.

Limitations on interest rates are also set out in two other bills dealing respectively with disclosure and with credit purchases. The Committee has considered these proposals as well as others made to us during the hearings. We do recommend that some limitations be put on interest rates, and we have particularly kept in mind the importance of ensuring that low-income people have access to credit at reasonable rates for essential needs.

Wage-Earners' Assignments

Recent amendments to the Bankruptcy Act will enable the setting up of machinery to make it possible for wage-earners to assume orderly payment of their debts without extreme sacrifice. This is essentially the purpose of one of the bills referred to us.

Bills and Notes in Consumer Credit Transactions

One of the bills before us would require bills and notes in consumer credit transactions to be so identified in order to warn the purchaser of the circumstances; another would give warning to the consumer that if he signs the document it may be sold to a third party against whom he will have no claim. One of our recommendations should take care of the undesirable practices which these bills are intended to do away with.

Captive Sales Financing

The Committee agrees that customers should be free to shop in a competitive market, and we believe that our recommendations will work towards that end.

Off-Store Sales

We recommend that when purchases are made from itinerant salesmen, time be allowed for a cooling-off period, something that has been urged on us by many responsible people and is contemplated by one of the bills referred to us.

Truth in Packaging

We are in sympathy with the purpose of this bill, but it is more appropriately a subject for the report on Consumer Credit (Prices).

Small Businesses

This subject is beyond our terms of reference.

Present State of Legislation

Experience has convinced us of the truth of a statement made when the Committee was set up, that there is need for "an attempted consolidation of these inter-related acts." After studying the subject for many months one of our most knowledgeable members informed the House of Commons that there was "need for complementary and cooperative action by the federal and provincial governments for the purpose of securing the protection of consumers..." Considerable progress has been made in this direction, and many parts of the report bear this out, but much still remains to be done in this rapidly changing area of business.

APPENDIX No. 4

Selected References

- 1. Proceedings of the Special Joint Committee of the Senate and House of Commons on Consumer Credit, 1964-66, Queen's Printer, Ottawa.
- 2. Annual Reports of the Superintendent of Insurance for Canada, Small Loans Companies and Money-Lenders licensed under the Small Loans Act 1939, 1940 to 1964, Queen's Printer, Ottawa.
- 3. Report of the Standing Committee of the House of Commons on Banking and Commerce respecting Small Loan Companies, No. 14, June 1, 1938, Queen's Printer, Ottawa.
- 4. Various annual and other publications of the Dominion Bureau of Statistics on consumer credit, Queen's Printer, Ottawa. Note especially monthly report on Credit Statistics, Catalogue No. 61-004.
- 5. Report of the Royal Commission on Banking and Finance, 1964, Queen's Printer, Ottawa.
- 6. Poapst, J. V., Consumer Survey, a study prepared for the Royal Commission on Banking and Finance, 1965, Queen's Printer, Ottawa.
- 7. Urquhart, M. C. and Buckley, K. A. H., Editors, Historical Statistics of Canada, 1965, Cambridge University Press.
- 8. Final Report of the Royal Commission on the Cost of Borrowing Money, the Cost of Credit and Related Matters in the Province of Nova Scotia, 1965, Queen's Printer, Halifax.
- 9. Final Report of the Select Committee of the Ontario Legislature on Consumer Credit, Sessional Paper No. 85, June 10, 1965.
- 10. Ziegel, Jacob S., "Retail Instalment Sales Legislation: A Historical and Comparative Survey", *University of Toronto Law Journal*, 1962, Vol. XIV, No. 2, p.p. 143-175.
- 11. Ziegel, Jacob S. and Olley, R. E., Editors, Consumer Credit in Canada, proceedings of a Conference on Consumer Credit May 2-3, 1966, The University of Saskatchewan, Saskatoon, Canada. Note especially Professors Fortin and Neufeld.
- 12. Juster, Francis Thomas, and Shay, Robert P., Consumer Sensitivity to Finance Rates, National Bureau of Economic Research, 1964, New York.
- 13. "Ethics in America: Norms and Deviations", Annals of the American Academy of Political and Social Science, January, 1966.
 - 14. Annual Reports of the Army Benevolent Fund, 1962-64, Ottawa.
- 15. Bill S-17, An Act to amend the Bankruptcy Act as passed by the Senate, 26th May, 1966, Queen's Printer, Ottawa, See Part X.
- 16. Bill C-222, An Act respecting Banks and Banking, 1st Reading, July 7, 1966.
- 17. The Attorney-General for Ontario V. Barfried Enterprises Ltd., Canada Supreme Court Reports, 1963, p. 570.

A copy of the relevant Minutes of Proceedings and Evidence is attached herewith.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 50 to the Journals).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Nixon, Côté (Nicolet-Yamaska) and Cowan be substituted for those of Messrs. Roxburgh, Crossman and Duquet on the Standing Committee on Northern Affairs and National Resources.

Mr. Nicholson, a Member of the Queen's Privy Council, laid before the House,—Table on Applications for Deferment and for Suspension of Part 1 of the Canada Labour (Standards) Code and Orders issued to February 15, 1967.

Pursuant to Standing Order 39(4) the following Question was made an Order of the House for a Return, namely:

No. 2,323-Mr. Bell (Carleton)

- 1. Of the List of Recommendations appearing from pages 325 to 355 of the Report of the Honourable Mr. Justice Andre Montpetit on Working Conditions in the Post Office Department, how many (a) have been implemented, specifying which ones (b) have been rejected, specifying which ones (c) have been partially implemented, specifying which ones and the extent of implementation (d) are under consideration, specifying which ones?
- 2. Of those recommendations which are still under consideration, when is it to be expected that decisions may be reached, specifying an estimated date in respect of each?
- 3. What consultations (a) have been held (b) are proposed to be held, with the various staff organizations or unions concerned in the problems to which these Recommendations relate?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,
—Return to the foregoing Order.

Notices of Motions for the Production of Papers Nos. 72, 191, 199, 205, 208, 209 and 210 were allowed to stand at the request of the government.

Resolved,—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 between any department or agency of the federal government and the City of Longueuil, Quebec, and any other individual or company concerning the rental or sale of government owned land in or near the City of Longueuil since July 1, 1963.—(Notice of Motion for the Production of Papers No. 203—Mr. Douglas).

Ordered,—That there be laid before this House a copy of all correspondence, telegrams and any other documents exchanged between the Secretary of State, in particular the Canadian Broadcasting Corporation, and any other person,

groups or organizations with respect to the program concerning New Brunswick which was televised on "This Week", Tuesday, January 17, 1967.—[Notice of Motion for the Production of Papers No. 204—Mr. Bell (Saint John-Albert)].

Ordered,—That there be laid before this House a copy of the correspondence exchanged between Members of the federal Electoral Districts of Beauce and Mégantic with the appropriate departments concerning winter works in Saint-Ephrem (Beauce), Saint-René (Beauce), and La Guadaloupe (Mégantic) from 1962 to this date.—(Notice of Motion for the Production of Papers No. 206—Mr. Racine).

Resolved,—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, telegrams or other documents exchanged between the Minister or Department of Transport and the Department of Highways of British Columbia relating to the proposed construction of a bridge or tunnel across the North Arm of the Fraser River from Vancouver, British Columbia to Sea Island, Richmond, British Columbia, site of the Vancouver International Airport.—(Notice of Motion for the Production of Papers No. 207—Mr. Prittie).

The House resolved itself again into Committee of Ways and Means.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said Act be increased from eight per cent to nine per cent with respect to all goods subject to the said tax, except articles enumerated in Schedule V to the said Act and building materials that were exempt from the said tax immediately prior to June 14, 1963.

Resolution to be reported.

The said resolution was reported and concurred in and the Committee of Ways and Means obtained leave to sit again at the next sitting of the House.

Mr. Sharp, seconded by Mr. Drury, by leave of the House, presented Bill C-268, An Act to amend the Excise Tax Act and Old Age Security Act, based on resolutions adopted on February 14 and 15, 1967, which was read the first time.

By unanimous consent, Mr. Sharp, seconded by Mr. Drury, moved,—That the said bill be now read a second time.

And debate arising thereon:

Mr. Knowles, seconded by Mr. Barnett, moved in amendment thereto,— That Bill C-268, be not now read a second time, but that it be read this day six months hence.

And debate arising thereon; the said debate was interrupted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Sharp, a Member of the Queen's Privy Council,—List of share-holders in the Chartered Banks of Canada, as at the end of the financial years ended in 1966, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of Canada, 1953-54 and List of shareholders in the Banks incorporated under the Quebec Savings Banks Act, as at the end of the financial years ended in 1966, pursuant to section 93(1) of the said Act, chapter 41, Statutes of Canada, 1953-54.

At 6.02 o'clock p.m., Mr. Speaker adjourned the House without question put until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,623-Mr. Horner (Acadia)-February 15

Who pays for the hauling of the Centennial Train across Canada and how much is paid per mile to what railways?

No. 2,624—Mr. Madill—February 15

- 1. Do all Canadian weekly newspapers which are contained in the House of Commons Reading Room receive government news releases?
- 2. Do all Canadian newspapers as stated above receive government advertising?
- 3. Is government advertising graded in size in proportion to the circulation of the paper?
- 4. Are papers in the Audit Bureau of Circulation receiving the same consideration as sworn circulation papers?
- 5. Is all government department advertising done through advertising agencies?
 - 6. What agencies are handling government advertising?

No. 2,625-Mr. Bell (Carleton)-February 15

- 1. Have any representations been made to the government and/or the National Capital Commission for financial or other assistance in the establishment of a zoo in the National Capital Region?
 - 2. If so, what has been the nature of such representations?
 - 3. What consideration has been or is being given to them?
 - 4. When may a decision be anticipated?
 - 5. Has the National Capital Commission suggested any site for such zoo?
 - 6. If so, where is such site located?

No. 2,626-Mr. Korchinski-February 15

- 1. How many miles of roads have not been completed in each province under the Roads to Resources program?
- 2. What is the estimated cost which would be involved in completing these programs in each province?
 - 3. What plans does the federal government have to complete these roads?

No. 2,627—Mr. Caouette—February 15—

- 1. With respect to contracts awarded for the transportation of mail between Gaspé and Campbellton in replacement of the mail train, and for mail transports 100-101, 102-103, 140-141 and 160-161 respectively (a) what was the name of each of the bidders, including their bids (b) who was awarded the contract for these mail transports (c) if the lowest bidder was not awarded the contract, why was this so?
- 2. Who has the contract for the distribution of parcels originating from the Lévis Post Office?
- 3. Was a call for tenders made and, if so (a) what is the name of each of the bidders (b) what were their bids (c) who was awarded the contract?

No. 2,628—Mr. Caouette—February 15—

- 1. How long is it since Mr. L. P. Sirois retired as postmaster of Lévis?
- 2. What was the result of the competition organized to find a replacement for him?
 - 3. Will a new competition be held?
- 4. Who has taken over the position in the meantime and how many months has he been in charge?

No. 2,629-Mr. Caouette-February 15-

- 1. Has Mr. Evan Atkinson been appointed as returning officer for the Electoral District of Lévis and, if so, for what reason was Mr. Julien Dumont not maintained in this position?
 - 2. By whom was the new officer recommended?
 - 3. What is the remuneration, income, or salary attached to this position?

No. 2,630-Mr. Caouette-February 15-

- 1. Who holds the contract for collecting mail from letter boxes in Lauzon, Lévis, Saint-David and Saint-Romuald?
 - 2. Were tenders called?
- 3. If so (a) what is the name of each of the tenders (b) what amount was quoted by each (c) to whom was the contract awarded?

No. 2,631-Mr. Ricard-February 15-

- 1. Do one or more federal departments have a lease on the Chenor Building, corner of Rue St-Joseph and Boulevard Langelier, in Quebec City?
- 2. If so (a) with whom or with what company was this lease signed (b) what is the amount and duration of this lease (c) were tenders called before this lease was signed and what are the names of the tenderers and the amounts of their tenders?
 - 3. If tenders were not called, what were the reasons?

No. 2,632—Mr. Schreyer—February 15

1. With respect to all wheat sales to (a) the United Kingdom (b) Japan, in the last crop year, how many firms acted as exporting agents of the Canadian Wheat Board?

- 2. What was the volume and total selling price of each firm's transactions?
- 3. What consideration, value, or margin did these firms receive for the transactions specified above (a) in toto (b) per unit?

No. 2,633—Mr. Schreyer—February 15

- 1. Is all Government of Canada advertisement placements administered through one co-ordinating office, or is this a matter for each department or agency to administer?
- 2. What is the name of the Director or Directors in charge of Government of Canada advertisement placement?
- 3. What is the budget for advertising for each department and agency of government in the current fiscal year?
- 4. How many advertising agencies are retained on account of the Government of Canada and what are the names of these agencies and how much has been paid to each in this and the preceding fiscal year?
- 5. Of the total number of advertising agencies holding an account with the Government of Canada, how many were holding government accounts in (a) 1961 (b) 1964?

No. 2,634—Mr. Schreyer—February 15

- 1. In the current Canadian Wheat Board Master Sales Agreement with (a) the U.S.S.R. (b) China, what volume of wheat has been shipped and what is the total value of shipments?
- 2. What proportion does this bear to the total commitment under the Master Sales Agreement?
- 3. Of the total value of shipments already made, what proportion of this value has not yet been received on account?
- 4. How many firms have been involved in these transactions as agents of the Wheat Board?
- 5. What volume and value of grain has been handled or transacted by each of these firms acting as agents of the Wheat Board?
- 6. What payment was made or what value was received by these agent firms with respect to their transactions under these two Master Sales Agreements to date?

No. 2,635—Mr. Howe (Hamilton South)—February 15

Has the government at any time given consideration to the proposition that Family Allowances payments be made in a lump sum to parents of three or more children with a view to its being used either to make a down payment on, or to afford necessary alterations to, a home providing adequate accommodation for the family?

No. 2,636—Mr. Douglas—February 15

1. Has the Government of Saskatchewan approached the federal government for special assistance for the construction of a new base hospital in Regina?

- 2. If such an approach has been made, have any proposals been put forward to establish this hospital as a teaching and research centre in conjunction with the Regina Campus of the University of Saskatchewan?
- 3. What has been the reply of the federal government to any such representations?

No. 2,637-Mr. Douglas-February 15

- 1. Have any plans been made to close the Indian Affairs Office in Broadview, Saskatchewan?
 - 2. If so, what is the reason for closing this office?
- 3. If the Broadview Office is closed, what office will serve the reservations presently served by the Broadview Office?

Notices of Motions for the Production of Papers-On Wednesday next

No. 211-Mr. Caouette-February 15

That an Order of the House do issue for a copy of all correspondence exchanged between the City of Lauzon, the School Board and any other body, Mr. Raynald Guay, M.P. (Lévis), and all departments concerned with regard to Fort No. 1 in Lauzon.

No. 212-Mr. Cowan-February 15

That an Order of the House do issue for a copy of any contract entered into concerning taxi service to and from the Ottawa Railway Station, since January 1, 1966.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, February 16	
356-S	Consumer Credit and Cost of Living (Joint)	9.30 a.m. 3.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
208 W.B.	Public Accounts (In Camera)	9.30 a.m.
112-N	Public Service (Joint) (Pensions)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
256-S	Divorce (Joint)	3.30 p.m.
	Friday, February 17	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
256–S	Penitentiaries (Joint)	10.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 209

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, FEBRUARY 16, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Pearson, a Member of the Queen's Privy Council, laid before the House,—Order in Council P.C. 1967-312, dated February 16, 1967, appointing Mrs. John Bird and other Commissioners under Part I of the Inquiries Act to inquire into and report upon the status of Women in Canada. (English and French).

Mr. Mather, seconded by Mr. Prittie, by leave of the House, introduced Bill C-269, An Act to amend the Criminal Code (Invasion of privacy), which was read the first time and ordered for a second reading at the next sitting of the House.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. Drury, that Bill C-268, An Act to amend the Excise Tax Act and the Old Age Security Act, be now read a second time;

And on the motion of Mr. Knowles, seconded by Mr. Barnett, in amendment thereto,—That Bill C-268, be not now read a second time, but that it be read this day six months hence.

After further debate, the question being put on the said proposed amendment, it was negatived on the following division:

YEAS

MESSRS:

Allard, Ballard, Barnett, Bell (Carleton), Bigg, Brand, Cadieu, Chatterton, Churchill, Clancy, Code, Crouse,

Danforth, Howe (Wellington-MacLean (Queens), Prittie, Macquarrie, Diefenbaker, Huron), Pugh, Dinsdale, Irvine, MacRae. Rapp, Douglas, McCutcheon, Johnston, Ricard. Fane, Jorgenson, McIntosh, Saltsman, Keays, McLelland, Schreyer, Fawcett. McQuaid, Flemming, Kennedy, Scott (Victoria (Ont)). Martin (Timmins), Forbes, Kindt, Sherman, Forrestall Knowles. Mather, Simard. Gauthier, Korchinski, Moore, Skoreyko, Gilbert, Langlois (Mégantic), Muir (Lisgar), Smallwood, Godin, Latulippe, Noble, Southam, Grégoire, Nowlan, Lewis, Starr, Hales. Loney, Nugent, Thompson, Harkness, MacDonald (Prince), Orlikow, Watson (Assiniboia). Herridge, MacEwan, Ormiston, Webb, Horner (The Battle- MacInnis, Pascoe. Winch, fords). MacInnis (Mrs.), Patterson, Winkler, Howe (Hamilton Peters, Woolliams-85. South).

NAYS

MESSRS:

Allmand,	Dubé,	LeBlanc (Rimouski),	Pilon,
Andras,	Émard,	Leboe,	Reid,
Asselin	Éthier,	Lefebvre,	Richard,
(Richmond-Wolfe),	Faulkner,	Legault,	Rinfret,
Badanai,	Forest,	Lessard,	Robichaud,
Basford,	Foy,	Loiselle,	Rochon,
Batten,	Gendron,	Macaluso,	Rock,
Benson,	Gray,	Macdonald (Rose-	Sharp,
Berger,	Greene,	dale),	Stafford,
Boulanger,	Groos,	MacEachen,	Stanbury,
Byrne,	Guay,	Mackasey,	Stewart,
Cadieux,	Habel,	McIlraith,	Tardif,
Cameron (High	Hellyer,	McNulty,	Teillet,
Park),	Honey,	McWilliam,	Thomas
Cantin,	Hopkins,	Marchand,	(Maisonneuve-
Cardin,	Hymmen,	Martin (Essex East),	Rosemont),
Chatwood,	Isabelle,	Matte,	Tolmie,
Choquette,	Jamieson,	Mongrain,	Tremblay,
Chrétien,	Lachance,	Morison,	Tucker,
Clermont,	Laflamme,	Neveu,	Turner,
Comtois,	Laing,	Nixon,	Wahn,
Côté (Dorchester),	LaMarsh (Miss),	Otto,	Walker,
Côté (Longueuil),	Langlois (Chicoutimi)	Pearson,	Watson (Château-
Crossman,	Laniel,	Pelletier,	guay-Huntingdon-
Deachman,	Laverdière,	Pennell,	Laprairie),
Drury,	Leblanc (Laurier),		Whelan—97.

And the question being put on the main motion, it was agreed to on the following division:

YEAS

MESSRS:

Allmand,	Batten,	Cameron (High	Chrétien,
Andras,	Benson,	Park),	Clermont,
Asselin	Berger,	Cantin,	Comtois,
(Richmond-Wolfe	, Boulanger,	Cardin,	Côté (Dorchester),
Badanai,	Byrne,	Chatwood,	Côté (Longueuil),
Basford,	Cadieux,	Choquette,	Crossman,

Sharp, Lachance, McIlraith, Deachman, Stafford, Laflamme, McNulty, Drury, Stanbury, McWilliam, Laing, Dubé, Stewart, Marchand, LaMarsh (Miss), Émard, Tardif, Langlois (Chicoutimi), Matte, Éthier, Teillet. Langlois (Mégantic), Mongrain, Faulkner, Thomas Morison, Laniel, Forest, Laverdière, Neveu, (Maisonneuve-Foy, Rosemont), Nixon, Leblanc (Laurier), Gendron, Tolmie. LeBlanc (Rimouski), Otto, Gray, Tremblay, Pelletier, Leboe, Greene, Tucker, Lefebvre, Pennell, Groos, Turner, Legault, Pépin, Guay, Pilon, Wahn, Lessard, Habel, Walker, Loiselle, Reid, Hellyer, Watson (Château-Richard, Macaluso, Honey, guay-Huntingdon-Macdonald (Rose-Rinfret, Hopkins, Robichaud, Laprairie), dale), Hymmen, Whelan-96. MacEachen, Rochon, Isabelle, Rock, Mackasey, Jamieson,

MESSRS:

NAYS

Allard,	Gauthier,	Lewis,	Pascoe,
Ballard,	Gilbert,	Loney,	Patterson,
Barnett,	Godin,	MacDonald (Prince),	Peters,
Bell (Carleton),	Grégoire,	MacEwan,	Pugh,
Bigg,	Hales,	MacInnis,	Rapp,
Brand,	Harkness,	MacInnis (Mrs.),	Ricard,
Cadieu,	Herridge,	MacLean (Queens),	Saltsman,
Chatterton,	Horner (The Battle-	MacRae,	Schreyer,
Churchill,	fords),	McCutcheon,	Scott (Victoria (Ont)),
Clancy,	Howe (Hamilton	McIntosh,	Sherman,
Code,	South),	McLelland,	Simard,
Crouse,	Howe (Wellington-	McQuaid,	Skoreyko,
Danforth,	Huron),	Martin (Timmins),	Smallwood,
Diefenbaker,	Johnston,	Mather,	Southam,
Dinsdale,	Jorgenson,	Moore,	Starr,
Douglas,	Keays,	Muir (Lisgar),	Thompson,
Fane,	Kennedy,	Noble,	Watson (Assiniboia),
Fawcett,	Kindt,	Nowlan,	Webb,
Flemming,	Knowles,	Nugent,	Winch,
Forbes,	Korchinski,	Orlikow,	Winkler,
Forrestall	Latulippe,	Ormiston,	Woolliams—81.

Accordingly, the said bill was read the second time and considered in Committee of the Whole,

And the House continuing in Committee of the Whole.

At 6.00 o'clock p.m., Mr. Speaker took the Chair.

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Private Bills)

The Order being read for the second reading of Bill C-239, An Act respecting The Bell Telephone Company of Canada.

V 209-13

Mr. Honey, seconded by Mr. Gendron, moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time and referred to the Standing Committee on Transport and Communications.

The hour for Private Members' Business expired.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered, That the name of Mr. MacRae be substituted for that of Mr. Smith on the Standing Committee on National Defence.

Pursuant to Special Order adopted Friday, February 3, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-268, An Act to amend the Excise Tax Act and the Old Age Security Act, which was reported without amendment and ordered for a third reading at the next sitting of the House.

The House resolved itself into Committee of the Whole to consider a certain proposed resolution to amend the Small Businesses Loans Act.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to amend the Small Businesses Loans Act to extend until December 31, 1969 the time during which guaranteed improvement loans may be made under the Act; to extend the guaranteed loan provisions of the Act to cover loans made to small businesses engaged in construction, transportation or communications; to remove the restriction that now applies in the case of loans made under the Act for the purpose of constructing or purchasing premises; to increase the maximum limit that now applies with respect to the annual gross revenue of a small business enterprise from \$250,000 to \$500,000; to provide that the aggregate principal amount of all guaranteed business improvement loans made by banks during the new lending period shall not exceed \$300,000,000; and to provide further for certain changes in connection with the administration of the Act.

Resolution to be reported.

The said resolution was reported and concurred in.

Mr. McIlraith, for Mr. Sharp seconded by Mr. Turner, by leave of the House, introduced Bill C-270, An Act to amend the Small Businesses Loans Act, which was read the first time and ordered for a second reading at the next sitting of the House.

By unanimous consent the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Matte, it was ordered,-That the name of Mr. MacLean be substituted for that of Mr. Fane on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.04 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A:

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Supplementary Return to an Order of the House, dated November 16, 1966, for a copy of any communication, correspondence, exchanged between Trans-Canada Pipe Lines Limited and the federal government, any minister, department or agency thereof since April 8, 1963.—(Notice of Motion for the Production of Papers No. 175).

By Miss LaMarsh,-Return to an Order of the House, dated November 16, 1966, for a copy of all correspondence, telegrams and other documents exchanged between the government or any agency, branch, or department thereof and any other person, group or association since June 18, 1962, relating to a federal building at Fort St. James, British Columbia.—(Notice of Motion for the Production of Papers No. 180).

At 10.27 o'clock p.m., the House adjourned until to-morrow at 11.00 o'clock a.m.

> LUCIEN LAMOUREUX. Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,638-Mr. Caouette-February 16-

- 1. Has Central Mortgage and Housing Corporation granted loans for the construction of housing in Lebel-sur-Quevillin, in the Electoral District of Chapleau during (a) 1964 (b) 1965 (c) 1966 (d) 1967?
- 2. If so, what is the name of the notary or notaries whose firm was engaged to draw up the contracts?
 - 3. What fees were paid (in dollars) to the notary for each transaction?

No. 2,639-Mr. Caouette-February 16-

What is the age at which rural postmasters are eligible for superannuation?

No. 2,640-Mr. Caouette-February 16-

Regarding the radar station in Saint-Sylvestre, (Lotbinière), which is no longer in operation (a) what was the cost of construction (b) when was it finished (c) for how many years was it in operation (d) when did it cease operating, and for what reason (e) by whom and to whom was it sold (f) for what amount?

No. 2,641-Mr. Crouse-February 16

- 1. Has there been a change made in the tariff on military equipment purchased abroad by the Canadian Government?
- 2. If so (a) what is the amount of the purchase required for full remission of customs duties (b) is the duty still collected on components purchased by Canadian defence companies?

No. 2,642-Mr Pascoe-February 16

- 1. Did the federal government participate in a Saskatchewan manpower study by Hillis and Partners, Management Consultants, Limited?
- 2. If so, how much did the federal government contribute to the cost of the study?

No. 2,643—Mr. Allard—February 16—

1. Did Canadian textile companies import semi-finished products such as yellow cotton, in 1966 and in 1967 and, if so (a) are these unfinished textile products spun and woven abroad and subsequently bleached and printed in Canadian textile industries and then sold as Canadian products (b) what countries send these semi-finished textile products, and which Canadian textile companies promote such imports?

- 2. Are these semi-finished textile products part of voluntary self-imposed quotas accepted by Japan, Hong Kong and other countries which have accepted voluntary quotas with regard to Canada?
- 3. Do these semi-finished textile products enter Canada as raw materials and as such, are they subject to low Canadian duty rates?
- 4. What was the quantity and the overall value of semi-finished textile imports as compared with all textile imports into Canada, for the years 1965 and 1966?

Notices of Motions for the Production of Papers-On Wednesday next

No. 213-Mr. Herridge-February 16

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all communications exchanged between the Minister of Indian Affairs and Northern Development and the Minister of Recreation and Conservation, or any officials of his Department, of the Province of British Columbia, with respect to the development of Duck Lake as a waterfowl sanctuary.

PRIVATE BILLS NOTICE

The Standing Committee on Transport and Communications will consider on or after Friday, February 24, 1967:

Bill C-239, An Act respecting The Bell Telephone Company of Canada.—Mr. Honey.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	Canala Can
	Friday, February 17	
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
256-S	Penitentiaries (Joint)	10.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 210

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, FEBRUARY 17, 1967.

11.00 o'clock a.m.

PRAYERS.

The House resolved itself into Committee of the Whole to consider Bill C-170, an Act respecting employer and employee relations in the Public Service of Canada;

And the House continuing in Committee;

Pursuant to Special Order adopted Friday, February 3, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-170, An Act respecting employer and employee relations in the Public Service of Canada and progress having been made and reported, the Committee obtained leave to sit again at the next sitting of the House.

A Message was received from the Senate informing this House that the Senate had passed Bill C-261, An Act to establish the Canada Deposit Insurance Corporation, without any amendment.

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

17 February, 1967.

Sir,

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor V 210—1

General, will proceed to the Senate Chamber today, the 17th February, at 5.45 p.m., for the purpose of giving Royal Assent to a certain bill.

I have the honour to be, Sir, Your obedient servant,

A. G. CHERRIER,
Assistant Secretary to the Governor General.

The Honourable,

The Speaker of the House of Commons.

[At 5.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

Orders numbered one to four having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-28, An Act respecting the Canada Court of Indian Claims;

Mr. Barnett, seconded by Mr. Howard, moved,—That the said bill be now read a second time.

And debate arising thereon;

A Message was received from the Honourable Robert Taschereau, Chief Justice of Canada, in his capacity as Deputy to His Excellency the Governor General, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker with the House went to the Senate Chamber.

And being returned;

Mr. Speaker reported that, when the House did attend the Honourable the Deputy to His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

An Act to establish the Canada Deposit Insurance Corporation.

Returns and Reports Deposited with the Clerk of the House

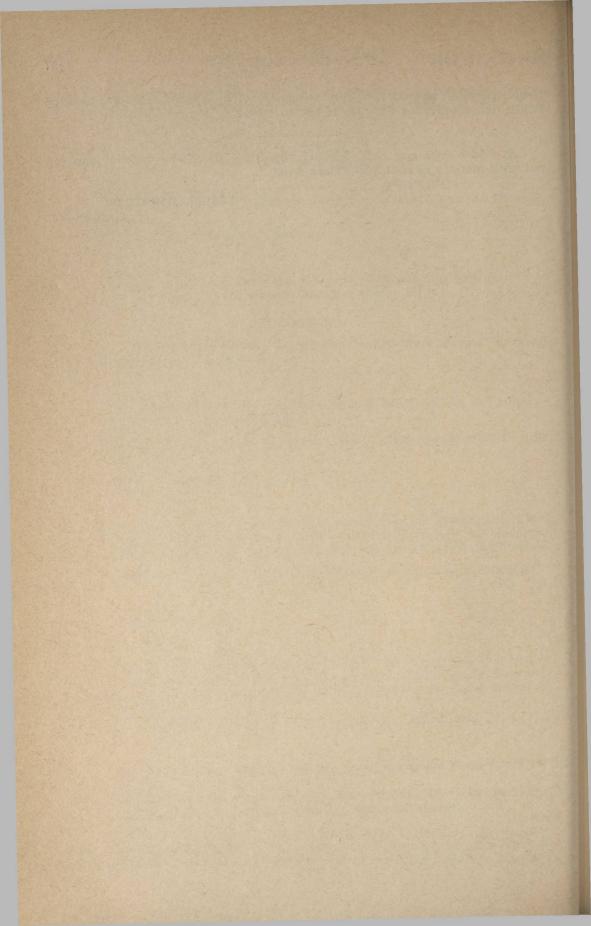
The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Pennell, a Member of the Queen's Privy Council,—Copy of Contract between the Government of Canada and the Government of the Province of British Columbia for the use or employment of the Royal Canadian Mounted

Police, pursuant to subsection 3 of section 20 of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959.

At 6.06 o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.



NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,644—Mr. MacEwan—February 17

Has the report of the Joint Task Force of ARDA on the nine Eastern Counties of Nova Scotia been completed, and (a) if so, has it been submitted to the government (b) if not, when is it expected that this report will be completed?

No. 2,645-Mr. Hales-February 17

How many loans has Central Mortgage and Housing Corporation made since the inception of the plan to make loans of up to \$10,000 available on the purchase of existing homes?

* No. 2,646-Mr. Sherman-February 17

- 1. How many hostesses have been selected for Expo '67 and, of that number (a) what proportion are from Western Canada (i.e., Manitoba, Saskatchewan, Alberta and British Columbia) (b) how many of French-speaking background are from Manitoba?
- 2. How many persons from Western Canada (as defined in Part 1 above) applied for jobs as hostesses for Expo '67 and of these, how many were of (a) English-speaking background (b) French-speaking background?
- 3. How many persons from Manitoba applied for jobs as hostesses for Expo '67?
- 4. On what basis were the persons chosen as hostesses for Expo '67 selected?

* 2,647—Mr. Winkler—February 17

How many civil servants have been dismissed for cause in the last year for which statistics are readily available?

No. 2,648—Mr. Tucker—February 17

How many Canadian citizens residing in Canada are 100 years of age or over, and in what provinces do they live, by province?

Notices of Motions (Routine Proceedings)—On Monday next

February 17—Mr. Ryan (Joint Chairman of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems):

That the First Report of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems, presented to the House on Wednesday, February 15, 1967, be concurred in.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Monday, February 20	
Port Arthur, Ont.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Halifax, N.S.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	All day
371 W.B.	National Defence (Bill C-243)	3.30 p.m. 8.00 p.m.
209 W.B.	Mr. Justice Landreville (<i>Joint</i>)	8.00 p.m.
	Tuesday, February 21	
Winnipeg, Man.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Saint John, N.B.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Eastern)	All day
209 W.B.	Mr. Justice Landreville (<i>Joint</i>)	9.30 a.m. 3.30 p.m. 8.00 p.m.
371 W.B.	National Defence (Bill C-243)	$\begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$\begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
208 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	THE REAL PROPERTY.
	Wednesday, February 22	
Regina, Sask.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Western)	All day
Montreal, P.Q.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	All day *
Montreal, P.Q.	Immigration (Joint)	All day
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	3.45 p.m.
	Thursday, February 23	
Edmonton, Alta.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Western)	All day
Quebec, P.Q.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	All day
Montreal, P.Q.	Immigration (Joint)	
209 W.B.	Mr. Justice Landreville (<i>Joint</i>)	$\left\{\begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
308 W.B.	Public Accounts (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	11.00 a.m. 3.45 p.m. 8.00 p.m.
208 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Friday, February 24	
Van- couver, B.C.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	Morning
Montreal, P.Q.	Immigration (Joint)	All day

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 211

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, FEBRUARY 20, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Sharp, a Member of the Queen's Privy Council, laid before the House,—Report of the Auditor General to the House of Commons for the year ended March 31, 1966, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

Miss LaMarsh, a Member of the Queen's Privy Council, laid before the House,—Copy of a telegram dated February 17, 1967, addressed by the Vice-President and General Manager of the Canadian Broadcasting Corporation (French Network) to the Premier of the Province of Quebec with reference to the broadcasting of a press conference on February 5, 1967. (English and French).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Otto be substituted for that of Mr. Andras on the Special Joint Committee on Consumer Credit and Cost of Living; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Ormiston be substituted for that of Mr. Churchill on the Standing Committee on National Defence.

Bill C-170, An Act respecting employer and employee relations in the Public Service of Canada was again considered in Committee of the Whole, reported with amendments (as made by the Special Joint Committee on the Public Service) and considered as amended.

By unanimous consent the said bill was read the third time and passed. V 211—1

The House resolved itself into Committee of the Whole to consider Bill C-181, An Act respecting employment in the Public Service of Canada, and progress having been made and reported, the Committee obtained leave to consider it again later this day.

By unanimous consent on motion of Mr. Stewart, seconded by Mr. Pilon, it was ordered,—That the Order of the House made on February 3, 1967, suspending the sitting of the House from 7.00 o'clock p.m. to 8.00 o'clock p.m. on Mondays, Tuesdays and Thursdays and from 1.00 o'clock p.m. until 2.00 o'clock p.m. on Fridays, be extended to and apply during the two week period beginning February 20, 1967.

By unanimous consent on motion of Mr. Pilon, seconded by Mr. Isabelle, it was ordered,—That the name of Mr. McQuaid be substituted for that of Mr. Woolliams on the Special Joint Committee respecting Mr. Justice Landreville; and

That a Message be sent to the Senate to acquaint their Honours thereof.

By unanimous consent on motion of Mr. Pilon, seconded by Mr. Isabelle, it was ordered,—That the names of Messrs. Hopkins and Legault be substituted for those of Messrs. Ethier and Stafford on the Standing Committee on National Defence.

Pursuant to Special Order, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-181, An Act respecting employment in the Public Service of Canada, which was reported with amendments, and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The House resolved itself into Committee of the Whole to consider Bill C-182, An Act to amend the Financial Administration Act which was reported with amendments (as made by the Special Joint Committee on the Public Service) and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration;

Mr. McIlraith, for Mr. Marchand, seconded by Mr. Winters, moved,—That the said bill be now read a second time.

And debate arising thereon;

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

At 10.19 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Wednesday next

No. 2,649—Mr. Johnston—February 20

Has a date been set for commencing construction of the proposed National Museum?

No. 2,650—Mr. Bower—February 20

What organizations in the Counties of Digby, Yarmouth and Shelburne, Nova Scotia, have received grants under the Fitness and Amateur Sport Act since that Act came into force, and for what purposes were these grants allocated?

No. 2,651-Mr. Coates-February 20

- 1. Is the Minister of National Health and Welfare aware of the invention by Mr. Marcel Beaudoin of Lucerne, Quebec, of a cigarette filter that is alleged to be most effective in removing various allegedly deleterious substances in cigarettes?
- 2. Has the government had a scientific examination made of the Beaudoin filter by scientists of the Department of National Health and Welfare or of the National Research Council and, if so, what was the nature of their report?
- 3. If the said filter has not yet been examined, will the government turn it over to research scientists of the Department of National Health and Welfare and of the National Research Council for a report on its merits?

No. 2,652-Mr. Keays-February 20

- 1. With reference to the news release of February 15, 1967, concerning the Canada Pension Plan extension of services, does the department concerned contemplate using the facilities now vacant at the Unemployment Insurance Commission at Gaspé, Quebec, for establishing a district office?
 - 2. If so, when is it expected that this service will be opened?

No. 2,653-Mr. Korchinski-February 20

- 1. Is the C.B.C. conducting any research, either alone or jointly, into the feasibility of providing remote areas with television service by use of satellites?
- 2. Has either the McGill University's Space Research Institute (HARP) or the National Research Council been approached to work with the C.B.C. or any other public or private communications media to launch a Canadian satellite which would relay messages for rebroadcasting?
 - 3. Are there any plans to use these research facilities for such purposes?

- 4. Is the government aware of any plans by any Canadian or United States agencies to orbit satellites for telecommunicative purposes or other purposes in such positions over Canada that they may interfere with any present or future Canadian plans for relaying signals?
- 5. Does the C.B.C. have any plans to request any United States agency to orbit a satellite to be used for communicative purposes, either alone or jointly with other Canadian or United States telecommunication systems?

No. 2,654—Mr. Jamieson—February 20

What was the Canadian Government Travel Bureau's annual budget for the past ten years, including 1966-67?

No. 2,655-Mr. Jamieson-February 20

- 1. What shared-cost highway projects under the Trans-Canada Highway agreement with Nova Scotia were active in 1966 in each of the following Counties: (a) Cumberland (b) Colchester (c) Pictou (d) Antigonish (e) Inverness (f) Victoria, (g) Cape Breton?
- 2. In the case of each project (a) how many miles of highway was or is under construction (b) what work was or is involved (c) to whom was the contract awarded (d) what was the amount of the contract (e) what is the total federal commitment?

No. 2,656-Mr. Isabelle-February 20

Will Canada participate in the Pacific International Trade Fair at Lima, Peru, in October, 1967?

MEETINGS OF COMMITTEES

Room	Committee	Hour
7,85 34	(Subject to change from day to day)	
and the same	Tuesday, February 21	
Winnipeg, Man.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Saint John, N.B.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Eastern)	All day
209 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$\begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
208 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
256–S	Divorce (Joint)	3.30 p.m.
	Wednesday, February 22	
Regina, Sask.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Montreal, P.Q.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Eastern)	All day
Montreal, P.Q.	Immigration (Joint)	All day
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	3.45 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
Molf	Thursday, February 23	***************************************
Edmonton, Alta.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Quebec, P.Q.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	All day
Montreal, P.Q.	Immigration (Joint)	All day
209 W.B.	Mr. Justice Landreville (Joint)	$\left\{\begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
308 W.B.	Public Accounts (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	$ \begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	$ \begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
208 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.
21 to 1912	Friday, February 24	n a sin
Van- couver, B.C.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Western)	All day
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	Morning
Montreal, P.Q.	Immigration (Joint)	All day

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 212

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, FEBRUARY 21, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Martin (Essex East), a Member of the Queen's Privy Council, laid before the House,—Copies of United Nations Rhodesia Regulations made in compliance with the Security Council resolution of December 16, 1966. (English and French).

Mr. Pickersgill, a Member of the Queen's Privy Council, laid before the House,—Copy of a letter dated February 15, 1967, addressed by the Minister of Transport to Dr. T. G. How, Regional Director of Air Services, Department of Transport, with reference to an enquiry into the problem of small boat harbours on the Coast of British Columbia.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Cameron (Nanaimo-Cowichan-The Islands) be substituted for that of Mr. Saltsman on the Standing Committee on Finance, Trade and Economic Affairs.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Churchill and Fane be substituted for those of Messrs. MacLean (Queens) and Ormiston on the Standing Committee on National Defence.

The House resumed debate on the motion of Mr. Marchand, seconded by Mr. Winters,—That Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration, be now read a second time.

V 212-1

After further debate, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time and considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Monday, February 20, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration, and further progress having been made and reported, the Committee obtained leave to sit again at the next sitting of the House.

By unanimous consent, on motion of Mr. McIlraith, seconded by Mr. Laing, it was ordered,—That the Report of the Department of External Affairs tabled on January 28, 1966, be referred to the Standing Committee on External Affairs.

By unanimous consent, the House resolved itself into Committee of the Whole to consider a certain proposed resolution to amend C-267, An Act to amend the Judges Act.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to amend the proposed measure to amend the Judges Act, Bill C-267, now before the House by substituting the words "Eighteen judges and junior judges of the County Courts" for the words "Seventeen judges and junior judges of the County Courts" in lines seven and eight of page 5 of the said Bill, under the heading "British Columbia".

Resolution to be reported.

The said resolution was reported and concurred in and referred to the Committee of the Whole to be appointed to consider Bill C-267, An Act to amend the Judges Act.

(Proceedings on Adjournment Motion)

At 10.36 o'clock p.m., the House adjourned until tomorrow at 2.30 deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

At 10.36 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,657-Mr. McCleave-February 21

- 1. What has been the general cargo tonnage loaded and unloaded at Halifax each year since 1950, expressed as a percentage of the total tonnage of all types of cargo for that port?
- 2. What has been the tonnage of general cargo loaded and unloaded at Halifax in each of those years?

No. 2.658-Mr. Fairweather-February 21

What amount of money did the Government of Canada pay in the way of subsidy or any other assistance for feed grain coming into the province of New Brunswick for each of the years 1965 and 1966?

No. 2,659—Mr. Allard—February 21—

- 1. Is the drug LSD manufactured in Canada and, if so, in what provinces and by what companies?
- 2. Is the import of LSD authorized by the Canadian Government and, if so, under what conditions?
- 3. Is its manufacture and distribution authorized by the Canadian Government?
- 4. Has the Department of National Health and Welfare made any studies or investigations to determine the harmful or other effects of LSD on the population in general and the young in particular?
- 5. Has the Canadian Government received any reports on the use of LSD in some Canadian Universities?

Government Notices of Motions-On Thursday next

February 21—The Minister of Manpower and Immigration:

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:—

That it is expedient to introduce a measure to provide for the training of adults wishing to undertake occupational training; to authorize the entering into of contracts with provinces and employers to provide for the payment of the costs incurred in providing occupational training to those adults and to authorize the payment of charges for tuition or otherwise for the training of adults in occupational training courses not operated by a province or an employer; to authorize the payment of training allowances to certain adults

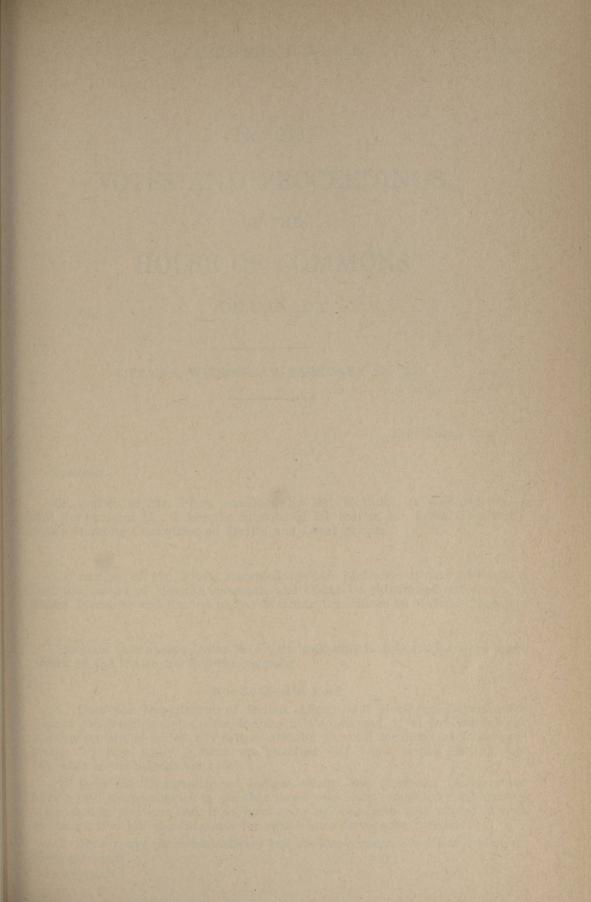
undertaking occupational training; to authorize agreements with the provinces respecting research in respect of occupational training and the making of loans to provinces to assist in the purchase or construction of occupational training facilities; to authorize transitional agreements and arrangements with the provinces related to the Technical and Vocational Training Assistance Act; and to provide further for other related and incidental matters.

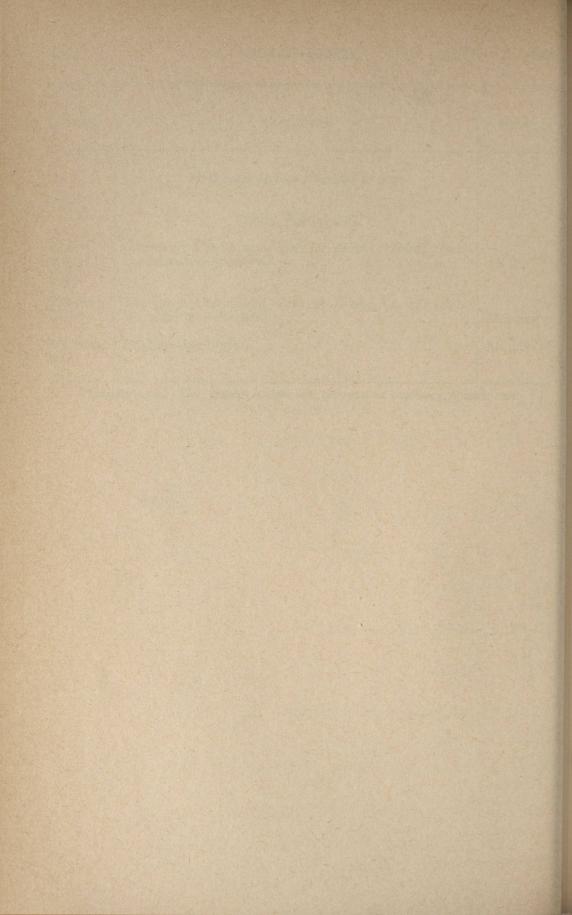
MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Wednesday, February 22	
Regina, Sask.	Consumer Credit and Cost of Living (Joint) (Sub-Committee—Western)	All day
Montreal, P.Q.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Eastern)	All day
Montreal, P.Q.	Immigration (Joint)	All day
208 W.B.	Justice and Legal Affairs (Bill S-9)	1.15 p.m.
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills)	3.45 p.m.
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
	Thursday, February 23	
Edmonton, Alta.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Quebec, P.Q.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	All day
Montreal, P.Q.	Immigration (Joint)	All day
209 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Public Accounts (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (In Camera)	11.00 a.m. 3.45 p.m. 8.00 p.m.
208 W.B.	Justice and Legal Affairs (In Camera)	11.00 a.m.
307 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	muo x
	Friday, February 24	
Van- couver, B.C.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	Morning
Montreal, P.Q.	Immigration (Joint)	All day

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967





No. 213

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, FEBRUARY 22, 1967.

2.30 o'clock p.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the name of Mr. Gilbert be substituted for that of Mr. Scott (Danforth) on the Standing Committee on Justice and Legal Affairs.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the names of Messrs. Crossman and Matte be substituted for those of Messrs. Macaluso and Rochon on the Standing Committee on National Defence.

Pursuant to Standing Order 39(4), the following two Questions were made Orders of the House for Returns, namely:

No. 2,425—Mr. Reid

- 1. Does the Department of Indian Affairs and Northern Development sponsor job-training courses for Indians in Canada and, if so (a) what kinds of program are provided (b) where are the physical locations of these programs (c) how many Indians are enrolled (d) what is the passing rate (e) what is the attendance rate?
- 2. Does the Department of Indian Affairs and Northern Development have a follow-up program to see that those who have completed their courses are placed in positions and, if so, how many persons have been placed in each of the various job classifications for which they have been trained?
- 3. How many placement officers has the Department hired and where are they stationed?

No. 2,496-Mr. Irvine

What was the total amount of all grants, subsidies or other monetary assistance in any form from all federal departments in each of the years 1960 to 1966 inclusive for (a) the mentally retarded (b) the blind (c) the deaf (d) the mute (e) mentally ill (f) crippled children?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,—Returns to the foregoing Orders.

Notices of Motions for the Production of Papers Nos. 72, 191, 199, 205, 209, 210, 211, 212 and 213 were allowed to stand at the request of the government.

Ordered,—That there be laid before this House a copy of all letters between the Minister of Transport or any members of his Department and either Mr. Alex R. Gordon or the R. & R. Shipping Limited.—[Notice of Motion for the Production of Papers No. 208—Mr. Howe (Hamilton South)]

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented, —Return to the foregoing Order.

Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, Bill C-265, An Act to provide for the payment of a retiring annuity to the Governor General of Canada was read the second time, considered in Committee of the Whole, reported without amendment, read the third time and passed.

By unanimous consent, Mr. McIlraith, seconded by Mr. Greene, moved,— That this House do unite with the Senate in the appointment of a Special Joint Committee to study and report upon amendments to the Criminal Code relating to the dissemination of varieties of "hate propaganda" in Canada as set out in Bill S-49, intituled: "An Act to amend the Criminal Code";

That 12 Members of the House of Commons, to be designated by this House at a later date, be members of the said Committee; and that Standing Order 67(1) be suspended in relation thereto;

That the Committee have the power to call for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the Committee; and

That a Message be sent to the Senate informing that House that the House of Commons do unite with the Senate for the above purposes.

And debate arising thereon. The said debate was interrupted.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Forest, it was ordered,—That the name of Mr. Howard be substituted for that of Mr. Peters on the Standing Committee on Miscellaneous Private Bills.

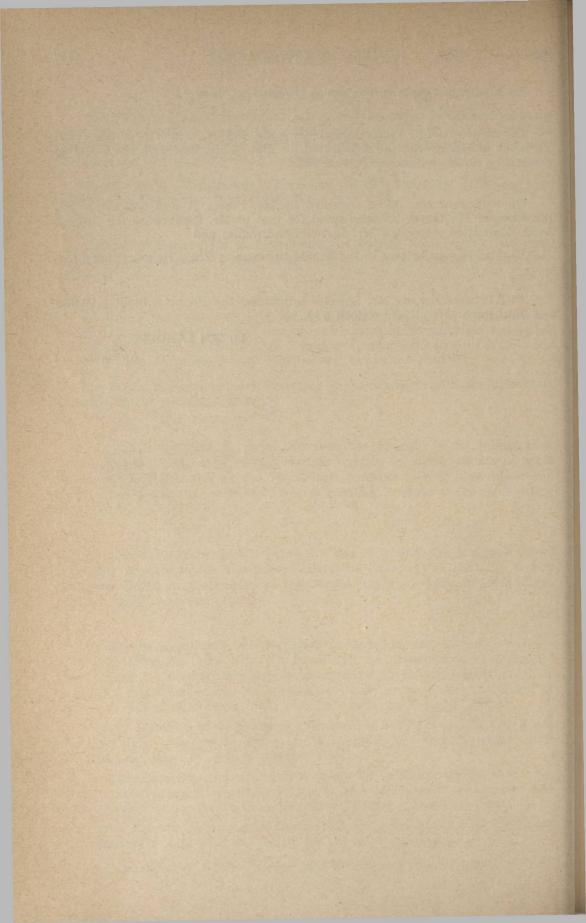
On motion of Mr. Pilon, seconded by Mr. Forest, it was ordered,—That the name of Mr. Goyer be substituted for that of Mr. Richard on the Special Joint Committee respecting Mr. Justice Landreville; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

At 6.15 o'clock p.m., Mr. Speaker adjourned the House without question put until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.



NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,660-Mr. Coates-February 22

Who made the decision to purchase a painting "Sunday Afternoon" by Claude Breeze, what was the reason for the purchase and how much was paid by the Canada Council for the painting?

*No. 2,661-Mr. Diefenbaker-February 22

- 1. What are the names and addresses of individuals, other than officials or employees of the Canadian Broadcasting Corporation, who have been the recipients of and/or have had free use of the colour TV sets recently purchased by the C.B.C.?
- 2. Are any Members of Parliament among those to whom colour TV sets were delivered by or on behalf of the C.B.C.?
- 3. Since the question was placed on the Order Paper some weeks ago, how many of the said sets have been returned to, or delivered to, the C.B.C. by the recipients?

*No. 2,662-Mr. Racine-February 22-

Did the Department of Transport call for tenders for the removal of snow from the dock at Sandy Beach, Gaspé, Quebec, for the winter of 1965-66, and if so (a) how many tenders were received, who submitted these tenders, and what was the amount of each (b) what contractor was employed by the Department for the work of snow removal on this dock during the winter of 1965-66 (c) how much did the federal government pay the contractor for this work of snow removal in 1965-66?

No. 2,663—Mr. Webb—February 22

- 1. What organizations are eligible to receive a commission on the advance sale of EXPO tickets or passports?
 - 2. What is the total commission paid to date?
 - 3. Who were the recipients of the commissions paid to date?

No. 2,664—Mr. Webb—February 22

- 1. What countries has the honourable Member for Leeds, representing the Prime Minister, visited in Asia, and what was the respective length of his stay in each of these countries?
 - 2. When is it expected that he will be returning to Canada?

Government Notices of Motions-On Friday next

February 22—The Minister of Finance:

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:—

That it is expedient to introduce a measure to provide for the payment to provinces out of the Consolidated Revenue Fund, for each fiscal year in the period commencing on the 1st day of April, 1967 and ending on the 31st day of March, 1972, of provincial revenue equalization payments and post-secondary education adjustment payments, and for each fiscal year commencing on or after the 1st day of April, 1967, of provincial revenue stabilization payments and succession duty payments; to authorize tax collection agreements with provinces and to amend the Established Programs (Interim Arrangements) Act to extend for an additional three years the interim period relating to the health grants program.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, February 23	
Edmonton, Alta.	Consumer Credit and Cost of Living (Joint) (Subcommittee—Western)	All day
Quebec, P.Q.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	All day
Montreal, P.Q.	Immigration (Joint)	All day
209 W.B.	Mr. Justice Landreville (Joint)	$ \left\{ \begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array} \right.$
307 W.B.	Public Accounts (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	$\begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
308 W.B.	Finance, Trade and Economic Affairs (Bank Bills) (In Camera)	$\begin{cases} 11.00 \text{ a.m.} \\ 3.45 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
307 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256–S	Divorce (Joint)	3.30 p.m.
	Friday, February 24	
Van- couver, B.C.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	Morning
Montreal, P.Q.	Immigration (Joint)	All day

N° 214

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, FEBRUARY 23, 1967.

2.30 o'clock p.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the name of Mr. Watson (Assiniboia) be substituted for that of Mr. Irvine on the Special Joint Committee on Consumer Credit and Cost of Living; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the names of Messrs. Rochon and LeBlanc (Rimouski) be substituted for those of Messrs. Matte and Deachman on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the name of Mr. Langlois (Mégantic) be substituted for that of Mr. Simard on the Standing Committee on Miscellaneous Private Bills.

Mr. Marchand, seconded by Mr. Winters, moved,—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:—

That it is expedient to introduce a measure to provide for the training of adults wishing to undertake occupational training; to authorize the entering into of contracts with provinces and employers to provide for the payment of the costs incurred in providing occupational training to those adults and to authorize the payment of charges for tuition or otherwise for the training

of adults in occupational training courses not operated by a province or an employer; to authorize the payment of training allowances to certain adults undertaking occupational training; to authorize agreements with the provinces respecting research in respect of occupational training and the making of loans to provinces to assist in the purchase or construction of occupational training facilities; to authorize transitional agreements and arrangements with the provinces related to the Technical and Vocational Training Assistance Act; and to provide further for other related and incidental matters.

Resolved,—That the House do go into Committee of the Whole at its next sitting to consider the said proposed resolution.

Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration, was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

The House resolved itself into Committee of the Whole to consider Bill C-252, An Act to provide general incentives to industry for the expansion of scientific research and development in Canada and to effect certain related amendments to the Income Tax Act.

And the House continuing in Committee;

At 6.00 o'clock p.m. Mr. Speaker took the Chair.

A Message was received from the Senate informing this House that the Senate had passed the following bills, without amendment:

Bill C-170, An Act respecting employer and employee relations in the Public Service of Canada.

Bill C-181, An Act respecting employment in the Public Service of Canada.

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

23rd February, 1967.

Sir,

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 23rd February, at 6.45 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.

The Honourable, The Speaker of the House of Commons.

By unanimous consent, on motion of Mr. McNulty, seconded by Mr. Honey, it was ordered,-That the subject-matter of Bill C-192, An Act to amend the Criminal Code (Destruction of Criminal Records), be referred to the Standing Committee on Justice and Legal Affairs.

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

[Notices of Motions (Papers)]

Orders numbered 145, 137, 128 and 200 having been called were allowed to stand at the request of the government.

The House resumed debate on the motion of Mr. Barnett, seconded by Mr. Knowles,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all notes and other communications exchanged between Canada and the United States of America since the enactment by Parliament on July 16, 1964, of the Territorial Sea and Fishing Zones Act having to do with the issuance by the Governor in Council of one or more lists of geographical co-ordinates of points from which base lines may be determined in accordance with the provisions of the Act.—(Notice of Motion for the Production of Papers No. 201).

And debate continuing;

The hour for Private Members' Business expired.

A Message was received from the Honourable Robert Taschereau, Chief Justice of Canada, in his capacity as Deputy to His Excellency the Governor General, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker with the House went to the Senate Chamber.

And being returned;

Mr. Speaker reported that, when the House did attend the Honourable the Deputy to His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act respecting employer and employee relations in the Public Service of Canada.

An Act respecting employment in the Public Service of Canada.

The House resumed consideration in Committee of the Whole of Bill C-252, An Act to provide general incentives to industry for the expansion of scientific research and development in Canada and to effect certain related amendments to the Income Tax Act, which was reported with amendments (as made in the Standing Committee on Industry, Research and Energy Development) and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill C-266, An Act to provide for the revision of certain salaries fixed by statute;

Mr. Benson, seconded by Mr. Sharp, moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole and reported without amendment.

By unanimous consent, the said bill was read the third time and passed.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Tucker, it was ordered,—That the name of Mr. Byrne be substituted for that of Mr. McNulty on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.12 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Favreau, a Member of the Queen's Privy Council,—Consolidated Index and Table of Statutory Orders and Regulations published in the Canada Gazette, Part II, for the period January 1, 1955 to December 31, 1966. (English and French).

By Mr. Favreau,—Copies of the Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 22, 1967, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French).

At 10.38 o'clock p.m., the House adjourned until to-morrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,665-Mr. MacRae-February 23

Did the government co-operate in the making of the films which were taken by the officials of the Society for the Prevention of Cruelty to Animals during the 1966 seal hunt in the Gulf of St. Lawrence and, if so, did the government approve of the said films as being an authentic record of sealing operations in 1966?

No. 2,666—Mr. Asselin (Richmond-Wolfe)—February 23

- 1. Has the government received representations from the United Automobile Workers relating to the statement by Mr. Larry Sheffe of the U.A.W. on February 2, 1967, regarding a change in the inspection systems of the major auto manufacturing companies and its effect on the number of defective automobiles?
- 2. If so (a) have these representations been brought to the attention of the Canadian Government Specifications Board, and (b) does the government intend to bring in legislation to protect the Canadian consumer in this regard?

No. 2,667-Mr. Godin-February 23-

- 1. Under the manpower retraining program, to which province and to what kind of employment are the unemployed workers of the shoe-manufacturing industry, particularly those from St. Jérôme, Quebec, being sent?
- 2. What was the number of unemployed persons registered in this community as at December 31, 1966?
 - 3. Of this number, how many have since found employment?

No. 2,668-Mr. Godin-February 23-

When will the Livestock Feed Board (Bill C-218) come into operation, and will the farmers in the regions concerned benefit through a decrease in the price of grain?

*No. 2,669—Mr. Racine—February 23—

With reference to the booklet published by the Information Division of the Department of Agriculture and bearing the category number A73-1096F; Maple Syrup-Sugar-Butter-Taffy (a) how many copies were printed in 1961 (b) how many copies were reprinted in 1964 (c) was this booklet distributed to different organizations throughout the country, i.e., hotels, restaurants, institutions, etc., or was it supplied upon request?

No. 2,670-Mr. Pascoe-February 23

- 1. What was the total amount paid in Saskatchewan in Estate Tax for the year 1966, and how was this amount shared by the federal and provincial governments?
- 2. Has the government entered into an agreement with the Government of Saskatchewan to eliminate the collecting of this tax in that Province and, if so, when will the necessary legislation be introduced in this House?

Introduction of Bills-On Monday next

February 23—Mr. Bell (Carleton)—Bill intituled: "An Act to amend the British North America Act, 1867 (Duration of House of Commons)".

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day) Friday, February 24	
	1 roung, 1 cor war g 24	
Van- couver, B.C.	Consumer Credit and Cost of Living (Joint) (Sub-committee—Western)	All day
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee—Eastern)	Morning
Montreal, P.Q.	Immigration (Joint)	All day
371 W.B.	National Defence (Bill C-243)	9.30 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 215

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, FEBRUARY 24, 1967.

11.00 o'clock a.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the following Members compose the Special Committee on Procedure appointed January 25, 1967: Messrs. Asselin (Richmond-Wolfe), Baldwin, Brand, Faulkner, Knowles, Langlois (Mégantic), MacEachen, Nugent, Olson, Richard and Stewart.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Macaluso be substituted for that of Mr. Crossman on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Forrestall be substituted for that of Mr. Brand on the Special Joint Committee on the National and Royal Anthems; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

Mr. Benson for Mr. Sharp, seconded by Mr. McIlraith, moved,—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:—

That it is expedient to introduce a measure to provide for the payment to provinces out of the Consolidated Revenue Fund, for each fiscal year in the period commencing on the 1st day of April, 1967 and ending on the 31st day of March, 1972, of provincial revenue equalization payments and post-secondary education adjustment payments, and for each fiscal year commencing on or

after the 1st day of April, 1967, of provincial revenue stabilization payments and succession duty payments; to authorize tax collection agreements with provinces and to amend the Established Programs (Interim Arrangements) Act. to extend for an additional three years the interim period relating to the health grants program.

Resolved.—That the House do go into Committee of the Whole at its next sitting to consider the said proposed resolution.

The House resolved itself again into Committee of Supply.

(In the Committee)

The following resolution was adopted:

SUPPLEMENTARY ESTIMATES (E), 1966-67

LOANS, INVESTMENTS AND ADVANCES

FINANCE

L 30e To provide for the purchase, acquisition and holding by the Minister of Finance of securities issued by the Canadian Corporation for the 1967 World Exhibition pursuant to sub-section 1 of section 12 of the Canadian Corporation for the 1967 World Exhibition Act and to subsequently dispose thereof \$21,000,000 00

Resolution to be reported.

The said resolution was reported and concurred in, and the Committee of Supply obtained leave to sit again at the next sitting of the House.

The House resolved itself again into Committee of Ways and Means.

(In the Committee)

The following resolution was adopted:

Resolved, That towards making good the Supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st day of March, 1967, the sum of \$21,000,000 be granted out of the Consolidated Revenue Fund of Canada.

Resolution to be reported.

The said resolution was reported and concurred in, and the Committee of Ways and Means obtained leave to sit again at the next sitting of the House.

Mr. Pennell, for Mr. Benson, seconded by Miss LaMarsh, by leave of the House, presented Bill C-271, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967, which was read the first time.

By unanimous consent, the said bill was read the second time, considered in Committee of the Whole and reported without amendment, read the third time and passed.

The Order being read for the second reading of Bill C-267, An Act to amend the Judges Act;

Mr. Pennell for Mr. Cardin, seconded by Mr. McIlraith, moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole (together with the resolution adopted February 21, 1967, in respect thereto).

And the House continuing in Committee;

Pursuant to Special Order adopted Monday, February 20, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-267, An Act to amend the Judges Act, (together with the resolution adopted February 21, 1967) which was reported with amendments and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill C-270, An Act to amend the Small Businesses Loans Act;

Mr. Sharp, seconded by Mr. Côté (Longueuil), moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole, and reported without amendment.

By unanimous consent, the said bill was read the third time and passed.

The House resumed debate on the motion of Mr. McIlraith, seconded by Mr. Greene,—That this House do unite with the Senate in the appointment of a Special Joint Committee to study and report upon amendments to the Criminal Code relating to the dissemination of varieties of "hate propaganda" in Canada as set out in Bill S-49, intituled: "An Act to amend the Criminal Code";

That 12 Members of the House of Commons, to be designated by this House at a later date, be members of the said Committee; and that Standing Order 67(1) be suspended in relation thereto;

That the Committee have the power to call for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the Committee; and

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That a Message be sent to the Senate informing that House that the House of Commons do unite with the Senate for the above purposes.

And the question being put on the said motion, it was agreed to.

[At 5.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

By unanimous consent, it was ordered,—That the subject-matter of Bill C-264, Divorce Act 1967, be referred to the Special Joint Committee on Divorce.

Orders numbered one to six having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-33, An Act to amend the Criminal Code (Wire Tapping, etc.);

Mr. Orlikow, seconded by Mr. Brewin, moved,—That the said bill be now read a second time.

And debate arising thereon;

The hour for Private Members' Business expired.

By unanimous consent, the House reverted to "Motions".

Mr. Sharp, a Member of the Queen's Privy Council, laid before the House,— Copies of the Report of the Royal Commission on Taxation dated December 22, 1966, (Kenneth LeM. Carter, Chairman):

- Volume 1-Introduction, Acknowledgement and Minority Reports.
- Volume 2-The Use of the Tax System to Achieve Economic and Social Objectives.
- Volume 3-Taxation of Income Part A-Taxation of Individuals and Families
- Volume 4—Taxation of Income (continued) Part B-Taxation of Income Flowing Through Intermediaries Part C—Determination of Business Income Part D-International
- Volume 5-Sales Taxes and General Tax Administration Part A-Sales and Excise Taxes and Duties Part B-General Tax Administration
- Volume 6-Implications of the Proposed Tax Reforms; together with a Consolidated Index and Press Releases numbered 1 to 31.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Greene, a Member of the Queen's Privy Council,—Revised Capital Budget of the Farm Credit Corporation for the year ending March 31, 1967, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1967-255, dated February 14, 1967, approving same. (English and French).

At 6.03 o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,671—Mr. Danforth—February 24

Has a decision been reached by the Department of National Revenue to open up a new office in Chatham, Ontario, to deal with taxation and if so (a) what is the number of employees contemplated for the staff (b) what procedures will be followed to obtain the necessary office space (c) will space be available in present offices leased or rented by the government or will additional office facilities be procured?

No. 2,672-Mr. Coates-February 24

- 1. What is the meaning of "Capital Cost Allowance" as set-out as an example of a deduction that can be made against rents received insofar as the guaranteed income supplement is concerned and which is more particularly described as Item 7, on Page 10, of the Guaranteed Income Supplement folder distributed to recipients of Old Age Security?
- 2. Can an applicant for the Old Age Supplement use a deduction from rents received, property tax, insurance and capital cost allowance?

No. 2,673-Mr. Nielsen-February 24

During the last fiscal year of the operations of Canadian National Express, how much money was paid out to satisfy claims for damages caused to goods in transit and what was the cost to Canadian National Railways for the processing of such claims for the same period?

No. 2,674—Mr. Nielsen—February 24

Over the 12-month period preceding the recent deaths of Silas Alfred, Mary Alfred, Emily Alfred and David Alfred at Minto in the Yukon Territory, what monthly assistance was given to each by the Indian Affairs Branch in terms of, money, food, clothing, medical attention or other aid?

No. 2,675—Mr. Woolliams—February 24

- 1. Is it a fact that the opening of the Drumheller Penitentiary has been delayed because of shortage of houses for a staff of approximately 175 employees, necessary for the operation and opening of the institution?
- 2. Would the Minister of Labour give details as to what direct negotiations have taken place with Central Mortgage and Housing to make a deal with the City of Drumheller to expedite the building of houses, so that this institution can be opened and relieve the crowded conditions of other institutions?

* No. 2,676—Mr. Woolliams—February 24

- 1. Is the Trade Marks Branch of the Department of the Registrar General, owing to a shortage of staff, now several months behind in the examination of applications in reference to Trade Marks?
- 2. Would the Minister kindly investigate the situation, and what promise does he hold for applications being delayed presently or to be delayed in the future?

No. 2,677-Mr. Coates-February 24

Has the government rented space in the Juliana Apartments, Bronson avenue, Ottawa, and, if so (a) for what department or agencies of the government (b) when did the government enter into a contract for the space in question, how much was obtained and what is the annual rental (c) who are the principal shareholders in the company who owns the Juliana Apartment Building?

Notices of Motions for the Production of Papers-On Wednesday next

No. 214-Mr. McCleave-February 24

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copy of the Order-in-Council or other document setting out the authorization and terms under which the Canadian National Railways will make payments to municipalities in lieu of taxes for the present year.

Introduction of Bills-On Monday next

February 24—Mr. Herridge—Bill intituled: "An Act respecting the right of privacy".

MEETINGS OF COMMITTEES

Room	Committee	Hour
tob its	(Subject to change from day to day)	
n 00.1	Monday, February 27	
London, Ont.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
371 W.B.	National Defence (Bill C-243)	$\left\{\begin{array}{l} 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
256-S	Penitentiaries (Joint)	3.30 p.m.
1 00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Tuesday, February 28	
St. John's, Nfld.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
Toronto, Ont.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
209 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	$ \begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
308 W.B.	Public Service (Joint)	10.00 a.m.
256–S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Wednesday, March 1	10000
St. John's, Nfld.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
307 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26 and C-49, etc.)	1.00 p.m.
	Thursday, March 2	
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee)	Evening
208 W.B.	Drug Costs and Prices (In Camera)	9.30 a.m.
209 W.B.	Industry, Research and Energy Development	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (In Camera)	11.00 a.m.
253-D	Immigration (Joint)	11.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
208 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.
209 W.B.	Public Service (Joint) (Pensions)	8.00 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 216

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, FEBRUARY 27, 1967.

2.30 o'clock p.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Matte, McNulty, Deachman and Crossman be substituted for those of Messrs. Langlois (Chicoutimi), Laniel, LeBlanc (Rimouski) and Groos on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Forest and Stanbury be substituted for those of Messrs. Racine and Côté (Dorchester) on the Standing Committee on Miscellaneous Private Bills.

By unanimous consent, it was ordered,—That the following bills be reprinted as amended by the Standing Committee on Finance, Trade and Economic Affairs:

Bill C-222, An Act respecting Banks and Banking.

Bill C-223, An Act respecting Savings Banks in the Province of Quebec.

Mr. Bell (Carleton), seconded by Mr. Fairweather, by leave of the House, introduced Bill C-272, An Act to amend the British North America Act, 1867 (Duration of House of Commons), which was read the first time and ordered for a second reading at the next sitting of the House.

February 27, 1967

Mr. Herridge, seconded by Mr. Knowles, by leave of the House, introduced Bill C-273. An Act respecting the right of privacy, which was read the first time and ordered for a second reading at the next sitting of the House.

Pursuant to Standing Order 39(4), the following Question was made an Order of the House for a Return:

No. 2,448-Mr. Grégoire

Do the Crown corporations referred to as "proprietary" in the Financial Administration Act promote the recruitment of veterans, and (a) if so, of what does this policy consist (b) if not, for what reason?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,-Return to the foregoing Order.

Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration, was again considered in Committee of the Whole, reported with amendments, considered as amended and ordered for a third reading at the next sitting of the House.

Ordered,—That the said bill be reprinted.

The Order being read for the second reading of Bill S-55, An Act to provide relief in certain cases against loss or hardship suffered as a result of interruptions of normal postal services:

Mr. Pennell for Mr. Cardin, seconded by Mr. McIlraith, moved.—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole, reported with an amendment and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The House resolved itself into Committee of the Whole to consider a certain proposed resolution to amend the Fund for Rural Economic Development Act.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to amend the Fund for Rural Economic Development Act to increase the limit on the aggregate of the amounts that may be paid out of the Consolidated Revenue Fund and charged to the Fund for Rural Economic Development under agreements with the provinces from fifty million dollars to three hundred million dollars.

Resolution to be reported.

The said resolution was reported and concurred in.

Mr. Sauvé, seconded by Mr. Robichaud, by leave of the House, presented Bill C-274, An Act to amend the Fund for Rural Economic Development Act, which was read the first time.

By unanimous consent, the said bill was read the second time, considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Monday, February 20, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-274, An Act to amend the Fund for Rural Economic Development Act, which was reported without amendment.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill S-56, An Act to implement agreements for the avoidance of double taxation with respect to income tax between Canada and Trinidad and Tobago, Canada and Ireland, Canada and Norway and Canada and the United Kingdom, and to implement a supplementary income tax convention between Canada and the United States of America;

Mr. Sauvé, for Mr. Sharp, seconded by Mr. Robichaud moved,-That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole and reported without amendment.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act:

Mr. Sharp, seconded by Mr. McIlraith, moved,—That the said bill be now read a second time.

And debate arising thereon;

By unanimous consent, it was ordered,—That government amendments to be proposed in Committee of the Whole on Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act. be printed as an appendix to this day's Votes and Proceedings.

By unanimous consent, the House reverted to "Motions". V 216-13

On motion of Mr. Pilon, seconded by Mr. Orange, it was ordered,—That the name of Mr. Roxburgh be substituted for that of Mr. Cowan on the Standing Committee on Northern Affairs and National Resources.

On motion of Mr. Pilon, seconded by Mr. Orange, it was ordered,—That the name of Mr. Howard be substituted for that of Mr. Barnett on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

(Proceedings on Adjournment Motion)

At 10.10 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Sharp, a Member of the Queen's Privy Council,—Report on the Operations of the Municipal Improvements Assistance Act for the year ended December 31, 1966, pursuant to section 11 of the said Act, chapter 183, R.S.C., 1952. (English and French).

By Mr. Winters, a Member of the Queen's Privy Council,—Revised Capital Budget of the Canadian Corporation for the 1967 World Exhibition for the financial year ending December 31, 1966.

By Mr. Winters,—Capital Budget of the Canadian Corporation for the 1967 World Exhibition for the financial year ending December 31, 1967.

At 10.32 o'clock p.m., the House adjourned until to-morrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.

APPENDIX TO VOTES AND PROCEEDINGS

GOVERNMENT AMENDMENTS TO BE PROPOSED IN COMMITTEE
OF THE WHOLE ON BILL C-259, AN ACT TO AMEND THE
INCOME TAX ACT AND TO REPEAL THE CANADIAN VESSEL
CONSTRUCTION ASSISTANCE ACT

Amendment to Clause 13

That clause 13 of Bill C-259 be amended by striking out subclause (3) on page 14 and substituting therefor the following:

(3) This section is applicable to the 1962 to 1966 taxation years, each inclusive.

Amendment to Clause 15

That clause 15 of Bill C-259 be amended

- (a) by striking out line 25 on page 16 and substituting therefor the following:
 - becomes, before that time, a person who is not an employee
- (b) by striking out lines 36 and 37 on page 16 and substituting therefor the following:

to his estate, not later than 90 days after the earliest of

- (c) by striking out subclause (4) on page 17 and substituting therefor the following:
 - (4) All that portion of subsection (7) of section 79c of the said Act preceding paragraph (a) thereof is repealed and the following substituted therefor:

Amount of deductible.

- "(7) There may be deducted in computing the income of an employer's employer for a taxation year the aggregate of each amount paid by the employer in the year or within 120 days after the end of the year, to a trustee under a deferred profit sharing plan for the benefit of employees of the employer who are beneficiaries under the plan, not exceeding, however, in respect of each individual employee in respect of whom the amounts so paid by the employer were paid by him, an amount equal to the least of"
 - (5) Subsection (7) of section 79c of the said Act is further amended by striking out the word "or" at the end of paragraph (a) thereof, by adding the word "or" at the end of paragraph (b) thereof and by adding thereto the following paragraph:
 - "(c) 20% of the salary or wages paid in the year to the employee by the employer," : and
 - (d) by renumbering subclauses (5) to (8) as subclauses (6) to (9) and by striking out subclause (9) on page 19 and substituting therefor the following:
 - (10) Subsections (1) to (3) and subsection (9) shall be deemed to have come into force on December 21, 1966, and subsections (4) and (5) are applicable to taxation years commencing after that date.

Amendments to Clause 19

That clause 19 of Bill C-259 be amended

- (a) by striking out lines 5 to 12 on page 22 and substituting therefor the following:
 - to any rights or benefits under the policy (other than the rights or benefits of the insurer),
- (b) by striking out lines 21 to 24 on page 22 and substituting therefor the following:
 - (e) the total of the premiums payable in any year under the policy is not greater than the aggregate of the amounts that, if the

annual premiums had been payable in monthly instalments, would have been payable as such instalments in the 12 months commencing with the date the policy was issued,

(c) by striking out lines 32 and 33 on page 22 and substituting therefor the following:

policies in respect of which the trust is the only person entitled to any rights or benefits (other than the rights or benefits of the insurer) does not exceed an amount equal to 25% of the aggregate of all amounts paid by employers to the trust in the year ; and

(d) by striking out line 37 on page 24 and substituting therefor the following:

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year or within 90 days after the end of the year to that employee, or

NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,678—Mr. Barnett—February 27

Has the Department of Public Works called for tenders to have removed, in whole or in part, the public wharf at Pictou Landing, Nova Scotia and, if so (a) what are the reasons for doing so (b) what is the nature of any wharf facilities that will remain in operation and for what purpose will they be used (c) has the Department of Fisheries been consulted about any action the Department is taking?

*No. 2,679-Mr. Diefenbaker-February 27

- 1. How many persons, by province, as of this date, have been notified that their applications for the supplementary payment under the recent amendments to the Old Age Security Act, of \$30.00 per month, have been approved?
- 2. How many applications for the supplement have been received, by province, as of this date?
- 3. In how many cases have the applicants been informed that their applications have been turned down as being unqualified because they have means or income which denies them the said payment?

No. 2,680-Mr. McIntosh-February 27

- 1. Was an invitation extended by telephone on February 8 by the C.B.C. to Mr. John M. Lucky of Saskatoon, to appear on a C.B.C. television show in Halifax representing Saskatchewan in a Centennial series?
- 2. Was he informed on arrival in Halifax on February 15 that he would not be able to appear because of objections by the American Federation of Musicians, New York office and, if so, what form did these objections take, and why were they allowed by the C.B.C. to influence their decision with regard to a scheduled appearance on a C.B.C. television show?

Notices of Motions for the Production of Papers-On Wednesday next

No. 215-Mr. Barnett-February 27

That an Order of the House do issue for copies of (a) a list of the names and social security numbers sent to the Transitional Assistance Benefits Board by McKinnon Industries Limited, St. Catharines, Ontario, as being laid off from employment since September 8, 1966 (b) a list of all those named in part (a) above who have been certified as being eligible to draw Transitional Assistance Benefits (c) a list of all those named in part (a) above who have received or who are now receiving Transitional Assistance Benefits payments.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
STATE OF THE STATE	Tuesday, February 28	(a) what a
St. John's, Nfld.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
Toronto, Ont.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
209 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
112-N	Procedure of the House (In Camera)	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Public Service (Joint) (Pensions),	10.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.
	Wednesday, March 1	not be shick was a shick with the shick was a shick wa
St. John's, Nfld.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
307 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26 and C-49, etc.)	1.00 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, March 2	
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee)	Evening
208 W.B.	Drug Costs and Prices (In Camera)	9.30 a.m.
209 W.B.	Industry, Research and Energy Development	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (In Camera)	11.00 a.m.
253-D	Immigration (Joint)	11.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
208 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 217

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, FEBRUARY 28, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Seventh Report of the said Committee, which is as follows:

Complying with an order of the House of Commons of May 30, 1966, your Committee has considered the subject-matter of Bill C-176, An Act to amend the Criminal Code (Insanity at time of trial).

The purport of the Bill is to allow the issue of whether an accused is, or is not, on account of insanity capable of conducting his defence to be postponed by the Court, Judge or Magistrate until any time up to the opening of the defence. It further provides that if before the question of the accused's fitness to stand trial falls to be determined the Jury, Judge or Magistrate returns a verdict of acquittal on the count or counts on which the accused is being tried the issue shall not be determined.

The Bill follows the lines of Section 4 of the Criminal Procedure (Insanity) Act, 1964 of the United Kingdom allowing such issue to be postponed until any time up to the opening of the case for the defence. The proposed Bill goes somewhat further in that it provides that the Court, Judge or Magistrate may at the request of counsel for the accused, and at the discretion of the Court, Judge or Magistrate, if he deems it to be in the interest of the accused, call any witness on the issue of the identification of the accused as the party responsible for the crime and on the issue of whether the accused could have been present at the scene of the crime at the time of the commission thereof without the defence being deemed to have been opened within the meaning of the amendment.

Your Committee has had the advantage of hearing from distinguished witnesses, namely:

The Honourable J. C. McRuer, retired Chief Justice of the High Court Division of the Supreme Court of Ontario;

V 217-1

Mr. John Munro, M.P., sponsor of the Bill;

Mr. Barry Swadron, Director, Study Project on Mental Health Legislation;

Dr. M. Boyd, Superintendent, Ontario Mental Hospital at Penetanguishene;

Mr. Gowan T. Guest, National President, and Dr. J. D. Griffin, General Director, The Canadian Mental Health Association and who also represented the Canadian Association for Retarded Children.

A letter from the Attorney General of Ontario approving of the principle of the Bill also forms part of the record.

It is to be noted that the word "Insanity" as used in the proposed amendment covers a much broader field than the cases where an accused may be found not guilty on the ground of insanity. A better word might be "disability" because it includes persons not only suffering from mental illness but also mental retardation and other defects caused by disease or damage to the brain resulting in a lower mental capacity.

The practice in Canada is to resolve the fitness question as soon as the court is satisfied that the matter is placed in doubt. This by custom and practice has meant that the special issue is determined as a preliminary one at the outset of the trial. Where the accused is found unfit to stand trial under such circumstances not only is there no opportunity to present defence but the prosecution has not had to test its case. The main issue at trial—innocence or guilt—is left completely untouched. Detention for an indeterminate time, perhaps for life, follows as a matter of law. While we do not knowingly convict a person who, due to mental disorder, is handicapped in answering a criminal charge, neither are we acquitting him. The possibility of his innocence cannot be excluded. Indeed, his innocence is presumed.

The witnesses, or some of them at least, went beyond the sponsor's proposals and felt that the issue as to fitness to stand trial could be and should be in some cases postponed until after the evidence for both the Crown and the accused had been heard, and the Committee concurs.

The Committee was much impressed with the suggestion made by Mr. McRuer that provision be made in the Bill or elsewhere in the Criminal Code providing for the appointment of a guardian ad litem on behalf of the accused. This would enable the guardian ad litem to instruct counsel regarding the trial and the necessary decisions to be made in order to properly safeguard the interest of the accused.

After hearing the distinguished panel of witnesses above referred to and the other evidence made available, your Committee agrees with the soundness of the principle enunciated in Bill C-176, and recommends that it be carried into law at once.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 9, 22, 25) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 51 to the Journals).

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Eighth Report of the said Committee, which is as follows:

Your Committee had referred to it the subject matter of Bill C-105, An Act to amend the Criminal Code (Insanity), sponsored by Mr. Brewin. In considering the proposed legislation your Committee held two formal meetings on November 29th, 1966 and January 31st, 1967. The following witnesses were heard: Mr. Andrew Brewin, M.P.; Professor Stuart Ryan; Professor Stanley Beck and the Honourable J. C. McRuer.

The following were printed as appendices to the Minutes of Proceedings and Evidence:

Criminal Insanity (From M'Naghten to Durham) prepared by the Research Branch, Library of Parliament;

Mental Abnormality and the Criminal Law by Professor Stuart Ryan;

Alternatives to the M'Naghten Rules by Professor Stanley Beck.

The following were made exhibits to the proceedings:

Extract from Mental Disability and the Criminal Law pp. 330-372.

Extract from Canadian Psychiatric Association Journal, June, 1964.

Copy of the report in United States of America v. Freeman, United States Court of Appeals—Second Circuit, Federal Reporter 2nd Series, Vol. 357, pp. 606-629.

Report of the Royal Commission on the Law of Insanity as a Defence in Criminal Cases—October 25, 1956.

Your Committee was satisfied that some technical improvements could be made in the present definition of insanity under section 16 of the Criminal Code, to define the circumstances under which a person should not be held responsible for his acts.

Your Committee could find, however, no substantial agreement among medical and legal authorities as to the wording of a new or better definition. In recent years, several jurisdictions have grappled with the problem, but technical knowledge has still not become sufficiently firm to result in a consensus. Neither the so-called "Durham test" as incorporated into the proposed bill nor the American Law Institute definition have had sufficient time or body of precedent to confirm or deny their validity.

Your Committee believes that the body of law built up by precedent on the present definitions in the Criminal Code should not be disturbed unless a clear case for reform in fact, as well as in legal process is shown. Juries are not likely to be affected greatly by refinements in definition. Such a clear case was not exhibited to the Committee.

Your Committee was impressed with the suggestion that the words "disorder of the mind" should replace "disease of the mind" in subsection (2) of section 16 of the Criminal Code to avoid the suggestion that some organic change or break-down should be exhibited.

Your Committee does not therefore commend the principle of this Bill to the House and the Government.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 19 and 25) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 52 to the Journals).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Pugh be substituted for that of Mr. Forrestall on the Standing Committee on National Defence.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. McIlraith, That Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act, be now read a second time;

After further debate, the question being put on the said motion, it was agreed to on the following division:

YEAS

MESSRS:

Addison,	Emard,	Latulippe,	Prud'homme,
Allard,	Éthier,	Laverdière,	Reid,
Andras,	Faulkner,	Leboe,	Richard,
Asselin	Fawcett,	Legault,	Rideout (Mrs.),
(Richmond-Wolfe),	Foy,	Lessard,	Robichaud,
Badanai,	Gendron,	Lewis,	Rochon,
Barnett,	Gilbert,	Lind,	Rock,
Batten,	Godin,	Loiselle,	Roxburgh,
Béchard,	Goyer,	Macaluso,	Ryan,
Berger,	Gray,	MacEachen,	Sauvé,
Blouin,	Greene,	Mackasey,	Schreyer,
Brewin,	Gregoire,	McIlraith,	Sharp,
Byrne,	Guay,	McNulty,	Simard,
Cadieux,	Habel,	McWilliam,	Stanbury,
Cameron (High	Harley,	Marchand,	Stewart,
Park),	Hellyer,	Martin (Essex East),	Tardif,
Cameron (Nanaimo-	Herridge,	Martin (Timmins),	Teillet,
Cowichan-The	Hopkins,	Matheson,	Thomas
Islands),	Howard,	Matte,	(Maisonneuve-
Cantin,	Hymmen,	Mongrain,	Rosemont),
Cashin,	Isabelle,	Neveu,	Tolmie,
Chatwood,	Johnston,	Nicholson,	Tremblay,
Chrétien,	Klein,	Olson,	Tucker,
Clermont,	Knowles,	Orange,	Turner,
Comtois,	Lachance,	Orlikow,	Wahn,
Côté (Longueuil),	Laflamme,	Otto,	Watson (Château-
Côté (Nicolet-	Laing,	Patterson,	guay-Huntingdon-
Yamaska),	LaMarsh (Miss),	Pearson,	Laprairie),
Crossman,	Lamontagne,	Pepin,	Winch,
Davis,	Langlois	Peters,	Winters,
Deachman,	(Chicoutimi),	Pilon,	Yanakis—117.
Dionne,	Laprise.	Prittie.	

NAYS

MESSRS:

Aiken,	Forbes,	MacRae,	Pascoe,
Alkenbrack,	Fulton,	McCleave,	Pugh,
Asselin (Charlevoix),	Grills,	McIntosh,	Rapp,
Ballard,	Gundlock,	McKinley,	Régimbal,
Bell (Carleton),	Hales,	McQuaid,	Ricard,
Brand,	Harkness,	Madill,	Simpson,
Cantelon,	Horner (Acadia),	Monteith,	Smallwood,
Chatterton,	Howe (Wellington-	Moore,	Smith,
Churchill,	Huron),	Muir (Cape Breton	Southam,
Coates,	Kennedy,	North and Vic-	Starr,
Crouse,	Kindt,	toria),	Stefanson,
Danforth,	Korchinski,	Nasserden,	Thomas (Middlesex
Diefenbaker,	Lambert,	Nesbitt,	West),
Dinsdale,	MacEwan,	Noble,	Valade,
Enns,	MacInnis,	Nowlan,	Wadds (Mrs.),
Fane,	MacLean (Queens),	Nugent,	Webb,
Flemming,	Macquarrie,	Ormiston,	Winkler—64.

Accordingly, the said bill was read the second time, considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Monday, February 20, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act, and progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. McIlraith, seconded by Mr. Sharp, it was ordered,—That the Special Joint Committee of the Senate and House of Commons on the Public Service of Canada be further empowered to inquire into and report upon the matter of the pensions paid on account of the service of former members of the Royal Canadian Mounted Police and of former members of the armed forces; and

That a message be sent to the Senate informing Their Honours thereof:

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the name of Mr. Peters be substituted for that of Mr. Howard on the Standing Committee on Miscellaneous Private Bills.

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the name of Mr. Barnett be substituted for that of Mr. Orlikow on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the names of Messrs. Forrestall and Smith be substituted for those of Messrs. Pugh and MacRae on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.09 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council, Return to an Order of the House, dated February 1, 1967, for a copy of all correspondence, telegrams or other documents exchanged between the Board of Transport Commissioners and any other organization, group or person, with reference to the level crossing of the Canadian National Railways line at Cummer Avenue and Leslie Street in the Borough of North York in the municipality of Metropolitan Toronto.—(Notice of Motion for the Production of Papers No. 202).

At 10.28 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,681-Mr. Nielsen-February 28

Under the recently inaugurated Northern Mineral Exploration Program of the Department of Indian Affairs and Northern Development (a) how many applications have been made in connection with work to be performed in the Yukon Territory (b) by whom were such applications made (c) for how much was each application made (d) which applications, if any, have been approved?

No. 2,682-Mr. MacEwan-February 28

- 1. Are the U.I.C. Offices in Amherst, Nova Scotia, and Truro, Nova Scotia, being used by Canada Pension Plan officials on a once-a-week basis for servicing under the Plan?
- 2. Is assistance being given at the Antigonish, Nova Scotia, Canada Pension Plan Office in the completion of the application forms for the new guaranteed income supplement?
- 3. Will the government give consideration to using the New Glasgow U.I.C. Office for Canada Pension Plan use on a part-time basis, and also for assistance to applicants applying for the new guaranteed income supplement?

No. 2,683-Mr. Orlikow-February 28

- 1. Arising out of the answer to Question No. 2,177, answered on February 8, 1967, when did the following Community Development Officers, who are listed as being on staff as of February 8, 1967, leave employment with the Department, either through resignation or dismissal: R. G. Helbecque; M. Coquet; G. T. Gambill; I. Beaulieu?
- 2. Where are the following Community Development Officers, listed as working for the Department as of February 8, 1967, employed: G. Rouleau, E. G. Russell, C. Thompson?
- 3. Are the following Community Development Officers, who were on staff as of February 8, 1967, working on Indian Reservations or in an administrative capacity with the Department and, if so, in what cities are they working: Miss M. M. Gillis, W. McFarlane, Miss F. Y. Osborne, Miss M. M. Stott, G. C. Crockett, K. D. Uppal, A. Spence, T. R. Kelly, W. J. Wacko, R. J. C. Ford?

No. 2,684—Mr. Enns—February 28

Since the designation of certain institutions as "immigrant stations" by the Minister in 1964, how many immigrants have actually been detained in such designated quarters, and (a) how many have been detained in penitentiaries (b) how many have been detained in provincial jails (c) how many have been detained in police stations (d) how many have been detained in mental hospitals?

No. 2,685-Mr. McQuaid-February 28

- 1. Has the government received a resolution approved by the Municipal Council of the Municipality of the County of Inverness asking for a ferry service between Port Hood, Nova Scotia, and some point in Prince Edward Island?
- 2. If so, is the government giving serious consideration to the inauguration of such a service in the near future?
- 3. Has the government already conducted, or does it propose to conduct, a feasibility study on this proposed ferry service?
- 4. If the study has already been conducted, what are the particulars and any conclusions which have been arrived at?

*No. 2,686-Mr. Coates-February 28

- 1. What were the names of the Commissioners appointed to the Royal Commission on Taxation?
- 2. What was the *per diem* honorarium paid to (a) the Chairman (b) other Members of the Commission?
- 3. What was the total honorarium paid to each Member of the Commission and, in each case, in respect of how many days?
- 4. What was the method of determining expenses paid to (a) the Chairman (b) other Members of the Commission?
- 5. If expenses were paid on the basis of actual transportation plus a per diem living allowance, what was the per diem living allowance paid to (a) the Chairman (b) other Members of the Commission?
- 6. What was the total amount of expenses, other than transportation, paid to each Member of the Commission, and in each case, in respect of how many days?
- 7. What would be the total amount of expenses, other than transportation, paid to each Member of the Commission, on a \$25 per diem maximum for living expenses?

*No. 2,687—Mr. Smith—February 28

- 1. Have any regulations under the provisions of Section 9 of the Canada Assistance Plan been made?
 - 2. If so, what are those regulations?
 - 3. If not, when is it expected that regulations will be made and published?
- 4. What provinces have entered into agreements with the Government of Canada under the provisions of Section 4 of the Canada Assistance Plan?

No. 2,688—Mr. Macquarrie—February 28

- 1. What sculptors were asked to prepare mock-ups of statues of former Prime Ministers Arthur Meighen and R. B. Bennett?
- 2. Were these mock-ups appraised by an advisory committee of persons proficient in sculpture and allied arts?
 - 3. What was the personnel of such committees?
- 4. Did said committees submit to any government department any opinion on these mock-ups?
 - 5. What was the nature of such opinions?

No. 2,689-Mr. Ricard-February 28-

- 1. As of the date on which it was decided to grant a supplement to persons eligible for the old age pension who fulfilled certain requirements, how many employees were added to the staff of the responsible section in the office of the Department of National Health and Welfare in the city of Quebec?
- 2. What will be the total amount paid in salaries each year to these additional employees?

No. 2,690-Mr. Isabelle-February 28

In what countries does the Canadian Government Travel Bureau maintain offices?

No. 2,691-Mr. Orange-February 28

Does the Canadian Government Travel Bureau or any other agency of the Government produce and distribute tourist literature in languages other than English and French?

No. 2,692-Mr. Hales-February 28

- 1. What is the normal compulsory retirement age for officers of the rank of Commander, RCN, Lieutenant-Colonel, Army, and Wing Commander, RCAF?
- 2. Are any officers of that rank and above that age still drawing full service pay and if so (a) what is the name, rank, pay and allowances, and post of each (b) are such officers singled out for special treatment in regard to continuous service pay and, if so, for what reasons?
- 3. Is such over-age employment taken into account in calculating the pension of these officers?
- 4. What is the estimated retirement date of each, and on that basis, what is the estimated pension each will draw?

Introduction of Bills-On Thursday next

February 28—Mr. Orlikow—Bill intituled: "An Act to amend the Canada Evidence Act (Incriminating statements)".

February 28—The Registrar General of Canada—Bill intituled: "An Act to amend the Canada Corporations Act".

February 28—The Minister of Trade and Commerce—Bill intituled: "An Act to amend the Canadian Wheat Board Act".

Government Notices of Motions-On Thursday next

February 28—The Prime Minister:

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:—

That it is expedient to introduce a measure to amend the Parliamentary Secretaries Act to provide for an increase in the number of Parliamentary Secretaries who may be appointed under the Act.

MEETINGS OF COMMITTEES

		ero lapeina
Room	Committee	Hour
and display	(Subject to change from day to day)	ade si Austina
	Wednesday, March 1	
St. John's, Nfld.	Consumer Credit and Cost of Living (Joint) (Sub-committee)	All day
307 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26 and C-49, etc.)	1.00 p.m.
208 W.B.	Mr. Justice Landreville (Joint)	3.30 p.m.
	Thursday, March 2	
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee)	Evening
308 W.B.	National and Royal Anthems (Joint)	9.00 a.m.
208 W.B.	Drug Costs and Prices (In Camera)	9.30 a.m.
209 W.B.	Industry, Research and Energy Development	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Finance, Trade and Economic Affairs (In Camera)	11.00 a.m.
253-D	Immigration (Joint)	11.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
602	Indian Affairs, Human Rights and Citizenship and Immigration (Luncheon Meeting) (In Camera)	1.00 p.m.
208 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Friday, March 3	
256-S	Penitentiaries (Joint)	9.30 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 218

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, MARCH 1, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

1 March, 1967.

Sir,

I have the honour to inform you that the Honourable J. R. Cartwright, M.C., Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 1st March, at 5.45 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.

The Honourable,
The Speaker of the House of Commons.

Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twenty-First Report of the said Committee, which is as follows:

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Pursuant to its Orders of Reference your Committee has considered the following Bills:

Bill C-190, An Act to amend the Bank of Canada Act

Bill C-222, An Act respecting Banks and Banking

Bill C-223, An Act respecting Savings Banks in the Province of Quebec.

Your Committee has agreed to report Bill C-190, An Act to amend the Bank of Canada Act, without amendment.

Your Committee has agreed to report Bill C-190, An Act respecting Banks and Banking, with amendments.

Your Committee has agreed to report Bill C-223, An Act respecting Savings Banks in the Province of Quebec, with amendments.

Your Committee has ordered a reprint of Bills C-222 and C-223 embodying the amendments adopted by the Committee.

A further report, setting forth the above-mentioned amendments to Bills C-222 and C-223, and other comments, is being prepared and will be presented as soon as possible.

A copy of the Minutes of Proceedings and Evidence relating to these Bills will be tabled.

Mr. Hales, from the Standing Committee on Public Accounts presented the Thirteenth Report of the said Committee, which is as follows:

1. Your Committee held meetings on November 22 and November 23, 1966 in the course of which the following officers were in attendance:

from the Department of Manpower and Immigration:

Mr. Tom Kent, Deputy Minister,

Mr. S. W. Kaiser, Director, Financial and Administrative Services,

Mr. A. D. MacDonald, Acting Director, Employment Stabilization Branch;

from the Treasury Board:

Dr. George F. Davidson, Secretary,

Mr. C. J. Mackenzie, Assistant Secretary-Program Branch,

Mr. D. R. Yeomans, Assistant Secretary-Management Improvement Branch,

Mr. J. G. Glashan,

Mr. J. A. Driscoll;

and from the Auditor General's Office:

Mr. A. M. Henderson, Auditor General,

Mr. George Long, Assistant Auditor General,

Mr. C. F. Gilhooly, Audit Director,

Mr. Edward Cooke, Audit Director,

Mr. H. E. Hayes, Audit Director,

Mr. J. M. Laroche, Assistant Audit Director,

Mr. I. A. M. Buzza.

2. The following is a report on the work done by your Committee at these meetings.

- 3. In the course of its meetings your Committee gave consideration to:
 - (a) paragraph 71 of the Auditor General's Report for the year ended March 31, 1965—Municipal winter works incentive program;
 - (b) the form and content of the Estimates, with particular reference to the Revised Vote Pattern introduced in 1964-65, Interim Supply and use of the Finance Contingencies Vote.

DEPARTMENT OF MANPOWER AND IMMIGRATION

4. Municipal winter works incentive program (pp. 1229-47; 1248)

In his 1965 Report to the House the Auditor General dealt in paragraph 71 with the need for a more specific spelling out of the terms of the agreements to set straight questionable practices which had developed in the administration of this program. After listing eight of these questionable practices, the Auditor General stated that the working paper files of the provincial auditors carrying out detailed audits of claims had revealed instances of fraudulent and irregular practices being followed.

The Committee discussed these practices with the Auditor General and the Deputy Minister and officials of the Department of Manpower and Immigration and was informed that while the majority of these unsatisfactory practices continued in claims received during the fiscal year 1965-66, there had been a substantial improvement in the situation since April 1, 1966.

Members of the Committee expressed considerable concern at the type of questionable practices which had developed in the administration of the winter works incentive program. It feels that there should be a closer liaison between the Department of Manpower and Immigration and the auditors examining the winter works expenditures for the provinces. The Committee has requested the Auditor General to continue to watch the situation closely and advise the House thereon in due course.

TREASURY BOARD

5. Parliamentary control of expenditure (pp. 1251-1280)

In dealing with this subject in paragraph 9 of his 1965 Report, the Auditor General advised the House that the vote pattern actually used in the Main Estimates 1964-65 differed in certain instances from the pattern which had been submitted to and approved by this Committee in 1964. Details of these differences and examples of transfers made possible by the revised vote pattern were set forth in paragraph 51 of the same Report.

Although the Committee has not yet completed its examination of the details contained in these paragraphs on which it wishes to question the Auditor General and the Secretary of the Treasury Board further, the Committee did request the Auditor General to make a statement on the form and content of the Estimates which he presented on November 23rd.

The Committee discussed this statement on that date and questioned the Secretary of the Treasury Board who provided the members with additional helpful information on the subject. This discussion brought out clearly both

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the significance and the importance of Parliament's control of public funds and the need for continued vigilance on the part of all Members of the House to ensure that the control is effectively and properly exercised.

The Committee is of the opinion that there is a weakening of parliamentary control when Parliament is unable to take the time to examine in detail the amounts being requested as interim supply particularly when these exceed the normal ½2 for each month for which interim supply is requested. It considers it unfortunate that the parliamentary rules do not provide for immediate consideration of the Estimates after they are presented to the House so that the proposed spending can be approved and interim supply would not be required so extensively. It feels that the rules could and should be changed in this regard in order not only to strengthen parliamentary control of public funds but to give the Executive the clear mandate it deserves in the discharge of its heavy responsibilities.

The Committee submits the following recommendations designed to strengthen parliamentary control of public expenditures in the future:

- 1. (a) that the business of the House be so arranged that consideration of the annual main estimates by the various committees of the House and by the House itself be completed within three months of the tabling of these estimates; and
 - (b) that when consideration of all or part of any year's main estimates has not been completed by the commencement of the fiscal year to which they relate, thus making interim supply a necessity, the first interim supply bill include provision for a period of one, two or three months up to a date three months from the end of the month in which the estimates were tabled.
- 2. that there be no change in the Treasury Board's procedure whereby it is the agency which determines the Government's overall cash requirements in stated areas, e.g., salary increases. However, once this determination is completed and the individual departmental needs established, the Committee believes that the additional amount required by each department should be made the subject of a supplementary estimate prepared by the department concerned for submission to Parliament for its consideration and appropriation in the usual manner.

6. Standing Committee on Public Accounts

In the process of drafting this Thirteenth Report of the Committee at meetings held in camera, considerable attention was given to the subject of parliamentary control of expenditure. In the course of the discussions, reference was made to the present practice of having the estimates of individual departments considered simultaneously by several committees of the House and there was general agreement that this procedure represented a worthwhile improvement and should be continued. However, it was also generally agreed that the committee system of considering departmental estimates could be made even more effective if delays which sometimes occur before committees are appointed at the beginning of each session could be eliminated. It was felt that consideration might well be given to the establishment of parliamentary committees at the commencement of each Parliament which would continue to exist for the duration of that Parliament, rather than for the duration of each session. This would mean that each year's estimates could be referred to these committees as soon as they were tabled and the committees would be able to commence their work sooner than is now ordinarily the case.

It was generally agreed that appointment for the duration of the Parliament rather than of the session would also enable the Public Accounts Committee to carry out its work more expeditiously in that the Public Accounts and the Auditor General's Report could be referred to it without delay after they are tabled and the Committee could commence its work sooner than is usually now possible. The work of the Committee would thus be more current than it now is.

It is the understanding of the members of the Committee that in Australia the Public Accounts Committee is established at the beginning of the first session of each Parliament and continues to function for the duration of the Parliament rather than for the duration of the session only.

The Committee recommended in its Third Report 1966, presented to the House on June 28, 1966, that the Public Accounts Committee be established by statute but as this recommendation has not yet been adopted it now recommends that as soon as possible after commencement of the second session of the twenty-seventh Parliament, the Standing Committee on Public Accounts be established as a committee to remain in existence until dissolution of the twenty-seventh Parliament.

The Committee further recommends that the annual Public Accounts and the Report of the Auditor General be referred to the Public Accounts Committee at the time they are tabled in the House.

The page numbers quoted refer to the pertinent pages in the Committee's Minutes of Proceedings and Evidence.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 27 and 28) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 53 to the Journals).

On motion of Mr. Pilon, seconded by Mr. Émard, it was ordered,—That the names of Messrs. Berger and Chatwood be substituted for those of Messrs. Tremblay and Orange on the Special Joint Committee on the National and Royal Anthems; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Émard, it was ordered,—That the names of Messrs. Webb, Gundlock and Ormiston be substituted for those of Mrs. Wadds and Messrs. Woolliams and Mandziuk on the Standing Committee on Miscellaneous Private Bills.

Pursuant to Standing Order 39(4), the following three Questions were made Orders of the House for Returns, namely:

No. 2,380-Mr. Orlikow

1. How many Community Development Officers and Community Development Assistants have been appointed since the government announced its Community Development Program?

- 2. What are the names, academic qualifications and previous experience of each of the Officers and Assistants appointed?
- 3. What were the dates of appointment of each of these Community Development Officers and/or Community Development Assistants?
- 4. How many of the Community Development Officers and Community Development Assistants appointed since the start of the program are still working on Indian Reserves?
- 5. Of those who are no longer working for the Department, what was the date of resignation or dismissal of each?
 - 6. Of those who resigned, what was the reason given for resignation?
 - 7. Of those who were dismissed, what were the reasons for dismissal?
- 8. What was the total establishment for Community Development Officers and Assistants approved by the Cabinet up to the fiscal year 1966-1967?
- 9. How many of these positions are now filled, how many vacancies exist and how many of the personnel have been converted to non-community development work?

No. 2,529-Mr. Langlois (Mégantic)

What is Canada's contribution to each international organization in which Canada is a member, for each of the last five years?

No. 2,549-Mr. Kennedy

From its inception to the end of the year 1966, what was the amount of federal assistance, per year, paid to each province, or producers in each province, as assistance to sheep producers (a) through transportation assistance to sheep breeders (b) through premium on "A" and "B" graded lambs (c) deficiency payments on wool (d) any other assistance in respect to sheep production?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented, —Returns to the foregoing Orders.

Notices of Motions for the Production of Papers Nos. 72, 191, 199, 205, 209, 210, 212, 214 and 215 were allowed to stand at the request of the government.

Ordered,—That there be laid before this House a copy of all correspondence exchanged between the City of Lauzon, the School Board and any other body, Mr. Raynald Guay, M.P. (Lévis), and all departments concerned with regard to Fort No. 1 in Lauzon.—(Notice of Motion for the Production of Papers No. 211—Mr. Caouette).

Resolved,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all communications exchanged between the Minister of Indian Affairs and Northern Development and the Minister of Recreation and Conservation, or any officials of his Department, of the Province of British Columbia, with respect to the development of Duck Lake as a waterfowl sanctuary.—(Notice of Motion for the Production of Papers No. 213—Mr. Herridge).

The Order being read for the third reading of Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration;

Mr. Marchand, seconded by Mr. Nicholson, moved,—That the said bill be now read a third time.

And debate arising thereon;

Mr. Lewis, seconded by Mr. Knowles, moved in amendment thereto,— That Bill C-220 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 17 thereof.

After debate thereon, the question being put on the said proposed amendment, it was negatived on the following division:

YEAS

MESSRS:

Aiken,	Douglas,	Korchinski,	Nugent,
Alkenbrack,	Enns,	Lambert,	Orlikow,
Baldwin,	Fane,	Lewis,	Ormiston,
Ballard,	Fawcett,	MacEwan,	Pascoe,
Barnett,	Forbes,	MacInnis,	Peters,
Beaulieu,	Forrestall,	MacLean (Queens),	Prittie,
Bell (Carleton),	Fulton,	MacRae,	Pugh,
Brand,	Gilbert,	McCleave,	Rapp,
Brewin,	Grafftey,	McCutcheon,	Régimbal,
Cameron (Nanaimo-	Gundlock,	McIntosh,	Ricard,
Cowichan-The	Hales,	McKinley,	Saltsman,
Islands),	Harkness,	McQuaid,	Schreyer,
Cantelon,	Herridge,	Madill,	Scott (Victoria (Ont)),
Chatterton,	Horner (Acadia),	Martin (Timmins),	Simpson,
Churchill,	Howard,	Mather,	Smallwood,
Clancy,	Howe (Wellington-	Moore,	Southam,
Coates,	Huron),	Muir (Lisgar),	Starr,
Crouse,	Irvine,	Nasserden,	Thomas (Middlesex
Danforth,	Jorgenson,	Nesbitt,	West),
Diefenbaker,	Kindt,	Noble,	Winch,
Dinsdale,	Knowles,	Nowlan,	Winkler—80.

NAYS

MESSRS:

Addison,	Chrétien,	Guay,	Latulippe,
Allard,	Clermont,	Habel,	Laverdière,
Andras,	Comtois,	Harley,	LeBlanc (Rimouski),
Asselin	Côté (Nicolet-	Hellyer,	Leboe,
(Richmond-Wolfe),	Yamaska),	Honey,	Legault,
Badanai,	Crossman,	Hopkins,	Lessard,
Batten,	Davis,	Hymmen,	Lind,
Béchard,	Deachman,	Isabelle,	Loiselle,
Berger,	Drury,	Johnston,	Macdonald (Rose-
Byrne,	Emard,	Lachance,	dale),
Cadieux,	Éthier,	Laflamme,	MacEachen,
Cameron (High	Foy,	Laing,	Mackasey,
Park),	Gauthier,	Lamontagne,	McIlraith,
Cantin,	Gendron,	Langlois (Chicouti-	McNulty,
Cashin,	Godin,	mi),	McWilliam,
Chatwood,	Goyer,	Langlois (Mégantic),	Marchand,
Choquette,	Greene,	Laprise,	Matte,

Mongrain,	Prud'homme,	Stanbury,	Tucker,
Neveu,	Reid,	Stewart,	Wahn,
Nicholson,	Richard,	Tardif,	Walker,
Olson,	Rideout (Mrs.),	Thomas	Watson (Château-
Otto,	Robichaud,	(Maisonneuve-	guay-Huntingdon-
Patterson,	Rochon,	Rosemont),	Laprairie),
Pearson,	Roxburgh,	Tolmie,	Whelan,
Pelletier,	Ryan,	Tremblay,	Winters,
Pennell,	Sharp,	Trudeau,	Yanakis—97.
Pilon,	Simard,		

Debate was resumed on the motion of Mr. Marchand, seconded by Mr. Nicholson,—That Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration, be now read a third time.

And debate continuing;

Mr. Brewin, seconded by Mr. Orlikow, moved,—That Bill C-220, be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 21 thereof.

And a point of order having been raised by the honourable Member for Medicine Hat, (Mr. Olson);

RULING BY MR. SPEAKER

Mr. Speaker ruled that the question now proposed was a different question from the one proposed in the amendment which was defeated earlier in this sitting.

After debate thereon, the question being put on the said proposed amendment, it was negatived on the following division:

YEAS

MESSRS:

Barnett,	Douglas,	Lewis,	Prittie,
Brewin,	Fawcett,	Martin (Timmins),	Saltsman,
Cameron (Nanaimo-	Gilbert,	Mather,	Schreyer,
Cowichan-The	Howard,	Orlikow,	Winch—17.
Islands),	Knowles,	Peters,	

NAYS

MESSRS:

Aiken, Alkenbrack, Allard, Andras, Asselin (Charlevoix), Asselin (Richmond-Wolfe), Badanai, Ballard, Batten, Béchard, Bell (Carleton), Berger.	Cantin,	Coates, Comtois, Côté (Nicolet- Yamaska), Crossman, Crouse, Davis, Deachman, Dinsdale, Drury, Émard, Éthier, Fane.	Forrestall, Foy, Fulton, Gauthier, Gendron, Godin, Goyer, Greene, Grégoire, Guay, Gundlock, Habel, Hales,
Brand,	Clermont,	Forbes,	Harkness,

Smallwood, Nicholson, Harley. Loiselle, Smith. Macdonald (Rose-Noble, Hees, Southam, dale), Nugent, Hellyer, Stanbury, MacEachen, Olson, Honey, MacEwan, Ormiston. Starr, Hopkins, Otto, Stewart, MacInnis, Horner (Acadia), Pascoe, Tardif, Hymmen, Mackasey, Thomas MacLean (Queens), Isabelle, Pearson, (Maisonneuve-Johnston. MacRae, Pilon, Rosemont), McCleave, Prud'homme, Jorgenson, Thomas (Middlesex McCutcheon, Pugh, Korchinski, West), Lachance, McIlraith, Rapp, Tolmie, Régimbal, Laflamme, McIntosh, Tremblay, McKinley, Laing, Reid, Trudeau, Lambert, McNulty, Ricard, Tucker, Lamontagne, McQuaid, Richard, Rideout (Mrs.), Valade, Langlois (Chicou-McWilliam, Wahn, Madill, Robichaud, timi), Walker, Langlois (Mégantic), Marchand, Rock, Watson (Château-Laprise, Matte, Roxburgh, guay-Huntingdon-Latulippe, Mongrain, Ryan, Scott (Victoria (Ont.) Laprairie), Laverdière. Moore, Whelan, LeBlanc (Rimouski), Muir (Lisgar), Sharp, Winkler, Legault, Nasserden, Simard, Winters, Lessard, Nesbitt, Simpson, Yanakis—150. Lind, Skoreyko, Neveu,

And the question being put on the motion of Mr. Marchand, seconded by Mr. Nicholson,—That the said bill be now read a third time, it was agreed to.

Accordingly, the said bill was read the third time and passed.

A Message was received from the Senate informing this House that the Senate had passed the following bills, without amendment.

Bill C-267, An Act to amend the Judges Act.

Bill C-182, An Act to amend the Financial Administration Act.

A Message was received from the Senate informing this House that the Senate have agreed to the amendment made by the House of Commons to Bill S-55, An Act to provide relief in certain cases against loss or hardship suffered as a result of interruptions of normal postal services, without any amendment.

A Message was received from the Senate informing this House that the Senate have passed Bill C-271, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

A Message was received from the Senate informing this House that the Senate do agree that the Special Joint Committee of the Senate and the House of Commons on the Public Service of Canada be further empowered to inquire into and report upon the matter of the pensions paid on account of the service of former members of the Royal Canadian Mounted Police and of former members of the Armed Forces.

A Message was received from the Honourable Mr. Justice Cartwright, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy to His Excellency the Governor General, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker with the House went to the Senate Chamber.

And being returned;

Mr. Speaker reported that, when the House did attend the Honourable the Deputy to His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act to implement agreements for the avoidance of double taxation with respect to income tax between Canada and Trinidad and Tobago, Canada and Ireland, Canada and Norway and Canada and the United Kingdom, and to implement a supplementary income tax convention between Canada and the United States of America.

An Act to amend the Financial Administration Act.

An Act to amend the Judges Act.

An Act to provide relief in certain cases against loss or hardship suffered as a result of interruptions of normal postal services.

Mr. Speaker also informed the House that he had addressed the Honourable the Deputy to His Excellency the Governor General as follows:

"MAY IT PLEASE YOUR HONOUR:

"The Commons of Canada have voted Supplies required to enable the government to defray certain expenses of the public service.

"In the name of the Commons, I present to Your Honour the following bill:

'An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March 1967'.

"To which bill I humbly request Your Honour's Assent."

Whereupon the Clerk of the Senate, by command of the Deputy to His Excellency the Governor General, did say:

"In Her Majesty's name, the Honourable the Deputy to His Excellency the Governor General thanks Her Loyal Subjects, accepts their benevolence, and assents to this bill."

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Wahn, Whelan and Lind be substituted for those of Messrs. Addison, Andras and Hopkins on the Standing Committee on Industry, Research and Energy Development.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Tardif and Lessard be substituted for those of Messrs. Addison and Forest on the Standing Committee on Miscellaneous Private Bills.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Order of the House, dated February 15, 1967, for a copy of all correspondence, telegrams and any other documents exchanged between the Secretary of State, in particular the Canadian Broadcasting Corporation, and any other person, groups or organizations with respect to the program concerning New Brunswick which was televised on "This Week", Tuesday, January 17, 1967.—(Notice of Motion for the Production of Papers No. 204).

At 6.41 o'clock p.m., Mr. Speaker adjourned the House without question put until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,693-Mr. Dinsdale-March 1

- 1. Have procedures been eased in countries like Poland to encourage a greater flow of visitors to Canada for Centennial and, if so (a) what is the nature of the changes in procedures, and (b) to what countries do they apply?
- 2. Is a security bond of \$1,000.00 required for every visitor from Poland and, if so, when was this requirement instituted?

No. 2,694-Mr. Knowles-March 1

With reference to the answer to Question No. 2,921, on pages 12882-12884 of *Hansard* for March 29, 1965, has the Department of the Secretary of State statistics to bring the information given at that time up to date, including the session of 1964-1965, the session of 1965, and the present session?

No. 2,695-Mr. Prittie-March 1

- 1. Has the Department of National Health and Welfare, or any agency acting for the Department, placed advertising with television station KVOS, located at Bellingham, Washington, U.S.A., in 1966 and 1967?
- 2. Has the Department placed advertising with any other United States radio and television stations in 1966 and 1967?

No. 2,696-Mr. Godin-March 1-

- 1. Has Canada exported eggs in 1965 and 1966 and, if so (a) to what countries (b) in what quantities?
- 2. During the same period, what quantities were imported and from what countries?

No. 2,697—Mr. Godin—March 1—

- 1. Will Canada continue to participate in programs providing for assistance to under-developed countries and, if so, for how many years?
- 2. Since these programs were initiated, what countries have received assistance from Canada and what were the amounts involved in each case (a) as gifts (b) as loans?
- 3. When such programs come to an end, what estimated total amounts will have been supplied by this country?

Notices of Motions (Routine Proceedings)-On Friday next

March 1—Mr. Hales (Chairman of the Standing Committee on Public Accounts):

That the Thirteenth Report of the Standing Committee on Public Accounts, presented to the House on Wednesday, March 1, 1967, be concurred in.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, March 2	
Return to Ottawa	Consumer Credit and Cost of Living (Joint) (Sub-committee)	Evening
307 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	National and Royal Anthems (Joint)	9.00 a.m.
208 W.B.	Drug Costs and Prices (In Camera)	9.30 a.m.
209 W.B.	Industry, Research and Energy Development	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
253-D	Immigration (Joint)	{11.00 a.m. 3.30 p.m. 8.00 p.m
307 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
602	Indian Affairs, Human Rights and Citizenship and Immigration (Luncheon Meeting) (In Camera)	1.00 p.m.
208 W.B.	Miscellaneous Private Bills (Bill S-26)	1.30 p.m.
256-S	Divorce (Joint)	3.30 p.m.
Section 1	Friday, March 3	
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
256-S	Penitentiaries (Joint)	9.30 a.m.

No. 219

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, MARCH 2, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Hales, from the Standing Committee on Public Accounts, presented the Fourteenth Report of the said Committee, which is as follows:

1. Your Committee held meetings on November 24 and November 29, 1966 in the course of which the following officers were in attendance:

from the Unemployment Insurance Commission:

Colonel Lavel Fortier, Chief Commissioner

Mr. M. D. Fidler, Director of Technical Services

Mr. D. C. Cuddy, Chief, Claims Operations Division

from the Department of National Health and Welfare:

Dr. J. W. Willard, Deputy Minister of Welfare

Dr. J. N. Crawford, Deputy Minister of Health

Dr. G. E. Wride, Director, Health Grants

from the Department of National Revenue (Taxation Division):

Mr. D. H. Sheppard, Deputy Minister

Mr. E. S. MacLatchy, Director, Legal Branch

Mr. J. Delavignette, Registrar-Examiner of Charitable Organizations

Mr. G. F. Barclay, Superintendent, District Office, Administration

and from the Auditor General's Office:

Mr. A. M. Henderson, Auditor General

Mr. C. F. Gilhooly, Audit Director

Mr. J. M. Laroche, Assistant Audit Director Mr. E. W. Murphy, Assistant Audit Director

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- 2. The following is a report on the work done by your Committee at these meetings.
 - 3. In the course of its meetings your Committee gave consideration to:
 - (a) the action, or lack of action, by departments as a result of previous recommendations made by the Committee;
 - (b) the Auditor General's Report for the year ended March 31, 1965, as follows:

Unemployment Insurance Commission—paragraphs 72 and 142(7); item 11 of Appendix 1

Department of National Health and Welfare—paragraphs 87 and 88; item 34 of Appendix 1

Department of National Revenue (Taxation Division)—paragraphs 101, 102, and 169

UNEMPLOYMENT INSURANCE COMMISSION

4. Electronic data processing system abandoned

(pp. 1293-1303)

The Committee considered paragraph 72 of the 1965 Report of the Auditor General to the House dealing with the failure of an electronic data processing system due to faulty planning by the Commission and the manufacturer.

Members of the Committee questioned the Chief Commissioner and his officials concerning the system and the fact that no claim had been made by the Commission against the manufacturer for any part of the operating costs of \$200,000. The Chief Commissioner stated that he did not believe a basis existed on which any claim could have been made against the manufacturer.

After hearing the evidence the Committee is of the opinion that an effort should have been made by the Commission to obtain at least partial compensation from the manufacturer within the terms of his guarantee to the Commission.

5. Unemployment Insurance Fund and its administration

(pp. 1303-1305)

In its Fourth Report 1964, the Committee stated its opinion that it is in the public interest that the Government's consideration of the report of the Committee of Inquiry (tabled on December 20, 1962) be completed as soon as possible and that the Government bring forward promptly such proposals as it may deem necessary to deal with the problems raised by the report.

The Committee also reiterated the additional recommendation made in its Fourth Report 1963 that preparation of the annual financial statements for the Unemployment Insurance Fund should be made a statutory responsibility of the Unemployment Insurance Commission and that the statements should be reported on by the Auditor General.

The Chief Commissioner advised the Committee that the Minister of Labour has stated that it is the Government's intention to bring legislation before the House in due course covering the Report of the Committee of Inquiry. With respect to the second or additional recommendation made by the Committee, the members were pleased to learn that pending the passing of legislation with regard to the preparation of annual financial statements for the Unemployment

Insurance Fund the statements presently prepared by the Unemployment Insurance Commission are examined and reported upon to the House by the Auditor General and appear in the Public Accounts of Canada.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

6. Unemployment Assistance

(pp. 1306-1314)

In its Fourth Report 1963 presented to the House on December 19, 1963, the Committee stated that consideration should be given by Parliament to redrafting the Unemployment Assistance Act so as to state more clearly the objectives and methods of achieving them and to remove ambiguities in the present law which have resulted in varying interpretations. The Committee believed that consideration should also be given to including with Unemployment Assistance other existing programs to assist the needy so as to provide better co-ordination of federal-provincial efforts in this field.

The Committee was pleased to learn from the Deputy Minister of Welfare that a number of the matters pertaining to the administration of the Unemployment Assistance Act have been corrected although the ambiguities contained in the legislation and the overlapping and duplication in the various

welfare Acts still give rise to difficulties.

The Deputy Minister discussed the Canada Assistance Plan enacted by Parliament in 1966 which permits the Federal Government to enter into agreements with the provinces to make contributions to the cost of providing assistance and welfare services, pursuant to provincial law, to all persons in need. The Committee believes that the new plan should provide a better overall coordination of assistance programs, although recognizing that, until the regulations under the plan are established and agreements entered into with the provinces, it is not possible to fully assess the adequacy of the new comprehensive approach to social assistance in overcoming administrative weaknesses previously criticized. The Committee has asked the Auditor General to follow up this matter and report further to the House thereon in due course.

7. Application of Canadian Hospital Accounting Manual to federal hospitals

(pp. 1318)

The Committee noted that accounting in federal hospitals generally was not in accordance with the Canadian Hospital Accounting Manual which provides a basic accounting system for purposes of the Hospital Insurance and Diagnostic Services Act.

The Deputy Minister of Health informed the Committee that a financial management project team is presently studying this matter and it is expected that their recommendations will be implemented in 1967 or 1968. The Committee has asked the Auditor General to follow up this matter and report further to the House thereon in due course.

8. Hospital construction grants

(pp. 1319-1321)

In its Eight Report 1964 presented to the House on December 7, 1964, the Committee stated that it shared the opinion of the Deputy Minister of National Health and the Auditor General that, since it is inherent in the Hospital Construction program that commitments be entered into for future years as well as the current year, the financing of the program be placed on a period of

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years basis with parliamentary control being exercised over the total commitments that may be entered into. In the course of discussing this outstanding recommendation with officials of the Department, the Deputy Minister of Health drew the attention of the Committee to recent announcements indicating that the Hospital Construction grants may disappear under the recommendations made by the Tax Structure Committee but that at the request of the Department, because it had had to forecast in advance, an extension was granted for an additional year and the Hospital Construction grants will now remain in effect until 1970. As it appears likely that other arrangements will be made for hospital construction at that time the Committee wishes to withdraw its 1964 recommendation which cannot be implemented under the present circumstances.

DEPARTMENT OF NATIONAL REVENUE (TAXATION DIVISION)

9. Charitable donations

(pp. 1326-1338)

The Committee considered paragraph 101 of the 1965 Report of the Auditor General to the House dealing with charitable donations. The audit note outlined problems faced by the Taxation Division in determining what are charitable organizations within the meaning of the Income Tax Act and checking on deductions claimed by taxpayers. It was suggested that consideration should be given to the setting up of adequate controls over the many charitable organizations now recognized.

The Committee was pleased to note that shortly after the tabling of the 1965 Report of the Auditor General in February 1966, the Minister of Finance in his Budget Speech of March 29, 1966 proposed a resolution to deal with the several problems outlined in this audit note and to make them effective with the 1967 taxation year. The Committee also noted that detailed regulations were recently announced by the Minister of National Revenue spelling out the precise procedure to be followed by registered Canadian charitable organizations with effect from January 1, 1967.

At the invitation of the Committee, the Deputy Minister of National Revenue (Taxation) described the new regulations and outlined the steps to be followed by charitable organizations in Canada wishing to be registered thereunder. The Deputy Minister stated that copies of the new regulations were now available at offices of the Taxation Division and that they have been published in the Canada Gazette.

(p. 1335)

The Deputy Minister advised the Committee that although the Division has the names of 1,200 charitable organizations on its present headquarters list, there are 40,000 such organizations altogether in Canada. Consequently, the Division was relying on newspaper publicity and various organizations with which it deals to disseminate this information.

Members of the Committee stated that while such publicity might be sufficient for those charitable organizations not presently on the headquarters list, they felt the Division had at least a responsibility to send the regulations and attendant forms to the 1,200 organizations presently on the headquarters list.

The Committee considers that this is a service to which taxpayers are entitled and it recommends that the Division despatch copies of the regulations and attendant forms to each of the organizations whose names and addresses are presently recorded on the headquarters list.

10. Remission of income tax on per diem allowances

(pp. 1338-1340)

The Auditor General drew the attention of the Committee to a misstatement of fact in submissions made to the Governor in Council although the misstatement of fact in no way affected the validity of the remissions granted. It is, however, a matter of concern when the Governor in Council is provided with incorrect information which may have a bearing on the decision to grant remissions requested by a department. No amending Orders in Council had been issued in this instance.

The Committee is of the opinion that it is highly important that whenever a situation of this kind is encountered, the matter be brought to the attention of the Ministers concerned and the Clerk of the Privy Council and that amending Orders in Council issue without delay.

11. Accounts receivable—Department of National Revenue

(pp. 1340-1356)

The Committee considered the information in paragraph 169 of the 1965 Report of the Auditor General of the House in which the accounts receivable of the Department of National Revenue are summarized and details shown with respect to accounts not collected.

The Committee considered other means of reporting this type of information—either the Department itself including it in its departmental report to the House or through the medium of the Public Accounts. Members of the Committee, however, expressed a preference for a continuation of the present practice whereby this detail is shown by the Auditor General in his Report to the House and the Committee requested that he continue to provide this information in his future Reports to the House.

12. Committee recommendations

In accordance with the undertaking given in its Tenth Report 1966-67, presented to the House on February 7, 1967, the Committee includes herein a list of the items brought to the attention of the House which had not been implemented at March 31, 1965; a list of the items which have since been acted upon; and a list of the additional items brought to the attention of the House during the current session:

Recommendations and Observations by the Standing Committee on Public Accounts not yet implemented or dealt with by Executive action as at March 31, 1965

Fourth Report 1963—presented to the House on December 19, 1963

- 1. Second class mail
- 2. Departmental operating activities
- 3. Internal financial control
- 4. Unemployment Assistance

Fourth Report 1964—presented to the House on July 28, 1964

- 5. Findings of the Royal Commission on Government Organization
- 6. The form and content of the Estimates
- 7. Living allowances to federally-appointed judges

- 8. Governor General's special warrants
- 9. Remission of sales tax on oleomargarine
- 10. Cost of gasoline used in departmental vehicles at Ottawa
- 11. Unemployment Insurance Fund and its administration
- 12. Board of Grain Commissioners
- 13. Office of the Auditor General

Fifth Report 1964—presented to the House on August 5, 1964

14. Canadian Broadcasting Corporation—Report of the Royal Commission on Government Organization

Sixth Report 1964—presented to the House on October 20, 1964

- 15. National Defence administrative regulations and practices
- 16. Unauthorized use of Crown-owned vehicles
- 17. Financial assistance to Town of Oromocto
- 18. Educational costs incurred by the Department of National Defence
- 19. Assistance to provinces by the Armed Forces in civil emergencies
- 20. Pension awards effective at early age
- 21. Discretionary awards of service pensions
- 22. Overlapping of pension benefits
- 23. Advances to the Exchange Fund Account
- 24. Errors in Public Service Superannuation Account pension and contribution calculations
- 25. Pension increased by payment of two salaries
- 26. Reciprocal transfer agreements for superannuation benefits
- 27. Interest charges on loans to the National Capital Commission
- 28. Accounts receivable
- 29. Indirect compensation to chartered banks
- 30. The Canada Council

Seventh Report 1964—presented to the House on December 7, 1964

- 31 to
- 33. Surplus assets disposal

Eighth Report 1964—presented to the House on December 7, 1964

- 34. Hospital construction grants
- 35. Awards under the Pension Act
- 36. War veterans allowances
- 37. Amendments to the Customs Act and the Excise Tax Act
- 38. General election expenditure
- 39. Accounts not examined by the Auditor General
- 40. Audit of the Office of the Auditor General

Since March 31, 1965 the following items included in the above list have been dealt with:

- 9. Remission of sales tax on oleomargarine
- 10. Cost of gasoline used in departmental vehicles at Ottawa
- 12. Board of Grain Commissioners
- 18. Educational costs incurred by the Department of National Defence
- 22. Overlapping of pension benefits
- 25. Pension increased by payment of two salaries

- 26. Reciprocal transfer agreements for superannuation benefits
- 31 to
- 33. Surplus assets disposal (partially dealt with)

Since June 28, 1966 the Committee has brought the following additional items to the attention of the House:

Third Report 1966—presented to the House on June 28, 1966

The St. Lawrence Seaway Authority Salary of the Auditor General Separate Act of Parliament Standing Committee on Public Accounts

Fourth Report 1966—presented to the House on October 17, 1966 Charges for Post Office lock boxes and bag service Post Office Savings Bank

Fifth Report 1966—presented to the House on October 19, 1966

Possible loss of revenue when goods lose tax-exempt status
Drawback paid on goods destroyed after release from Customs
Tax exemptions for particular groups
Customs and Excise laboratory
Refund of duty paid on goods diverted to use other than that for which they
were imported

Seventh Report 1966—presented to the House on October 26, 1966

Loans and advances representing grants to Crown corporation

Advances to Canadian Corporation for the 1967 World Exhibition

Prairie Farm Emergency Fund

Eighth Report 1966—presented to the House on November 3, 1966

Repairs and alterations to Canadian coast guard ships Cost of salvaging sunken vessel

Cost of Abandoned design plans for ferry vessel

Cost of faulty planning in ferry design

Internal audit group—Department of Northern Affairs and National Resources

Inadequate control of stores at northern locations

Tenth Report 1966-67—presented to the House on February 7, 1967

Department of External Affairs missions abroad Salaries and wages paid for work not performed Surplus in Defence Production Revolving Fund Transportation on leave allowance Proposed removal allowance

Eleventh Report 1966-67—presented to the House on February 7, 1967

Central Mortgage and Housing Corporation—Appointment of auditors Central Mortgage and Housing Corporation—Reports of the auditors Central Mortgage and Housing Corporation—Securities held by Mortgage Insurance Fund

Central Mortgage and Housing Corporation—Statement of Net Income

Charitable donations

- Twelfth Report 1966-67—presented to the House on February 9, 1967

 Reconstruction of financial structure of the National Harbours Board
 Federal losses from bankruptcies
- Thirteenth Report 1966-67—presented to the House on March 1, 1967

 Municipal winter works incentive program

 Parliamentary control of public expenditure
- Fourteenth Report 1966-67—presented to the House on March 2, 1967

 Application of Canadian Hospital Accounting Manual to federal hospitals

The page numbers quoted refer to the pertinent pages in the Committee's Minutes of Proceedings and Evidence.

A copy of the relevant Minutes of Proceedings and Evidence Issues (Nos. 29 and 30) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 54 to the Journals).

On motion of Mr. Pilon, seconded by Mr. Cantin, it was ordered,—That the name of Mr. Southam be substituted for that of Mr. Lambert on the Standing Committee on Northern Affairs and National Resources.

On motion of Mr. Pilon, seconded by Mr. Cantin, it was ordered,—That the name of Mr. Langlois (Chicoutimi) be substituted for that of Mr. Matte on the Standing Committee on National Defence.

Mr. Sharp, a Member of the Queen's Privy Council, laid before the House, —Copy of a telegram dated March 1, 1967, addressed by the Minister of Finance to the Premier of the Province of British Columbia with respect to the financing of provincial power agencies.

Mr. Pearson, seconded by Mr. Martin (Essex East), moved,—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:—

That it is expedient to introduce a measure to amend the Parliamentary Secretaries Act to provide for an increase in the number of Parliamentary Secretaries who may be appointed under the Act.

Resolved,—That the House do go into Committee of the Whole at its next sitting to consider the proposed resolution.

By unanimous consent, the House reverted to "Introduction of Bills".

Mr. Turner, for Mr. Favreau, seconded by Mr. MacEachen, by leave of the House, introduced Bill C-275, An Act to amend the Canada Corporations Act, which was read the first time and ordered for a second reading at the next sitting of the House.

The Order being read for the third reading of Bill C-268, An Act to amend the Excise Tax Act and the Old Age Security Act.

Mr. Sharp, seconded by Mr. Martin (Essex East), moved,—That the said bill be now read a third time.

And debate arising thereon;

Mr. Winkler, seconded by Mr. Bell (Saint John-Albert), proposed to move in amendment thereto,—That Bill C-268, be not now read a third time but be referred back to the Committee of the Whole with instructions to the Committee to amend the said Bill, to provide that all monies raised by the increase in the levy of the Excise Tax Act as provided by the said bill shall be paid into the Old Age Security Fund for the purposes of meeting supplementary Old Age Security payments authorized by this Parliament and not into the Consolidated Revenue Fund.

RULING BY MR. DEPUTY SPEAKER

Mr. Deputy Speaker: I should point out that the amendment deals with the disposition or the re-routing of moneys. As such, it is a financial proposal which would have to be contained in the resolution preceding a money bill. Further, I should like to read to the House citation 418 of Beauchesne's 4th edition which reads as follows: "The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on the second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill."

In the opinion of the Chair the amendment proposed by the honourable Member for Grey-Bruce (Mr. Winkler) introduces a new principle. It deals with something which is not contained in the bill and therefore it is not admissible as an amendment on third reading. I regret I shall have to rule the amendment out of order.

Debate was resumed on the motion of Mr. Sharp, seconded by Mr. Martin (Essex East), That Bill C-268, An Act to amend the Excise Tax Act and the Old Age Security Act, be now read a third time.

And debate continuing;

Mr. Knowles, seconded by Mr. Lewis, moved in amendment thereto,— That Bill C-268, be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 1 thereof.

After debate thereon, the question being put on the said motion, it was negatived on the following division:

YEAS

MESSRS:

Aiken,	Brand,	Churchill,	Dinsdale,
Alkenbrack,	Brewin,	Clancy,	Douglas,
Allard,	Cameron (Nanaimo-	Coates,	Enns,
Ballard,	Cowichan-The	Code,	Fane,
Barnett,	Islands),	Crouse,	Fawcett,
Beaulieu,	Cantelon,	Danforth,	Flemming,
Bell (Carleton),	Chatterton,	Diefenbaker,	Forbes,

Jorgenson,

Forrestall.	Kindt,	Moore,	Ricard,
Fulton,	Knowles,	Muir (Cape Breton	n Saltsman,
Gilbert,	Lambert,	North and Vic	- Schreyer,
Grafftey,	Lewis,	toria),	Scott (Victoria (Ont)),
Grills,	MacDonald (Prince),	Muir, (Lisgar),	Simpson,
Hales,	MacEwan,	Nasserden,	Southam,
Harkness,	MacInnis,	Nesbitt,	Starr,
Hees,	MacLean (Queens),	Nowlan,	Stefanson,
Herridge,	McCleave,	Nugent,	Thomas (Middlesex
Horner (Acadia),	McCutcheon,	Ormiston,	West),
Horner	McIntosh,	Pascoe,	Wadds (Mrs.),
(Jasper-Edson),	McKinley,	Peters,	Webb,
Howard,	Madill,	Prittie,	Winch,
Irvine,	Mather,	Rapp,	Winkler—81.

NAYS

Régimbal,

Monteith,

MESSRS:

Andras,	Émard,	Latulippe,	Prud'homme,
Asselin	Éthier,	Laverdière,	Richard,
(Richmond-Wolfe),	Faulkner,	LeBlanc (Rimouski),	Rideout (Mrs.),
Badanai,	Foy,	Leboe,	Robichaud,
Batten,	Gauthier,	Legault,	Rochon,
Béchard,	Gendron,	Lessard,	Rock,
Berger,	Godin,	Lind,	Roxburgh,
Byrne,	Gray,	Loiselle,	Ryan,
Cadieux,	Greene,	Macaluso,	Sharp,
Cameron (High	Guay,	Macdonald (Rose-	Simard,
Park),	Habel,	dale),	Stanbury,
Cantin,	Harley,	MacEachen,	Stewart,
Cashin,	Hellyer,	Mackasey,	Tardif,
Chatwood,	Hopkins,	McNulty,	Teillet,
Chrétien,	Hymmen,	McWilliam,	Thomas
Clermont,	Isabelle,	Matheson,	(Maisonneuve-
Comtois,	Klein,	Matte,	Rosemont),
Côté (Dorchester),	Lachance,	Mongrain,	Tolmie,
Côté (Nicolet-	Laflamme,	Neveu,	Turner,
Yamaska),	LaMarsh (Miss),	Olson,	Wahn,
Crossman,	Lamontagne,	Pearson,	Walker,
Davis,	Langlois (Chicouti-		Watson (Château-
Deachman,	mi),	Pennell,	guay-Huntingdon-
Dionne,	Langlois (Mégantic),	Pepin,	Laprairie),
Drury,	Laprise,	Pilon,	Whelan,
			Winters—92.

And the question being put on the motion of Mr. Sharp, seconded by Mr. Martin (Essex East),—That the said bill be now read a third time, it was agreed to, on the following division:

YEAS

MESSRS:

Andras,	Cameron (High	Côté (Nicolet-	Foy,
Asselin	Park),	Yamaska),	Gendron,
(Richmond-Wolfe),	Cantin,	Crossman,	Gray,
Badanai,	Cashin,	Davis,	Greene.
Batten,	Chatwood,	Deachman,	Guay.
Béchard,	Chrétien,	Drury,	Habel,
Berger,	Clermont,	Émard.	Harley.
Byrne,	Comtois,	Éthier,	Hellyer.
Cadieux,	Côté (Dorchester),	Faulkner,	Hopkins,
			-

Pearson. Stewart, Lind, Hymmen, Tardif, Pelletier, Isabelle, Loiselle, Pepin, Teillet, Macaluso, Klein, Thomas Lachance, Macdonald (Rose- Pilon, (Maisonneuve-Prud'homme, dale), Laflamme, LaMarsh (Miss), MacEachen, Lamontagne, Mackasey, Rosemont), Richard, Rideout (Mrs.), Tolmie, Turner, Robichaud, Langlois (Chicouti- McNulty, Wahn, McWilliam, Rochon, mi), Walker, Laverdière, Matheson, Rock, Watson (Château-Roxburgh, LeBlanc (Rimouski), Matte, guay-Huntingdon-Mongrain, Ryan, Laprairie), Sharp, Neveu, Legault, Whelan. Stanbury, Lessard, Olson, Winters-84.

NAYS

MESSRS:

Aiken,	Douglas,	Langlois (Mégantic),	Nugent,
Alkenbrack,	Fane.	Lewis,	Orlikow,
Allard,	Fawcett,	MacEwan,	Ormiston,
Ballard,	Flemming,	MacInnis,	Pascoe,
Barnett,	Forbes,	MacLean (Queens),	Peters,
Beaulieu,	Forrestall,	McCleave,	Prittie,
Bell (Carleton),	Gauthier,	McCutcheon,	Rapp,
Brand,	Gilbert,	McIntosh,	Régimbal,
Brewin,	Godin,	McKinley,	Ricard,
Cameron (Nanaimo-	Grills,	Madill,	Saltsman,
Cowichan-The	Hales,	Martin (Timmins),	Schreyer,
Islands),	Harkness,	Mather,	Scott (Victoria (Ont)),
Cantelon,	Hees,	Monteith,	Simard,
Churchill,	Horner (Acadia),	Moore,	Simpson,
Clancy,	Horner	Muir (Cape Breton	Southam,
Coates,	(Jasper-Edson),	North and	Starr,
Code,	Howard,	Victoria),	Stefanson,
Crouse,	Jorgenson,	Muir (Lisgar),	Thomas (Middlesex
Danforth,	Kindt,	Nasserden,	West),
Diefenbaker,	Knowles,	Nesbitt,	Webb,
Dinsdale,	Lambert,	Nowlan,	Winch,
			Winkler—79.

Accordingly, the said bill was read the third time and passed.

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Private Bills)

The House resolved itself into Committee of the Whole to consider Bill S-25, An Act to incorporate The North West Life Assurance Company of Canada, which was reported without amendment, read the third time and passed.

Bill S-28, An Act to incorporate Anniversary Life Insurance Company was read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Pursuant to Special Order adopted Monday, February 20, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act, was again considered in Committee of the Whole and progress having been made and reported, the Committee obtained leave to consider it again later this day.

MISCONDUCT IN THE GALLERY

Mr. Speaker: As honourable Members know, during the question period earlier today leaflets were thrown from the General Gallery to the floor of the Chamber. Thanks to the alertness of the House of Commons Protective Staff, the offender was partially frustrated in his attempts and he was forthwith taken into custody. The individual identified himself as one John Richard Campbell of no fixed address.

Standing order 14 reads, in part, as follows: "Any stranger admitted into any part of the House or Gallery, who misconducts himself...shall be taken into custody by the Sergeant-at-Arms; and no person so taken into custody shall be discharged without the Special Order of the House."

I should now like to obtain directions from the House before proceeding further.

On motion of Mr. Pennell, seconded by Mr. Stewart, it was ordered,—That, without prejudice to any later action that may be taken elsewhere, the person who identified himself as John Richard Campbell, be forthwith discharged from the custody of the Sergeant-At-Arms.

The House resumed consideration in Committee of the Whole of Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act, which was reported with amendments, considered as amended and ordered for a third reading at the next sitting of the House.

Ordered,—That the said bill be reprinted.

At 9.37 o'clock p.m. the House resolved itself into Committee of the Whole to consider a certain proposed resolution with respect to federal-provincial fiscal arrangements, and progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the name of Mr. Gundlock be substituted for that of Mr. McCutcheon on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the name of Mr. MacInnis be substituted for that of Mr. Fane on the Standing Committee on National Defence.

(Proceedings on Adjournment Motion)

At 10.05 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Winters, a Member of the Queen's Privy Council,—Report of Operations under the Export and Import Permits Act for the year ended December 31, 1966, pursuant to section 26 of the said Act, chapter 27, Statutes of Canada 1953-54. (English and French).

At 10.34 o'clock p.m., the House adjourned until to-morrow at 11.00 o'clock a.m.

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LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,698-Mr. Schreyer-March 2

- 1. How many applications have been received by the Board of Transport Commissioners from the C.N.R. and C.P.R. relative to the removal of agents at specific localities in each month since January 1, 1965?
- 2. Of the number of applications received from each of the two railway companies, how many were approved?
- 3. What are the place names involved with respect to each of these applications for agent removal?

No. 2,699-Mr. Schreyer-March 2

- 1. What is the average length of service of all administrative level personnel serving on (a) the Canada Pension Commission and its Divisions (b) the Veterans Bureau (c) the Veterans Welfare Services Branch (d) the War Veterans Allowance Board?
- 2. In each of the above cases, what is the maximum and the minimum length of service per division or branch?
- 3. How many medical doctors are employed on the various Boards or Divisions under the administration of the Department of Veterans Affairs, and how many branches or divisions of the Department are involved?
- 4. When a veteran's Pension is increased as a result of examination, to what maximum length of time is the increase made retroactive and if, as a result of appeal or re-examination, it is discovered that an error was made in determining the eligibility of an applicant for pension or for Veterans Allowance, what recourse does the applicant have as regards obtaining payment for that period of time which elapsed between original application and final acceptance or acknowledgement of eligibility?

No. 2,700-Mr. Macquarrie-March 2

- 1. By whom was O. J. McCulloch commissioned or requested to prepare a report on the design for the Northumberland Strait Crossing?
- 2. Was a copy of his report sent by the Government of Prince Edward Island to any department of the Government of Canada?
- 3. Does Mr. McCulloch in this report propose that a level causeway could be constructed at a cost of approximately \$60,000,000?
- 4. Does Mr. McCulloch in his report express doubt that the bridge and tunnel approaches of the presently projected crossing could withstand the extremely severe ice conditions which prevail in the Northumberland Straits?
- 5. Is Mr. McCulloch's report currently under study by the Department of Public Works and are alterations in the projected design under contemplation?

PRIVATE BILLS NOTICE

The Standing Committee on Finance, Trade and Economic Affairs will consider on or after Monday, March 6, 1967:

Bill S-28, An Act to incorporate Anniversary Life Insurance Company.— *Mr. Fairweather.*

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Friday, March 3	
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
256-S	Penitentiaries (Joint)	9.30 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 220

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, MARCH 3, 1967.

11.00 o'clock a.m.

PRAYERS.

The honourable Member for Winnipeg South Centre (Mr. Churchill) having raised a question of privilege relating to proceedings concerning the calling of meetings of the Standing Committee on National Defence.

RULING BY MR. SPEAKER

Mr. Speaker: Generally speaking honourable Members know that by virtue of citation 324 (1) of Beauchesne's Fourth Edition it is irregular to refer to the proceedings or the evidence taken in a committee. This is a basic principle and it is only in extreme circumstances that the House of Commons takes it upon itself to refer to the proceedings of a committee.

At this time there has been a question of privilege raised by the honourable Member for Winnipeg South Centre (Mr. Churchill). It was not followed by a motion so that it would seem to me that at this point I could say there is no motion and therefore there is no question of privilege. However, I do consider the question raised by the honourable Member to be a point of order and I will look at the situation in that light.

The honourable Members for Vancouver Quadra (Mr. Deachman) and Edmonton-Strathcona (Mr. Nugent), and I believe the honourable Members for Rosthern (Mr. Nasserden) and Halifax (Mr. Forrestall) suggested that this matter should be considered as an appeal from the Chairman's ruling to the Chair. It might be possible to do that if there were not specific rules in our rule book providing for a situation such as this.

The Standing Order referred to by the Right Honourable the Prime Minister, namely Standing Order 68-A, is the one to which my attention has been drawn by my advisers. It states: "In any Standing or Special Committee of the House questions of order shall be decided by the Chairman, subject only to an

appeal to the Committee."

I may say that as there is no opportunity for an appeal. What can the Speaker of the House do about this situation? Not very much, I suggest.

I realize that it may very well be that the procedure followed was not the correct one but in view of the Standing Order to which I have referred I do not think it is possible for the Chair to accept an appeal from that procedure. I may say, for the guidance of the Committee if it should meet again some time, that Citation 303 (3) of Beauchesne's Fourth Edition reads as follows: "Committees should be regularly adjourned from day to day, though the Chairman is frequently allowed to arrange the day and hour of sitting, but this can be done only with the general consent of the Committee."

I agree fully that this citation should apply to the Committee. Whether or not it was applied it is difficult for me to determine. I have listened to the arguments advanced by the honourable Member for Cape Breton South (Mr. MacInnis) and by other honourable Members and I do not disagree with their interpretation of what actually took place.

It might well be that the procedure followed in the Committee was not exactly in accordance with our practice, but the remedy must be found in the Committee and not in the House, and I must so rule.

Mr. Loiselle, from the Standing Committee on Miscellaneous Private Bills, presented the Fourth Report of the said Committee, which is as follows:

Your Committee has considered Bill S-26, An Act respecting The Excelsior Life Insurance Company and has agreed to report it without amendment.

A copy of the Minutes of Proceedings and Evidence, relating to this Bill (Issue No. 4) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 55 to the Journals).

Mr. Orlikow, seconded by Mr. Brewin, by leave of the House, introduced Bill C-276, An Act to amend the Canada Evidence Act (Incriminating statements), which was read the first time and ordered for a second reading at the next sitting of the House.

The House resumed consideration in Committee of the Whole of a certain proposed resolution with respect to federal-provincial fiscal arrangements;

And the House continuing in Committee;

Pursuant to Specal Order adopted Monday, February 20, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

Consideration was resumed in Committee of the Whole of a certain proposed resolution with respect to federal-provincial fiscal arrangements.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to provide for the payment to provinces out of the Consolidated Revenue Fund, for each fiscal

year in the period commencing on the 1st day of April, 1967 and ending on the 31st day of March, 1972, of provincial revenue equalization payments and post-secondary education adjustment payments, and for each fiscal year commencing on or after the 1st day of April, 1967, provincial revenue stabilization payments and succession duty payments; to authorize tax collection agreements with provinces and to amend the Established Programs (Interim Arrangements) Act to extend for an additional three years the interim period relating to the health grants program.

Resolution to be reported.

The said resolution was reported and concurred in.

Mr. Sharp, seconded by Miss LaMarsh, by leave of the House introduced Bill C-277, An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements), which was read the first time and ordered for a second reading at the next sitting of the House.

The House resolved itself into Committee of the Whole to consider a certain proposed resolution to provide for the occupational training of adults.

(In the Committee)

The following resolution was adopted:

Resolved,—That it is expedient to introduce a measure to provide for the training of adults wishing to undertake occupational training; to authorize the entering into of contracts with provinces and employers to provide for the payment of the costs incurred in providing occupational training to those adults and to authorize the payment of charges for tuition or otherwise for the training of adults in occupational training courses not operated by a province or an employer; to authorize the payment of training allowances to certain adults undertaking occupational training; to authorize agreements with the provinces respecting research in respect of occupational training and the making of loans to provinces to assist in the purchase or construction of occupational training facilities; to authorize transitional agreements and arrangements with the provinces related to the Technical and Vocational Training Assistance Act; and to provide further for other related and incidental matters.

Resolution to be reported.

The said resolution was reported and concurred in.

Mr. Marchand, seconded by Mr. Pennell, by leave of the House introduced Bill C-278, An Act respecting the occupational training of adults, which was read the first time and ordered for a second reading at the next sitting of the House.

A Message was received from the Senate informing this House that the Senate had passed the following bills, without any amendment:

Bill C-204, An Act to provide for the establishment of a Canadian Film Development Corporation.

Bill C-265, An Act to provide for the payment of a retiring annuity to the Governor General of Canada.

Bill C-270, An Act to amend the Small Businesses Loans Act.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pennell, seconded by Mr. Pepin, it was ordered,—That the Order of the House made on February 20, 1967, suspending the sittings of the House from 7.00 o'clock to 8.00 o'clock p.m. on Mondays, Tuesdays, and Thursdays and from 1.00 o'clock p.m. until 2.00 o'clock p.m. on Fridays, be extended to and apply during the two-week period beginning March 6, 1967.

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

Orders numbered 1 to 9 having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-38, An Act to amend the Criminal Code (Provincial Lotteries).

Mr. Valade, seconded by Mr. Régimbal, moved,—That the said bill be now read a second time.

And debate arising thereon;

The hour for Private Members' Business expired.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Pickersgill, a Member of the Queen's Privy Council,—Capital Budget of Air Canada for the year ending December 31, 1967, pursuant to section 80 of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1967-330, dated February 23, 1967, approving same.

At 6.02 o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,701—Mr. MacIntosh—March 3

- 1. How many of the colour T.V. sets purchased for distribution by the C.B.C. to selected persons, were made in Canada?
 - 2. How many were purchased in the United States?

*No. 2,702-Mr. Trudeau-March 3

- 1. When will a meeting of the Board of Transport Commissioners be held to hear representations regarding the level crossing on Cote St. Luc Road, where on the morning of February 11, 1967 a bus filled with children narrowly avoided collision with a C.P.R. train because the railway barrier did not descend, nor its lights operate to warn approaching traffic on the Road of the train, and four persons have already lost their lives?
- 2. For what reasons has an overpass or underpass not been constructed on this thoroughfare?

No. 2,703-Mr. Dinsdale-March 3

- 1. As a result of the designation of Yellowknife as the Capital of the Northwest Territories (a) what government operations will be transferred from Fort Smith to Yellowknife (b) how many people are involved in this transfer?
- 2. What developments are planned for Fort Smith to take up the slack created by the exodus to Yellowknife?
- 3. In what manner will Hay River be affected by either (a) removal of existing government operations or (b) addition of new activities arising from the relocation of the seat of the Northwest Territories Government from Ottawa to the Territories?

No. 2,704-Mr. Crouse-March 3

- 1. Is consideration being given by the Department of Trade and Commerce to a later date for filing of confidential census reports covered by retail forms numbered 01, 03 and 07 which require by law a filing within three weeks of their receipt by merchants, with a threat of penalties for non-compliance?
- 2. So that small firms will be in a position to provide the information specified, will the Department give consideration to extending the filing date to April 30, the same date required by the Income Tax Act?

No. 2,705—Mr. Orlikow—March 3

1. Has the Department of National Health and Welfare, or any government agency, placed advertising with T.V. Station KCND North Dakota, U.S.A., in 1967?

- 2. If so, what was the cost to the Department or agency of such advertising?
 - 3. What was the purpose of this expenditure?
- 4. Does the Department consider that T.V. stations in Winnipeg and Brandon cannot get the desired information to Canadian citizens?

*No. 2,706-Mr. Pascoe-March 3

- 1. Did the Minister of Agriculture indicate recently that long-term government loans to Exhibition Companies for multi-purpose buildings will be made available in the near future?
 - 2. Will such loans be obtainable this year?

Notices of Motions for the Production of Papers-On Wednesday next

No. 216-Mr. Dinsdale-March 3

That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of all communications exchanged between the Government of Manitoba and the Minister of Agriculture or the Canadian Government with reference to the calling of a National Conference on Agricultural problems.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Monday, March 6	
New Zealand Room	Procedure of the House (Luncheon Meeting) (In Camera)	12.30 p.m.
371 W.B.	National Defence (Bill C-243)	3.30 p.m. 8.00 p.m.
208 W.B.	Drug Costs and Prices (In Camera)	8.00 p.m.
	Tuesday, March 7	
	Drug Costs and Prices (In Camera)	$ \left\{ \begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \end{array} \right. $
208 W.B.	Industry, Research and Energy Development	9.30 a.m.
307 W.B.	Mr. Justice Landreville (Joint)	$\left\{\begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
217 W.B.	Northern Affairs and National Resources (In Camera)	9.30 a.m.
209 W.B.	Transport and Communications (Bills S-31 and C-239)	$ \left\{ \begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array} \right. $
308 W.B.	National Defence (Bill C-243)	$\begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
213 W.B.	Public Service (Joint) (Pensions)	10.00 a.m.
253-D	Immigration (Joint) (White Paper)	{11.00 a.m. 3.30 p.m.
307 W.B.	Justice and Legal Affairs (Bill S-9)	1.00 p.m.
256-S	Divorce (Joint)	3.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Wednesday, March 8	
307 W.B.	Mr. Justice Landreville (Joint)	3.30 p.m.
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
	Thursday, March 9	
253-D	Immigration (Joint) (White Paper)	9.30 a.m. 3.30 p.m.
209 W.B.	Industry, Research and Energy Development	9.30 a.m.
217 W.B.	Northern Affairs and National Resources (In Camera).	9.30 a.m.
307 W.B.	Mr. Justice Landreville (Joint)	$\left\{\begin{array}{l} 9.30 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 221

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, MARCH 6, 1967.

2.30 o'clock p.m.

PRAYERS.

Out of respect for the late Governor General and Commander-in-Chief of Canada, General, the Right Honourable Georges-P. Vanier, D.S.O., M.C., C.D., who died at 11.20 a.m., Sunday, March 5, 1967, the House adjourned at 3.20 o'clock p.m., until Thursday, March 9, 1967, at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,707-Mr. Bell (Carleton)-March 6

- 1. Has the attention of the Minister of Manpower and Immigration been directed to the recommendations contained in the Report of Edward F. Sheffield and Mary Margot McGrail entitled "The Retrieval of Canadian Graduate Students from Abroad"?
- 2. If so (a) has any action been taken to establish the Department of Manpower and Immigration as the central agency for the retrieval of Canadian graduate students from abroad, and (b) what, in detail is the nature of such action?
- 3. Has any action been taken by the Department of Manpower and Immigration to compile and distribute information concerning Canadians studying abroad as recommended in the said Report and, if so, what, in detail is the nature of such action and what distribution is given to such information?
- 4. Has any action been taken to establish the Department of Manpower and Immigration as the agency through which guidance should be made available to Canadian graduate students abroad as recommended in the said Report?
- 5. If so, what action has been taken to make its role and services known to expatriate students through university placement officers, appointments boards, foreign student advisers and the like?
- 6. If the answer to any of the foregoing questions is in the negative, what are the reasons for lack of decision or action?

No. 2,708-Mr. Ormiston-March 6

- 1. How many sites were considered before a decision was made to purchase the property for the proposed federal building in Esterhazy, Saskatchewan?
- 2. What is the legal description and location of these sites in question and the sale value quoted in each case?
- 3. What was the deciding factor in making the choice to purchase the property finally selected?
- 4. Was any representation made by any individual, group, committee, organization or company regarding the location of the proposed federal building?
- 5. Have any complaints been registered against the choice of location by any individual, group, committee, organization or company?
- 6. What is the (a) estimated cost of the proposed building (b) anticipated date of commencement of construction (c) date of completion?

No. 2,709-Mr. Allard-March 6-

In the 34 cities abroad in which the Department of Manpower and Immigration maintains recruiting offices, do the 435 employees, either from Canada or employed locally (a) supply prospective immigrants with publicity printed in both official languages of Canada (b) inform prospective immigrants that English and French are the two official languages of Canada?

Notices of Motions for the Production of Papers—On Wednesday next

No. 217-Mr. Schreyer-March 6

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence and relevant documents between the Government of Canada and the Government of Manitoba relative to the proposed establishment of a second national park in Manitoba.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, March 9	
213 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper) (In Camera)	3.30 p.m. 8.00 p.m.
208 W.B.	Drug Costs and Prices (In Camera)	$\left\{\begin{array}{l} 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
256-S	Divorce (Joint)	3.30 p.m.
253-D	Immigration (Joint) (White Paper)	3.30 p.m.
307 W.B.	Mr. Justice Landreville (Joint)	$\left\{\begin{array}{l} 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$
371 W.B.	National Defence (Bill C-243)	$\left\{\begin{array}{l} 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{array}\right.$

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 222

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, MARCH 9, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twenty-Second Report of the said Committee which is as follows:

In its Twenty-first Report to the House, presented March 1, 1967, your Committee reported Bill C-190 without amendment. At the same time Bills C-222 and C-223 were reported with amendments.

Because of the time element, it was not then possible to set forth the amendments in detail; they were, however, included in the reprints of Bills C-222 and C-223, as ordered by the Committee.

Your Committee held 79 meetings from October 25, 1966 to February 28, 1967, and heard the following witnesses (listed in order of appearance before the Committee):

Mr. C. F. Elderkin, Inspector General of Banks (later Special Adviser, Department of Finance)

Dr. P. M. Ollivier, Parliamentary Counsel

Mr. J. W. Ryan, Department of Justice

Mr. Louis Rasminsky, Governor of the Bank of Canada

The Canadian Bankers' Association:

Mr. S. T. Paton, President, CBA

Mr. Léo Lavoie, Vice-President, CBA

Mr. J. H. Coleman, Vice-President, CBA

Mr. W. T. G. Hackett, Chairman, CBA Bank Act Revision Committee Mr. R. M. MacIntosh, Joint General Manager, Bank of Nova Scotia

V 222-1

- Mr. G. R. Sharwood, Deputy Chief General Manager, Canadian Imperial Bank of Commerce
- Mr. W. J. Dixon, Deputy General Manager, Bank of Nova Scotia
- Mr. E. Cate, Q.C., Solicitor for CBA
- Mr. F. L. Rogers, Chairman, CBA Economists Committee
- Mr. B. W. Powers, General Manager (Administration), Bank of Montreal
- Mr. René Leclerc, General Manager, La Banque Canadienne Nationale
- Mr. Gilles Mercure, Assistant General Manager, La Banque Provinciale du Canada
- Mr. J. F. Duffy, Superintendent, Canadian Imperial Bank of Commerce
- Mr. J. Douglas Gibson, former Executive Vice-President, Bank of Nova Scotia and former member of the Royal Commission on Banking and Finance
- Mr. G. Arnold Hart, President, Bank of Montreal
- Mr. W. Earle McLaughlin, Chairman and President, The Royal Bank of Canada
- Mr. J. W. Powell, President, RoyNat Limited
- Mr. Louis Hébert, President, La Banque Canadienne Nationale
- Mr. H. H. Binhammer, Associate Professor of Political and Economic Science, Royal Military College
- Mr. David W. Slater, Professor of Economics, Queen's University
- Mr. E. P. Neufeld, Professor of Economics, University of Toronto
- Mr. Jacob S. Ziegel, Professor of Law, McGill University
- Mr. R. Caterina, Associate Professor, Accounting and Finance, Carleton University
- Mr. E. P. C. Burke, General Manager, The Canadian Credit Men's Association
- Mr. W. E. Scott, Assistant Inspector General of Banks (later Inspector General of Banks)
- Mr. Joseph Pope, Mr. R. G. D. Lafferty, Mr. Terry Howes, Mr. Frank O'Hearn, Mr. Melvin Rowatt, Mr. Harry H. Hallatt
- The Canadian Federation of Agriculture:
 Mr. David Kirk, Executive Secretary
- CUNA International Inc.: Messrs. Robert J. Ingram, A. R. Glen, W. Moxon, A. W. Wagar and L. R. Tendler
- The Mercantile Bank of Canada:
 - Mr. Robert P. MacFadden, President
 - Mr. James S. Rockefeller, Chairman
 - Mr. Stewart B. Clifford, Executive Vice-President and General Manager
 - Mr. André Bachand, Director
 - Mr. Kenneth B. Palmer, Q.C., Director
 - Mr. Henry Harfield, Counsel to First City National Bank

A Group of Twelve Trust Companies:

- Mr. Sinclair M. Stevens, President, York Trust and Savings Corporation
 - Mr. H. Soule, Q.C., President, Hamilton Trust and Savings Corporation
 - Mr. Léo Sauvé, General Manager, Lincoln Trust and Savings Company

Mr. Jarvis Freedman, President, Rideau Trust Company

Mr. John Burnett, Secretary, Lincoln Trust and Savings Company

Mr. Stewart Ripley, Executive Vice-President, Metropolitan Trust Company

Mr. K. L. Cunningham, Managing Director, District Trust Company

Mr. James E. Coyne, President, Bank of Western Canada

Mr. Sinclair M. Stevens, President, British International Finance (Canada) Limited

The Honourable Mitchell Sharp, Minister of Finance

Assisting the Committee as economists were Mr. Denis Baribeau, B.Comm., M.A., and Miss M. R. Prentis, B.Sc. (Econ.).

Noting the desirability of increasing competition in the banking industry through the establishment of more chartered banks, your Committee recommends that the rules of the House be amended to make it possible for the House to come to a prompt decision on applications for bank charters after reasonable debate, provided that before a final decision is made, the applications be referred to the Standing Committee on Finance, Trade and Economic Affairs for detailed study.

Your Committee recognizes the value of regular, complete decennial revisions of the Bank Act, the Bank of Canada Act and the Quebec Savings Banks Act, but believes that these should not prevent this Committee carrying out special studies on subjects related to these Acts and amendments being made to them from time to time if such should become necessary in the interval.

Your Committee has commenced some studies with regard to the desirability or otherwise of the establishment in Canada of agencies of foreign banks. However, it has not been able to complete these studies in the time available and requests authority to pursue these studies further.

Your Committee recommends that the Canadian Bankers' Association Act be amended to permit those financial institutions who presently have access to the clearing system only through the intermediary of a chartered bank to participate directly in the system on an equitable basis.

Your Committee recommends that the supporting services for this and other Standing Committees be expanded to meet the volume of work presently being carried out by them, such expansion to include

- (a) more prompt translation of briefs and proposed amendments,
- (b) faster printing of Committee proceedings,
- (c) authority to hire expert staff in advance of the formal referral to the Committee of major legislation or special areas of study.

Your Committee now reports the amendments to the above-mentioned Bills as follows:

Amendments to Bill C-222, An Act respecting Banks and Banking:

Clause 4

Strike out clause 4 and substitute therefor the following:

"4. This Act applies to each bank named in Schedule A and does not apply to any other bank."

V 222-11

Strike out clause 6 and substitute therefor the following:

- "6. Subject to this Act,
- (a) if Parliament sits on at least twenty days during the month of June, 1977, the bank may carry on the business of banking until the first day of July, 1977, and no longer, and
- (b) if Parliament does not sit on at least twenty days during the month of June, 1977, the bank may carry on the business of banking until the sixtieth sitting day of Parliament next thereafter, and no longer."

Clause 11

In subclause (3) strike out lines 43 and 44 on page 7 and substitute therefor the following:

"scription, give his post office address, and this shall appear in the stock books in connec-"

Clause 12

(a) In subclause (1) strike out line 22 on page 8 and substitute therefor the following:

"poration as the place where the head office of the bank is to be situated, at such time and at"

- (b) In subclause (3) strike out the word "and" in line 37 on page 8, and
- (c) In subclause (3) strike out line 40 on page 8 and substitute therefor the following:

"meeting of the shareholders, and

(d) appoint two persons having the qualifications specified in subsecsection (1) of section 63, but not being members of the same firm, to be the auditors of the bank until the first annual general meeting of the shareholders,"

Clause 18

In subclause (6) strike out line 18 on page 14 and substitute therefor the following:

"(a) he is a director of a bank to which the Quebec Savings Banks Act applies or of a company incorporated"

Clause 26

Strike out lines 10 and 11 on page 17 and substitute therefor the following:

"meeting of directors, and a summary thereof for a period of twelve months ending not earlier than sixty days before the notice showing the total"

Clause 29

Strike out lines 13 and 14 on page 18 and substitute therefor the following:

"current loans to any person that are included in the latest return made by the bank to the Minister under section 103 and the aggregate amount of which exceeds one-tenth of one per cent of the"

- (a) Strike out line 45 on page 20 and substitute therefor the following: "section 53 or subsection (2) of section 56 be accepted by the bank; and"; and
- (b) Strike out line 51 on page 20 and substitute therefor the following: "fix a date, not earlier than the thirtieth day after the day on"

Clause 35

Strike out lines 40 and 41 on page 21 and substitute therefor the following: "give his post office address and this shall appear in the stock books in connection with"

Clauses 34 to 36

- (a) Renumber subclauses (1) and (2) of clause 34 on page 21 as clauses 34 and 35, respectively:
 - (b) Strike out line 15 on page 21 and substitute therefor the following: "disposal of shares under section 34 exceeds the price per";
 - (c) Renumber clause 35, as amended, on page 21, as clause 36;
- (d) Strike out the reference to section 33 or 34 in line 36 on page 21 and substitute therefor "sections 33 to 35,"; and
 - (e) Strike out clause 36 on page 21.

Clause 51

In subclause (1) strike out line 15 on page 27 and substitute therefor the following:

"mission in accordance with the claim; but nothing in this subsection shall be construed to prevent the bank from refusing to record or give effect to a transmission until there has been delivered to the bank such documentary or other evidence of or in connection with the transmission as it may deem requisite."

Clause 52

- (a) Strike out line 32 on page 27 and substitute therefor the following: "right, but does not include an official or corporation per-";
- (b) Strike out the word "or" in line 51 on page 28, strike out paragraph (f) on page 29 and substitute therefor the following:
 - "(f) both shareholders are agents of Her Majesty in right of Canada or officials or corporations performing on behalf of Her Majesty in such right a function or duty in connection with the administration, management or investment of any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (a) of subsection (1);
 - (g) both shareholders are agents of Her Majesty in right of the same province or officials or corporations performing on behalf of Her Majesty in right of that province a function or duty in connection with the administration, management or investment of any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (a) of subsection (1); or
 - (h) both shareholders are associated within the meaning of paragraphs (a) to (g) with the same shareholder,"; and
 - (c) Strike out line 41 on page 29 and substitute therefor the following: "virtue of paragraph (h) of subsection (2) by".

Strike out line 21 on page 30 and substitute therefor the following:

"of a share of the capital stock of the bank to any person, including without restricting the generality of the foregoing, an official or corporation mentioned in clause (B) of subparagraph (i) of paragraph (a) of subsection (1) of section 52,"

Clause 54

In subclause (3) strike out line 21 on page 33 and substitute therefor the following:

"(c) an official or corporation administering, managing or investing"

Clause 56

- (a) In subclause (2) strike out lines 15 to 24, inclusive, on page 36 and substitute therefor the following:
 - "(2) Where more than twenty-five per cent of the issued and outstanding shares of the capital stock of the bank were held on the 22nd day of September, 1964, in the name or right of or for the use or benefit of any one non-resident, the bank, so long as the total number of shares of the capital stock of the bank held by non-residents exceeds twenty-five per cent of the total number of issued and outstanding shares of the capital stock of the bank,
 - (a) shall refuse to allow a transfer of a share of the capital stock of the bank to a non-resident to be made or recorded in a register of transfers of the bank unless the transfer is from a non-resident to any associates of the non-resident; and
 - (b) shall not accept a subscription for a share of the capital stock of the bank by a non-resident;

but if at any time after the 22nd day of September, 1964, there is no one person in whose name or right or for whose use or benefit more than ten per cent of the issued and outstanding shares of the capital stock of the bank are held, this subsection ceases thereafter to have any force or effect."

- (b) In subclause (7) strike out line 21 on page 38 and substitute therefor the following:
 - "(b) an official or corporation administering, managing or investing"

Clause 60

In subclause (2) strike out paragraph (c) and substitute therefor the following:

"(c) a statement of accumulated appropriations for losses of the bank for the financial year, showing the information in the form specified in Schedule P and such additional information and particulars as in the opinion of the directors are necessary to present fairly the amount of appropriations available to meet losses other than those for which specific provisions have been made."

Clause 63

- (a) Strike out subclause (12) and substitute therefor the following:
 - "(12) The auditors shall make a report to the shareholders on the statement of assets and liabilities, the statement of revenue, expenses and undivided profits and the statement of accumulated appropriations for losses of the bank to be submitted by the directors under section 60."

(b) In subclause (13) strike out lines 45 and 46 on page 43 and substitute therefor the following:

"end of the financial year, its revenue, expenses and undivided profits for the year and its accumulated appropriations for losses for the year, and shall include such"

(c) In subclause (17) at the end of line 22 on page 44 add the following: "but this subsection does not apply in the case of a corporation controlled by the bank that carries on its operations in a country other than Canada if the law of that country makes provision with respect to auditors."

Clause 64

Strike out subclauses (6) to (9) and substitute therefor the following:

- "(6) The Inspector shall be paid a salary fixed by the Governor in Council on the recommendation of the Minister and shall be an officer of the Department of Finance, but the provisions of the *Public Service Employment Act* do not apply to him.
- (7) The Inspector and any person temporarily performing the duties of the Inspector shall not borrow money from a bank unless he has first informed the Minister in writing of his intention to do so.
- (8) Such other officers and employees as are necessary for the proper conduct of the duties of the Inspector shall be appointed in the manner authorized by law."

Clause 72

(a) Strike out lines 11 and 12 on page 48 and substitute therefor the following:

"the average during any month than an";

- (b) Renumber subclauses (3) to (6), inclusive, on pages 48 and 49 as subclauses (4) to (7) inclusive; and
 - (c) Immediately after line 31 on page 48 add the following:
 - "(3) Notwithstanding subsection (1), the cash reserve to be maintained by the bank pursuant to subsection (1) in any month following the twelfth month after the coming into force of this Act shall, if so required by the Bank of Canada, be not less on the average during each of the two separate periods comprised of the first fifteen days of that month and the remaining days of that month than the amount specified in subsection (1); and in the event of such a requirement, the Bank of Canada shall make its requirement apply generally to all banks, give written notice of its action specifying the months to which the requirement applies, publish such notice forthwith in the Canada Gazette and mail a copy of the notice to all banks not less than thirty days before the first day of the first of the months so specified, and may, at any time by advice notified in the same manner, reduce in number the months to which the requirement applies." and
- (d) Strike out lines 7 and 8 on page 49 and substitute therefor the following:

"any month mentioned in subsection (1) or (4) or any period mentioned in subsection (3)"

- (a) In subclause (1) strike out line 8 on page 51 and substitute therefor the following:
 - "negotiable instruments, coin, gold and silver";
- (b) In subclause (2) strike out the figure "1967" in line 16 on page 52 and substitute therefor the figure "1972";
- (c) In subclause (3) strike out lines 25 and 26 on page 52 and substitute therefor the following:
 - "Canada or of an equity of redemption therein or of an assignment of or mortgage on the interest of a lessee thereof, the amount".
- (d) In subclause (4) strike out lines 49 to 52, inclusive, on page 52 and substitute therefor the following:

"real or immovable property in Canada comprising existing buildings that are used, or buildings in the process of construction that are to be used, to the extent of at least one-half of the floor space thereof, as private dwellings either by the owners or by lessees under leases for terms of at least one month, other than loans or advances made or guaranteed under any Act of the Parliament of Canada other than this Act, shall not exceed the lesser of"

Clause 76

- (a) Strike out lines 41 to 49, inclusive, on page 53 and substitute therefor the following:
 - "76. (1) Except as provided in this section, the bank shall not own shares of the capital stock of
 - (a) a Canadian corporation, other than a trust or loan corporation,
 - (i) in any number that would, under the voting rights attached to the shares owned by the bank, permit the bank to vote more than fifty per cent of the total votes that could, under the voting rights attached to all the shares of the corporation issued and outstanding, be voted by the holders thereof, in any case where the total amount paid or agreed to be paid by the bank for such of the shares of the corporation as have voting rights attached thereto, is five million dollars or less, or
 - (ii) in any other case, in any number that would, under the voting rights attached to the shares owned by the bank, permit the bank to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the corporation issued and outstanding, be voted by the holders thereof;

or

(b) a trust or loan corporation in any number that would, under the voting rights attached to the shares owned by the bank, permit the bank to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the trust or loan corporation issued and outstanding, be voted by the holders thereof;

and any such shares in excess of the maximum number prescribed by this subsection owned by the";

- (b) Strike out lines 3 to 16, inclusive, on page 54 and substitute therefor the following:
 - "(2) Except as provided in this section, the bank shall not own shares of the capital stock of a foreign corporation in any number that would, under the voting rights attached to the shares owned by the bank, permit the bank to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the foreign corporation issued and outstanding, be voted by the holders thereof, if the foreign corporation owns shares of the capital stock of
 - (a) a Canadian corporation, other than a trust or loan corporation,
 - (i) in any number that would, under the voting rights attached to the shares owned by the foreign corporation and the bank, if any, permit the foreign corporation, or the foreign corporation and the bank, to vote more than fifty per cent of the total votes that could, under the voting rights attached to all the shares of the Canadian corporation issued and outstanding, be voted by the holders thereof, in any case where the total amount paid or agreed to be paid by the foreign corporation and the bank for such of the shares of the Canadian corporation as have voting rights attached thereto, is five million dollars or less, or
 - (ii) in any other case, in any number that would, under the voting rights attached to the shares owned by the foreign corporation and the bank, if any, permit the foreign corporation, or the foreign corporation and the bank, to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the Canadian corporation issued and outstanding, be voted by the holders thereof;

or

(b) a trust or loan corporation in any number that would, under the voting rights attached to the shares owned by the foreign corporation and the bank, if any, permit the foreign corporation, or the foreign corporation and the bank, to vote more than ten per cent of the total votes that could, under the voting rights attached to all the shares of the trust or loan corporation issued and outstanding, be voted by the holders thereof;

and any such shares in excess of the maximum number prescribed by this subsection owned by the bank at the coming into force of this Act, shall be sold or disposed of before the first day of July, 1971.";

- (c) After subclause (3) on page 54 add the following new subclauses:
 - "(4). The bank may own shares in excess of the maximum number prescribed by this section, if the shares are acquired through a realization of security for any loan or advance made by the bank or any debt or

liability to the bank, but any such shares acquired after the coming into force of this Act shall be sold or disposed of by the bank within a period of five years from the day on which they were acquired.

- (5). Notwithstanding any other provision of this section except subsection (4), where in the opinion of the Minister the ownership by the bank of shares in a corporation in any number permitted under subparagraph (i) of paragraph (a) of subsection (1) or subparagraph (1) of paragraph (a) of subsection (2) enables the bank to exercise, directly or indirectly, effective control of a trust or loan corporation, the Minister may by order require the bank to divest itself of those shares in that corporation within such time as the Minister considers reasonable and the bank shall sell or dispose of such shares within the time prescribed therefor by the Minister."
- (d) Strike out subclause (6) on page 54 and renumber the present subclauses (4) to (8) on page 54 as subclauses (6) to (9) respectively; and
 - (e) Strike out line 32 on page 55 and substitute therefor the following: "province;
 - (c) "foreign corporation" means a corporation incorporated outside Canada; and
 - (d) "trust or loan corporation" means a Canadian corporation that carries on the business of a trust company within the meaning of the *Trust Companies Act*, or the business of a loan company within the meaning of the *Loan Companies Act* and that accepts deposits from the public."

Clause 77

- (a) In subclause (2) strike out the words and figures "in any financial year of the bank commencing after the 31st day of October, 1966," in lines 38 and 39 at page 55.
- (b) Strike out subclauses (5) and (6) at page 56 an dsubstitute the following therefor:
 - "(5) The bank shall not issue bank debentures dated more than sixty days before the date of the issue of the debentures; but this subsection does not apply to a debenture issued in exchange for or in replacement of one that has the same stated maturity and that is not then being redeemed or paid.
 - (6) The bank shall not issue bank debentures if, as a result of the issue, the aggregate principal amount of its bank debentures outstanding that have a stated maturity after the end of the financial year of the bank in which the issue is made, would exceed the lesser of
 - (a) an amount equal to one-half of the total of the paid-up capital stock and rest account of the bank at the time of the issue; or
 - (b) the amount obtained by multiplying the total of the paid-up capital stock and rest account of the bank at the time of the issue by the number of financial years of the bank completed after the 31st day of October, 1965, and dividing the product obtained by ten."

- (a) Strike out lines 35 to 40 on page 69 and substitute the following:
 - "(5) Notwithstanding subsection (2) and notwithstanding that a notice of intention by a person giving security upon property under this section has been registered pursuant to this section, where, under the *Bankruptcy Act*, a receiving order is made against, or an assignment is made by, such person,"; and
- (b) Strike out paragraph (b) of subclause (5) and substitute therefor the following:
 - "(b) claims of
 - (i) a grower of perishable products of agriculture that are direct products of the soil for money owing by a manufacturer to the grower for such products that were grown by him on land owned or leased by him and that were delivered to the manufacturer during the period of six months next preceding the making of such order or assignment, or
 - (ii) a producer of dairy products for money owing by a manufacturer to the producer for such products that were produced on land owned or leased by him and that were delivered to the manufacturer during the period of six months next preceding the making of such order or assignment,

to the extent of seven thousand five hundred dollars of the amount of the claims of the grower or producer therefor or the total amount of his claims therefor if such amount is seven thousand five hundred dollars or less",

Clause 91

- (a) Strike out lines 36 to 39, inclusive, on page 74 and substitute therefor the following:
 - "(a) for the period commencing on the coming into force of this Act and ending on the 31st day of December, 1967, seven and one-quarter per cent; and
 - (b) for any part of an interest period commencing on or after the first day of January, 1968, one";
- (b) Strike out subclause (4) on page 75 and substitute therefor the following:
 - "(4) Where a loan or advance referred to in subsection (2) is made for a fixed term by the bank in one interest period and is repayable in whole or in part in a later interest period, the maximum rate of interest or rate of discount that the bank may charge on the loan or advance is that prescribed by subsection (3) for the interest period in which the loan or advance is made notwithstanding the maximum rate of interest or rate of discount prescribed for later interest periods.";
- (c) Strike out lines 22 to 24, inclusive, on page 75 and substitute therefor the following:

"Canada or of an equity of redemption therein or of an assignment of or mortgage on the interest of a lessee thereof;";

(d) Strike out lines 12 to 18, inclusive, on page 76 and substitute therefor the following:

"period of three months ending after the 31st day of December, 1966, is less than five per cent, subsections (2) to (8) of this section, subsection

- (1) of section 93, section 112 and subsection (1) of section 151 expire
- (a) on the 31st day of December, 1967, if the last month of such period ends before the 31st day of December, 1967, or
- (b) on the fifteenth day of the month next following the last month of such period, if such period ends on or after the 31st day of December, 1967.

but without affecting any loan or advance made for a fixed term in respect of which a rate of interest or rate of discount has been charged before that day."; and

- (e) Strike out line 20 on page 76 and substitute therefor the following:
 - "(8) of this section and subsection (1) of section 93 expire shall be given by proclamation of"

Clauses 92 and 93

- (a) Immediately after line 22 on page 76 insert the following:
 - "92. (1) In subsections (2) to (4),
 - (a) "cost of borrowing" means, in relation to a loan or advance,
 - (i) the interest or discount thereon, and
 - (ii) any charges in connection therewith that are payable by the borrower to the bank or to any person from whom the bank receives any part of such charges directly or indirectly;
 - (b) "credit" means an arrangement for obtaining loans or advances;
 - (c) "prescribed" means prescribed by regulations made under this section.
 - (2) Where, after the coming into force of this subsection, the bank grants to a person a credit in respect of loans or advances repayable in Canada or makes to a person a loan or advance repayable in Canada, the cost of borrowing as calculated and expressed in accordance with subsection (3), shall be disclosed by the bank, or otherwise as prescribed, to such person in the manner prescribed and at the time when the credit is granted or the loan or advance is made otherwise than under a credit, as the case may be; but this subsection does not apply in respect of any class of loans or advances that are prescribed as not being subject to its provisions.
 - (3) The cost of borrowing shall be calculated, in the manner prescribed, on the basis of all obligations of the borrower being duly fulfilled, and shall be expressed as a rate per annum and, under the circumstances prescribed, as an amount in dollars and cents.
 - (4) The Minister may make regulations
 - (a) respecting the manner in which the cost of borrowing shall be disclosed to a borrower:
 - (b) respecting the manner of calculating the cost of borrowing;
 - (c) respecting the circumstances under which the cost of borrowing is to be expressed also as an amount in dollars and cents;
 - (d) specifying any class of loans or advances that are not to be subject to the provisions of subsection (2); and
 - (e) respecting such other matters or things as may be necessary to carry out the purpose of this section.

- (5) The bank shall not, directly or indirectly, charge or receive any sum for the keeping of an account unless the charge is made by express agreement between the bank and the customer, nor, except by express agreement between the bank and the borrower, shall the making of a loan or advance be subject to a condition that the borrower maintain a minimum credit balance with the bank.
- (6) Subsections (1) to (4) shall come into force six months after the coming into force of this Act or on such earlier day as the Governor in Council may fix by proclamation.";
- (b) Renumber clause 92 on page 76 as subclause (1) of clause 93 and renumber subclause (1) of clause 93 on page 76 as subclause (2);
 - (c) Strike out line 1 on page 77 and substitute therefor the following:
 - "(3) Nothing in subsection (2) shall be con-"; and
 - (d) Strike out lines 6 to 9, inclusive, on page 77.

Strike out line 24 on page 80 and substitute therefor the following:

"the transmission in accordance with the claim; but nothing in this section shall be construed to prevent the bank from refusing to give effect to a transmission until there has been delivered to the bank such documentary or other evidence of or in connection with the transmission as it may deem requisite."

Clause 101

Strike out lines 43 to 45, inclusive, on page 82 and substitute therefor the following:

"resolution carried by not less than two-thirds of the votes cast by the shareholders present in person or represented by proxy at the meeting, the"

Clause 122

In subclause (2) strike out lines 11 to 22, inclusive, on page 90 and substitute therefor the following:

"months.

- (3) In the event of proceedings being taken under any Act for the winding-up of the bank in consequence of the insolvency of the bank, any calls on shareholders made thereafter shall be made in accordance with such Act.
- (4) Failure on the part of a shareholder to pay any call referred to in this section when due constitutes a forfeiture by the shareholder of all claim in or to any part of the assets of the bank; but the call and any further call thereafter is recoverable from him as if no forfeiture had taken place."

Clause 124

Strike out lines 5 to 8, inclusive, on page 91 and substitute therefor the following:

"assets:

(d) the indebtedness evidenced by a bank debenture is subordinate in right of payment to the prior payment in full of the deposit liabili-

ties of the bank and such other liabilities of the bank as are mentioned in that debenture or in any document under which it was issued; and

(e) the amount of any penalties for which the bank is liable shall be a last charge upon the assets of the bank."

Clause 138

Strike out line 8 on page 95 and substitute therefor the following: "is liable to a penalty of ten thousand dollars."

Clause 145

Strike out lines 7 and 8 on page 97 and substitute therefor the following: "sions of that paragraph is subject to a penalty of one thousand dollars a day for each day in which the violation"

Clause 150

Strike out line 35 on page 98 and substitute therefor the following: "otherwise authorized by an Act of the Parliament of Canada."

Clause 151

Strike out clause 151 on page 98 and substitute therefor the following:

- "151. (1) Every bank that violates the provisions of section 91 is guilty of an offence and liable on summary conviction or on conviction upon indictment to a fine not exceeding one thousand dollars, and every person who, being an officer or employee of the bank, violates the provisions of section 91 is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars.
- (2) Every bank that violates the provisions of subsection (2) or subsection (5) of section 92 is liable to a penalty of one thousand dollars in respect of each violation."

Clause 157

Strike out line 13 on page 101 and substitute therefor the following:

"against this Act; but this subsection does not apply where such use is required by law and is confined to a statement contained in a prospectus that a corporation is the holder of shares of the capital stock or evidences of indebtedness of a bank."

Clause 158

- (a) Strike out line 15 on page 101 and substitute therefor the following: "section 53 or subsection (2) of section 56 is guilty of an offence and liable on summary"; and
- (b) Strike out line 19 on page 101 and substitute therefor the following: "violation of any provision of section 53 or subsection (2) of section 56 is guilty of an"

Clause 162

Strike out clause 162 on page 102 and substitute therefor the following:

"162. (1) Except as otherwise expressly provided in this Act, this Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

(2) Section 6 and this section shall come into force, and section 6 of the Bank Act Chapter 48 of the Statutes of Canada, 1953-54, is repealed, on the day that this Act is assented to."

(3) Section 54 and subsection (6) of section 56 shall come into force

three months after this Act comes into force."

Schedule A

Under the appropriate headings, insert the following at the end of Schedule A:

"Bank of Western	Banque de l'Ouest		
Canada	Canadien	\$ 25,000,000	\$10 Winnipeg
Bank of British	Banque de Colombie		
Columbia	Britannique	\$100,000,000	\$10 Vancouver"

Schedules M, N, O, P and Q

Strike out and substitute therefor the following:

SCHEDULE M

(Section 103)

ASSETS

1	Gold coin and bullion\$
2.	Other coin in Canada
	Other coin outside Canada
	Notes of and deposits with Bank of Canada
	Government and bank notes other than Canadian
6.	Deposits with banks, in Canadian currency
	Deposits with banks, in currencies other than Canadian
8.	Cheques and other items in transit, net
	Treasury bills of Canada, at amortized value
10.	Other securities issued or guaranteed by Canada maturing within
	three years, at amortized value
11.	and the state of Santanacours, continued the state of the
	three years, at amortized value
12.	and the state of Breat and the province, at an included the state of
13.	and the state of Buttaneous of a manifely of benefit of benefit of
14	ration in Canada, not exceeding market value
	Securities of other Canadian issuers, not exceeding market value
15.	Securities of issuers other than Canadian, not exceeding market
16	Waytangas and hypothess insured under the National Herring
10.	Mortgages and hypothecs insured under the National Housing Act, 1954
17	Day, call and short loans to investment dealers and brokers,
	in Canadian currency, secured
18.	Day, call and short loans to investment dealers and brokers, in
	currencies other than Canadian, secured
	The state of the s

	Loans to a province, in Canadian currency
20.	Loans to a municipal or school corporation in Canada, in Canadian currency, less provision for losses
91	Other loans in Canadian currency, less provision for losses
	Other loans in currencies other than Canadian, less provision for
	losses
23.	Bank premises at cost, less amounts written off
	Securities of and loans to a corporation controlled by the bank
25.	Customers' liability under acceptance, guarantees and letters
	of credit, as per contra
26.	Other assets
	Total assets\$
	LIABILITIES
1.	Deposits by Canada, in Canadian currency\$
	Deposits by a province, in Canadian currency
3.	Deposits by banks, in Canadian currency
	Deposits by banks, in currencies other than Canadian
5.	Personal savings deposits payable after notice, in Canada, in
6	Other deposits payable after notice, in Canadian currency
	Other deposits payable on demand, in Canadian currency
	Other deposits, in currencies other than Canadian
	Advances from Bank of Canada, secured
	Acceptances, guarantees and letters of credit
11.	Other liabilities
	Debentures issued and outstanding
	Capital paid up
	Rest account
15.	Undivided profits at latest financial year end
	Total liabilities\$
	The second of th
	SUPPLEMENTARY INFORMATION
Agg	regate amount of loans to directors and firms of which they are
	members and loans for which they are guarantors\$
Amo	ount in currencies other than Canadian included in
	Asset 8 Asset 10 Asset 11 Asset 12 Asset 13 Asset 14
	\$ \$ \$ \$ \$
	nch returns antedating the late day of the month used in the preparation of this return:
	Branch Date of return
Con	trolled banking corporations whose assets and liabilities are in-
	cluded in this return

SCHEDULE N

(Section 60(2)	(a))	ı
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Statement of Assets and Liabilities of theBank as at October 31, 19....

ASSETS

\$

LIABILITIES

1. Deposits by Canada
2. Deposits by a province
3. Deposits by banks
4. Personal savings deposits payable after notice, in Canada, in Canadian currency
5. Other deposits
6. Advances from Bank of Canada, secured
7. Acceptances, guarantees and letters of credit
8. Other liabilities
9. Accumulated appropriations for losses
10. Debentures issued and outstanding
11. Capital paid up
12. Rest account
13. Undivided profits

\$

Note: Titles should be deleted where there are no amounts to be reported thereunder. Omit cents.

SCHEDULE O

(Se	ection 60(2)(0))
	Statement of Revenue, Expenses and Undivided Profits
	of the Bank
	for the financial year ended October 31, 19
	Revenue
1.	Income from loans\$
2.	Income from securities
3.	Other operating revenue
1	Total revenue
4.	
	The state of the second of the state of the
	Expenses
5.	Interest on deposits and bank debentures
6.	Salaries, pension contributions and other staff benefits
7.	Property expenses, including depreciation
8.	Other operating expenses, including provision for losses on
	loans based on five-year average loss experience
	THE RESERVE OF THE PARTY OF THE
9.	Total expenses
	control than cookies and the cook was a finite of the cookies of t
10.	Balance of revenue
11.	Appropriation for losses
	Balance of profits before income taxes
13.	Provision for income taxes relating thereto
	Balance of profits for the year
15.	Dividends
	Topograph Br Consede
	Amount carried forward
	Undivided profits at beginning of year
18.	Transfer from accumulated appropriations for losses
	THE STATE OF
	Transferred to Rest account
20.	Undivided profits at end of year\$
	The second of the second secon
	Note: Titles should be deleted where there are no amounts to be reporte
ther	reunder. Omit cents.
	SCHEDULE P
10	41. 00/01/15
(Se	ction 60(2)(c))
	Statement of Accumulated Appropriations for Losses
	of the Bank
	for the financial year ended October 31, 19
1	Accumulated appropriations at beginning of year
1650	General Tax-paid Total\$
2	Appropriation from current year's operations
	Loss experience on loans less provision included in other
0.	operating expenses
	operating expenses

4. Profits and losses on securities, including provisions to reduce securities other than those of Canada and a province to values
not exceeding market
5. Other profits, losses and non-recurring items, net6. Provision for income taxes
7. Transferred to undivided profits
8. Accumulated appropriations at end of year General Tax-paid Total
Note: Titles should be deleted where there are no amounts to be reported thereunder. Omit cents.
SCHEDULE Q
(Section 106)
Return of Revenue, Expenses and Other Information
of the Bank for the financial year ended October 31, 19
(In thousands of dollars)
Revenue
1. Income from loans\$
2. Income from securities
o. Other operating revenue
4. Total revenue
Expenses
5. Interest on deposits and bank debentures
6. Salaries, pension contributions and other staff benefits 7. Property expenses, including depreciation
8. Other operating expenses, including provision for losses on loans
based on five-year average loss experience
9. Total expenses
Supplementary Information
10. Provision for income taxes
11. Dividends to shareholders
12. Loss experience on loans, securities and other investments less provision included in other operating expenses
13. Leaving for shareholders' equity and accumulated appropri-
ations for losses
15. Net additions to shareholders' equity and accumulated appropriations for losses
16. Allocated to:
Undivided profits
Rest account
General appropriations
Tax-paid appropriations

Amendments to Bill C-223, An Act respecting Savings Banks in the Province of Quebec

Clause 6

Strike out clause 6 on page 3 and substitute the following therefor: "6. Subject to this Act,

- (a) if Parliament sits on at least twenty days during the month of June, 1977, the bank may carry on the business of banking until the 1st day of July, 1977, and no longer; and
- (b) if Parliament does not sit on at least twenty days during the month of June, 1977, the bank may carry on the business of banking until the sixtieth sitting day of Parliament next thereafter, and no longer."

Clause 10

In subclause (1) strike out paragraph (g) on page 4 and substitute therefor the following:

"(g) the remuneration of the chairman of the board, the president, vicepresidents and other directors;"

Clause 16

Strike out line 7 on page 6 and substitute therefor the following:

- "(2) The directors may elect by ballot from their number a chairman of the board of directors.
 - (3) A person elected to an office under this"

Clause 19

Strike out subclauses (1) and (2) on page 6 and substitute therefor the following:

- "19. (1) The chairman of the board, if any, or in his absence, the president, or in their absence, a vice-president, shall preside at all meetings of the directors.
- (2) Where at any meeting of the directors, the chairman of the board, if any, the president and all vice-presidents are absent, one of the directors present, chosen to act *pro tempore*, shall preside."

Clause 20

Strike out line 33 on page 6 and substitute therefor the following:

"fixed by a shareholders' by-law, to be paid to the chairman of the board, the president,"

Clause 24

In subclause (1) strike out line 24 on page 8 and substitute therefor the following:

"City and District Savings Bank is three million"

Clause 27

Strike out line 46 on page 9 and substitute therefor the following: "a date, not earlier than the thirtieth day after the day on"

Clauses 28 to 30

(a) Renumber subclauses (1) and (2) of clause 28 on page 10 as clauses 28 and 29, respectively;

(b) Strike out line 14 on page 10 and substitute therefor the following:

"disposal of shares under section 28 exceeds the price per";

(c) Renumber clause 29, as amended, on page 10 as clause 30;

(d) Strike out the reference to section 26 or 28 in line 35 on page 10 and substitute therefor "sections 26, 28 or 29"; and

(e) Strike out clause 30 on page 10.

Clause 29

Strike out lines 39 and 40 on page 10 and substitute therefor the following:

"give his post office address and this shall appear in the stock books in connection with"

Clause 44

Strike out line 35 on page 15 and substitute therefor the following: "mission in accordance with the claim; but nothing in this subsection shall be construed to prevent the bank from refusing to record or give effect to a transmission until there has been delivered to the bank such

documentary or other evidence of or in connection with the transmission as it may deem requisite."

Clause 45

(a) Strike out lines 11 and 12 at page 16 and substitute therefor the following:

"right, but does not include an official or corporation performing a function or duty in"

(b) Strike out lines 37 to 40, inclusive, at page 17 and substitute therefor the following:

"bank;

- (f) both shareholders are agents of Her Majesty in right of Canada or officials or corporations performing on behalf of Her Majesty in such right a function or duty in connection with the administration, management or investment of any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (a) of subsection (1);
- (g) both shareholders are agents of Her Majesty in right of the same province or officials or corporations performing on behalf of Her Majesty in right of that province a function or duty in connection with the administration, management or investment of any fund or moneys referred to in clause (B) of subparagraph (i) of paragraph (a) of subsection (1); or

(h) both shareholders are associated within the meaning of paragraphs(a) to (g) with the same shareholder."

(c) Strike out line 33 on page 18 and substitute therefor the following: "virtue of paragraph (h) of subsection (2) by"

Clause 46

In subclause (2) strike out line 21 on page 19 and substitute therefor the following:

"of a share of the capital stock of the bank to any person, including, without restricting the generality of the foregoing, an official or corporation mentioned in clause (B) of subparagraph (i) of paragraph (a) of subsection (1) of section 45,"

Clause 47

In subclause (3) strike out line 17 on page 22 and substitute therefor the following:

"(c) an official or corporation administering, managing or investing"

Clause 49

(a) Strike out subclause (2) on page 25;

- (b) Renumber subclauses (3) to (8) on pages 25 to 27, inclusive, as subclauses (2) to (7) respectively;
 - (c) Strike out line 27 on page 27 and substitute therefor the following:
 - "(b) an official or corporation administering, managing or investing"; and
- (d) Strike out the figure (6) on line 34 on page 27 and substitute therefor the figure "(5)".

Clause 53

- (a) Renumber subclauses (1), (2), and (3) as subclauses (2), (3) and (4), respectively;
 - (b) Insert the following as subclause (1):
 - "53. (1) The financial year of the bank shall end on the expiration of the 31st day of October in each year."
 - (c) Strike out the word "and" in line 48 on page 28;
 - (d) Strike out line 8 on page 29 and substitute therefor the following: "earned in the financial year; and
 - (c) a statement of accumulated appropriations for losses of the bank for the financial year, showing the information in the form specified in Schedule C and such additional information and particulars as in the opinion of the directors are necessary to present fairly the amount of appropriations available to meet losses other than those for which specific provisions have been made."
 - (e) Strike out line 17 on page 29 and substitute therefor the following: "Schedules A, B and C."

Clause 55

- (a) Strike out subclause (11) of clause (55) and substitute therefor the following:
 - "(11) The auditors shall make a report to the shareholders on the statement of assets and liabilities, the statement of revenue, expenses and undivided profits and the statement of accumulated appropriations for losses of the bank to be submitted by the directors to the shareholders under section 53."
- (b) Strike out lines 46 and 47 on page 30 and substitute therefor the following:

"of the financial year, its revenue, expenses and undivided profits for the year and its accumulated appropriations for the year, and shall include such remarks as they"

Clauses 80 and 81

- (a) Immediately after line 9 on page 41 insert the following:
 - "80. (1) In subsections (2) to (5),
 - (a) "cost of borrowing" means, in relation to a loan or advance,
 - (i) the interest or discount thereon, and

- (ii) any charges in connection therewith that are payable by the borrower to the bank or to any person from whom the bank receives any part of such charges directly or indirectly;
- (b) "credit" means an arrangement for obtaining loans or advances; and
- (c) "prescribed" means prescribed by regulations made under this section.
- (2) Where, after the coming into force of this subsection, the bank grants to a person a credit in respect of loans or advances repayable in Canada or makes to a person a loan or advance repayable in Canada, the cost of borrowing, as calculated and expressed in accordance with subsection (3), shall be disclosed by the bank, or otherwise as prescribed, to such person in the manner prescribed and at the time when the credit is granted or the loan or advance is made otherwise than under a credit, as the case may be; but this subsection does not apply in respect of any class of loans or advances that are prescribed as not being subject to its provisions.
- (3) The cost of borrowing shall be calculated in the manner prescribed, on the basis of all obligations of the borrower being duly fulfilled, and shall be expressed as a rate perannum and, under the circumstances prescribed, as an amount in dollars and cents.
 - (4) The Minister may make regulations
- (a) respecting the manner in which the cost of borrowing shall be disclosed to a borrower;
- (b) respecting the manner of calculating the cost of borrowing;
- (c) respecting the circumstances under which the cost of borrowing is to be expressed also as an amount in dollars and cents;
- (d) specifying any class of loans or advances that are not to be subject to the provisions of subsection (2); and
- (e) respecting such other matters or things as may be necessary to carry out the purpose of this section.
- (5) The bank shall not, directly or indirectly, charge or receive any sum for the keeping of an account unless the charge is made by express agreement between the bank and the customer, nor, except by express agreement between the bank and the borrower, shall the making of a loan or advance be subject to a condition that the borrower maintain a minimum credit balance with the bank.
- (6) Subsections (1) to (4) shall come into force on the day that subsections (1) to (4) of section 92 of the Bank Act come into force."
- (b) Renumber subclause (1) of clause 80 on page 41 as subclause (1) of clause 81;
- (c) Strike out lines 25 and 26 on page 41 and renumber subclause (1) of clause 81 as subclause (2) of clause (81);
 - (d) Strike out line 37 on page 41 and substitute therefor the following:
 - "(3) Nothing in subsection (2) shall be con-"; and
- (e) Strike out lines 42 to 45, inclusive, on page 41 and substitute therefor the following:
 - "(4) Subsection (1) expires on the day that subsection (1) of section 93 of the Bank Act expires."

Clause 86

Strike out line 35 on page 45 and substitute therefor the following:

"the transmission in accordance with the claim; but nothing in this section shall be construed to prevent the bank from refusing to give effect to a transmission until there has been delivered to the bank such documentary or other evidence of or in connection with the transmission as it may deem requisite."

Clause 100

Strike out line 36 on page 49 and substitute therefor the following: "declaration in the form set out in Schedule D, signed"

Clause 103

Strike out lines 3 to 14 on page 51 and substitute therefor the following: "months.

- (3) In the event of proceedings being taken under any Act for the winding-up of the bank in consequence of the insolvency of the bank, any calls on shareholders made thereafter shall be in accordance with such Act.
- (4) Failure on the part of a shareholder to pay any call referred to in this section when due constitutes a forfeiture by the shareholder of all claim in or to any part of the assets of the bank, but the call and any further call thereafter is recoverable from him as if no forfeiture had taken place."

Clause 120

Strike out clause 120 and substitute therefor the following:

- "120. (1) Every bank that violates the provisions of section 79 is guilty of an offence and liable on summary conviction or on conviction upon indictment to a fine not exceeding one thousand dollars, and every person who, being an officer or employee of the bank, violates the provisions of section 79 is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars.
- (2) Every bank that violates the provisions of subsection (2) or subsection (5) of section 80 is liable to a penalty of one thousand dollars in respect of each such violation.
- (3) Subsection (1) expires when subsection (5) of section 91 of the Bank Act expires."

Clause 131

Strike out clause 131 on page 58 and substitute therefor the following:

- "131. (1) Except as otherwise expressly provided in this Act, this Act shall come into force on a day to be fixed by proclamation of the Governor in Council.
- (2) Section 6 and this section shall come into force and section 6 of the *Quebec Savings Banks Act*, Chapter 41 of the Statutes of 1953-54, is repealed on the day that this Act is assented to.
- (3) Section 47 and subsection (5) of section 49 shall come into force three months after this Act comes into force."

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Schedule A
(a) Strike out items 6, 10, 11, 12 and 14 on page 59 and substitute therefor the following:
"6. Securities issued or guaranteed by a province, at amortized value
10. Other mortgages and hypothecs, less provision for losses .
11. Loans otherwise secured, less provision for losses12. Loans without security, less provision for losses
14. Bank premises at cost, less amounts written off."
(b) Strike out item 2 on page 60 and substitute therefor the following: "2. Deposits by a province, in Canadian currency"
Schedule B
Strike out Schedule B and substitute therefor the following:
"SCHEDULE B
(Section 53(2)(b))
Statement of Revenue, Expenses and Undivided Profits of the
for the financial year ended October 31, 19
Revenue
Income from loans\$ Income from securities Other operating revenue
Total revenue
Expenses
Interest on deposits
Salaries, pension contributions and other staff benefits Property expenses, including depreciation
Other operating expenses, including provision for losses on loans based on five-year average loss experience
Total expenses
Balance of revenue
Appropriation for losses
Balance of profits before income taxes
Balance of profits for the year
Dividends

Amount carried forward
Undivided profits at beginning of year
Transfer from accumulated appropriations for losses
Transferred to Rest account
Note: Titles should be deleted where there are no amounts to be reported thereunder. Omit cents." Schedule C
(a) Insert immediately before Schedule C on page 62 the following:
"SCHEDULE C
(Section 53(2)(c))
The state of the s
Statement of Accumulated Appropriations for Losses of the Bank
for the financial year ended October 31, 19
1. Accumulated appropriations at beginning of year General Tax-paid Total\$
2. Appropriation from current year's operations
3. Loss experience on loans less provision included in other
operating expenses
4. Profits and losses on securities, including provisions to reduce
securities other than those of Canada and a province to values
not exceeding market
5. Other profits, losses and non-recurring items, net6. Provision for income taxes
7. Transferred to undivided profits
8. Accumulated appropriations at end of year
General Tax-paid Total\$
Note: Titles should be deleted where there are no amounts to be reported

thereunder. Omit cents."

(b) Strike out the word "SCHEDULE C" on page 62 and substitute therefor the following:

"SCHEDULE D

Declaration Required by section 100."

A copy of the Minutes of Proceedings and Evidence relating to Bills C-190, C-222 and C-223 (Issues No. 17 to No. 29, inclusive; No. 31 to No. 36, inclusive; No. 38 to 45, inclusive; No. 47 to No. 53, inclusive) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 56 to the Journals).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Lewis, Howard, Orange, Habel, Lind, Clermont, Emard and Addison be substituted for those of Messrs. Fawcett, Schreyer, Andras, Byrne, Deachman, Groos, Legault and Lessard on the Standing Committee on Transport and Communications.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Ethier be substituted for that of Mr. Loiselle on the Standing Committee on National Defence.

Mr. Pepin, a Member of the Queen's Privy Council, laid before the House, —Copy of a letter, dated February 2, 1967, addressed by the Minister of Energy, Mines and Resources to the President of Trans-Canada Pipe Lines Limited with reference to the supply of natural gas to Eastern Canada.

The House resolved itself into Committee of the Whole to consider Bill C-190, An Act to amend the Bank of Canada Act;

And progress having been made and reported, the committee obtained leave to consider again at the next sitting of the House.

The Order being read for the second reading of Bill C-277, An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

Mr. Sharp, seconded by Mr. McIlraith, moved,—That the said bill be now read a second time.

And debate arising thereon;

[At 6.00 o'clock p.m. Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Notices of Motions (Papers))

By unanimous consent, items numbered 145, 137 and 128 were allowed to stand.

Mr. Cowan, seconded by Mr. Cameron (High Park) moved,-

That an Order of the House do issue for a copy of all correspondence, telegrams or other documents, dated since January 1, 1961, exchanged between the Secretary of State or any agency or department of the Government of Canada relating to payments made to John T. Saywell and/or John C. Ricker by the Canadian Broadcasting Corporation, and a list setting out in detail each such payment to each such person.—(Notice of Motion for the Production of Papers No. 200)

And debate arising thereon;

The hour for Private Members' Business expired.

Pursuant to Special Order, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed debate on the motion of Mr. Sharp, seconded by Mr. McIlraith, that Bill C-277,—An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be now read a second time.

After further debate, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole and progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.03 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A:

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely;

By Mr. Favreau, a Member of the Queen's Privy Council,—Copies of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 8, 1967, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council,—Supplementary Return to an Order of the House, dated February 1, 1967, (Question No. 2,275), showing: 1. Were any payments made by any department of the federal government or by any Crown Corporation to the Town of Louisbourg, Nova Scotia, between January 1, 1960 and November 30, 1966?

2. If so (a) on what dates were such payments made (b) what was the amount of each such payment (c) what was the purpose for which each payment was made?

By Miss LaMarsh,—Return to an Order of the House, dated January 18, 1967, for a copy of all correspondence, including the report prepared by the Committee headed by Mr. Justice Ouimet, dealing with the maximum security institution built by the Department of Justice at St. Vincent de Paul, and the others proposed to be built at a laer dae.—(Notice of Motion for the Production of Papers No. 198)

By Mr. Pickersgill, a Member of the Queen's Privy Council,—Report of the Board of Transport Commissioners for Canada for the year ended December 31, 1966, pursuant to section 31 of the Railway Act, chapter 234, R.S.C. 1952. (English and French).

At 10.08 o'clock p.m., the House adjourned until to-morrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,710-Mr. Brand-March 9

What are the reasons for the vast differences in basic and increment pay between a Captain Medical Officer and a Captain Dental Officer in the first three years of service?

No. 2,711-Mr. Watson (Assiniboia)-March 9

What percentage of the farm machinery sold in Canada is imported from other countries by the following machine companies: (a) John Deere Plough Company (b) International Harvester (c) Massey Ferguson (d) Cockshutt (e) J. I. Case (f) C.C.I.L.?

No. 2,712-Mr. Laprise-March 9-

Is federal sales tax applied to sales of margarine in the Province of Newfoundland and, if not, since when and for what reason?

No. 2,713-Mr. Laprise-March 9-

- 1. For each year, since 1958, what quantities of (a) powdered whole milk (b) powdered skim milk, have been exported and to what countries?
- 2. For each year, since 1958, what quantities of (a) powdered whole milk (b) powdered skim milk, have been stocked?

No. 2,714-Mr. Allard-March 9-

- 1. In what countries does Canada maintain commercial government offices, services or agencies?
- 2. Are these commercial branches located in Canadian Embassy Offices or outside Embassy Offices?
- 3. What are the functions and the operations of these commercial branches?
- 4. In each of these countries, how many employees of Canadian origin and how many locally hired employees does Canada retain and pay?
- 5. In each of these countries, how many employees working in the commercial branch (a) speak French as their mother tongue (b) speak English as their mother tongue (c) are bilingual in terms of Canada's two official languages (d) speak French or English and another language which is not one of Canada's two official languages

- 6. In those countries and cities in which Quebec has representatives or commercial offices, is there any collaboration or consultation between the Quebec representatives and Canada's commercial representatives?
- 7. In what language do Canadian Government commercial offices advertise abroad?
- 8. How do the employees of these commercial branches go about interesting foreigners in doing business or investing in certain Canadian provinces?

No. 2,715-Mr. Bell (Saint John-Albert)-March 9

- 1. Has a decision been taken to locate a new C.B.C. T.V. outlet in New Brunswick and, if not, what criteria will be used?
 - 2. Has the C.B.C. T.V. outlets in the largest cities in other provinces?
 - 3. Will the important coverage area in Nova Scotia be considered?
 - 4. When will the application be made to the B.B.G.?
 - 5. Can representations be made to the C.B.C. before the Board hearings?
- 6. Have any independent surveys been conducted and, if so, with what result?

No. 2,716-Mr. Bell (Carleton)-March 9

- 1. Is a re-organization of the Department of Public Works in progress?
- 2. If so (a) what, in detail, is (i) the objective (ii) the nature, of such re-organization (b) upon whose advice was it undertaken?
- 3. If outside consultants have been used in advising upon the re-organization (a) what were the names of such persons (b) what amount was paid to them for their work?
- 4. How many employees of the Department are affected by such reorganization?
- 5. Of the number mentioned in Part 4, how many have been (a) promoted (b) demoted (c) red-circled at a lower level than their current classification (d) refused selection for positions in the new organization and assigned to occupy supernumerary positions?
- 6. What is the departmental policy for relieving the classes of employees shown in the answer to Part 4(b), (c), and (d)?
- 7. Of the employees promoted, how many are in the following salary ranges (a) under \$5,000 per annum (b) between \$5,000 and \$10,000 per annum (c) between \$10,000 and \$15,000 per annum (d) over \$15,000 per annum?

No. 2,717-Mr. Bell (Carleton)-March 9

- 1. What are the functions and duties of the Checking and Refunds Branch of the Department of National Revenue?
 - 2. How many persons are employed in the said Branch?
- 3. Of the persons so employed, how many have had their positions converted to each of the new classifications, showing the number in each new classification?

- 4. How many employees were "red-circled" in the original classification review, showing the number converted to each new classification who were "red-circled"?
- 5. Have any of the persons so "red-circled" in the original classification review been removed from this status as a result of subsequent reviews or transfers and, if so, how many, in each new classification?
- 6. How many persons are still "red-circled", showing the number in each new classification?
- 7. With what other classifications or positions in the Public Service were the positions formerly known as Principal Customs Excise Checking Clerk compared in order to determine their new classification?
- 8. What consideration has been given by the Department of National Revenue and/or the Civil Service Commission to the problems arising from "red-circling" in this Branch and particularly to the decline of morale resulting therefrom?
- 9. What further action is proposed by the Department of National Revenue and/or the Civil Service Commission to meet the complaints of employees of the Branch?
- 10. Has the government any plans for increased regionalization of the work of this Branch?
- 11. If so (a) why have such plans been developed (b) what precisely is the nature of such plans (c) has the government satisfied itself that such plans will not lead to further decline in morale within the Branch and to possible loss of efficiency?

*No. 2,718-Mr. Bell (Carleton)-March 9

- 1. Has any action been taken by the government at any buildings to require public servants to pay a fee for parking of motor vehicles?
- 2. If so (a) at what buildings (b) what is the amount of the fee (c) how many public servants are involved?
- 3. What is government policy in respect to providing parking for public servants?

No. 2,719-Mr. McIntosh-March 9

Who have been invited as guests of the government to participate in the ceremonies honouring the 50th Anniversary of the Battle of Vimy Ridge (a) at the Ottawa Service, giving name and present address (b) at the Vimy Service, giving the name, rank, original unit and present address?

No. 2,720-Mr. Orlikow-March 9

- 1. On how many shifts per day is the Air Canada Maintenance and Overhaul Base at Dorval being operated?
- 2. Can the Maintenance and Overhaul Base as it is now constituted at Dorval handle all the work which Air Canada requires it to do at the present time?

- 3. Is Air Canada planning to expand the Maintenance and Overhaul Base and/or its facilities at Dorval in the next three years and, if so, what is the cost of the planned expansion of the Base or facilities at Dorval?
- 4. Is Air Canada giving consideration to shifting part of the work now being done at Dorval to its Maintenance and Overhaul Base at Winnipeg?

No. 2,721-Mr. Caouette-March 9-

- 1. How many loans has Central Mortgage and Housing Corporation approved since its inception for Lebel-sur-Quevillon, Chapleau County?
- 2. How many of these loans required the services of Mr. Réal Caron of Senneterre, Quebec?
- 3. How many of these loans have required the services of Mr. Joseph Morin?

No. 2,722-Mr. Tucker-March 9

- 1. What was the total number of passenger-vehicles carried by the C.N.R. carriers to and from Port-aux-Basques, Newfoundland, in each year from 1960 to 1966, both years inclusive?
- 2. What was the total number of trailer trucks and other commercial vehicles carried by the C.N.R. carriers to and from Port-aux-Basques, Newfoundland, in each year from 1960 to 1966, both years inclusive?
- 3. What was the total number carried by other carriers to and from Portaux-Basques, Newfoundland, in each year from 1960 to 1966, with respect to Parts 1 and 2 above?
- 4. What was the total number of passengers carried in each year from 1960 to 1966 by (a) the coastal ferry William Carson (b) other ferries during the same period?

No. 2,723-Mr. MacEwan-March 9

- 1. What is the budget for the C.B.C. show "Sunday" per week?
- 2. Is this amount used entirely for talent procurement, or is a portion of it used for the producers and other members of the production staff and if so (a) what portion is used for talent procurement (b) what portion is used for other members of the production staff?
- 3. What is the amount expended weekly, and what is the breakdown in regard to talent procurement and production staff?

No. 2,724-Mr. Schreyer-March 9

- 1. What is the present ratio of total numbers of personnel in the Canadian Army relative to that of the R.C.A.F.?
- 2. What was the total number of promotions in 1966 in (a) the Army (b) the Air Force?
- 3. What was the total number of promotions to date in 1967, in (a) the Army (b) the Air Force?
- 4. With respect to Parts 2 and 3 above, what was the ratio of promotions within the Army to that within the Air Force?

No. 2,725-Mr. Schreyer-March 9

- 1. Since February, 1965, in how many instances did the Department of Transport and the Department of Defence production enter into contracts involving amounts in excess of \$25,000 without the approval of Treasury Board?
- 2. In cases of entering into contract without Treasury Board approval, were tenders called in each case?
- 3. How many contracts were let without tender being called and what was the value of each?
- 4. By what authority does the Department of Transport and the Department of Defence Production enter into contracts exceeding \$15,000 value without Treasury Board approval?

No. 2,726-Mr. Gray-March 9

What is (a) the total revenue (b) the cost of operation, for the period April 1, 1965, to March 31, 1966, for each of the following Customs Ports: Acton, Ontario; Bowmanville, Ontario; Galt, Ontario; Hull, Quebec; Ingersoll, Ontario; Lévis, Quebec; Newcastle, New Brunswick; Paris, Ontario; Port Credit, Ontario; St. Mary's, Ontario; Sackville, New Brunswick; Thorold, Ontario; Walkerville, Ontario; Wolfville, Nova Scotia?

Introduction of Bills-On Monday next

March 9—Mr. Thompson—Bill intituled: "An Act to provide for the Establishment of the Alaska-Yukon Highway Authority (Alaska Highway)".

March 9—Mr. Thompson—Bill intituled "An Act to establish the Office of Parliamentary Commissioner".

Government Notices of Motions-On Monday next

March 9—The Minister of Manpower and Immigration:

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:—

That it is expedient to introduce a measure to provide for the establishment of a Canada Manpower and Immigration Council, of Advisory Boards and of regional and local manpower committees; to provide also for the appointment of the members thereof, their remuneration, allowances and other expenses; and to provide further that all expenditures for the purpose of the Act shall be paid out of moneys appropriated by Parliament therefor.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Friday, March 10	
356-S	Penitentiaries (Joint)	9.30 a.m.
307 W.B.	Mr. Justice Landreville (Joint)	11.30 a.m.
253-D	Drug Costs and Prices (In Camera)	1.00 p.m.
	Broadcasting (In Camera)	1.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 223

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, MARCH 10, 1967.

11.00 o'clock a.m.

PRAYERS.

Mr. Benson, a Member of the Queen's Privy Council, delivered a Message from His Excellency the Administrator, which was read by Mr. Speaker, as follows:

ROBERT TASCHEREAU

The Administrator transmits to the House of Commons Supplementary Estimates (F) of sums required for the service of Canada for the year ending on the 31st March, 1967, and, in accordance with the provisions of "The British North America Act, 1867" the Administrator recommends these Estimates to the House of Commons.

Government House, Ottawa.

On motion of Mr. Benson, seconded by Mr. Sharp the Message of His Excellency together with the Supplementary Estimates (F), 1966-67, were referred to the Committee of Supply.

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Gundlock be substituted for that of Mr. McCutcheon on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

Mr. Teillet for Mr. Laing, a Member of the Queen's Privy Council, laid before the House,—Copy of Part I of a Report on Economic, Political, Educational Needs and Policies entitled "A Survey of the Contemporary Indians of Canada".

V 223-1

Bill C-277, An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, was again considered in Committee of the Whole, reported without amendment, read the third time and passed.

A Message was received from the Senate informing this House that the Senate had passed the following bills, without amendment:

Bill C-266, An Act to provide for the revision of certain salaries fixed by statute.

Bill C-252, An Act to provide general incentives to industry for the expansion of scientific research and development in Canada and to effect certain related amendments to the Income Tax Act.

Pursuant to Special Order adopted Friday, March 3, 1967, the sitting was suspended between 1.00 o'clock p.m. and 2.00 o'clock p.m.

A Message was received from the Senate informing this House that the Senate had passed Bill C-274, An Act to amend the Fund for Rural Economic Development Act, without amendment.

The Order being read for the second reading of Bill C-221, An Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses;

Mr. McIlraith for Mr. Sharp, seconded by Mr. Marchand, moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly the said bill was read the second time and ordered for consideration in Committee of the Whole later this day:

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

10 March, 1967.

Sir,

I have the honour to inform you that the Honourable J. R. Cartwright, M.C., Puisne Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Administrator, will proceed to the Senate Chamber today, the 10th March, at 5.45 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.

The Honourable,
The Speaker of the House of Commons.

The House resolved itself into Committee of the Whole to consider Bill C-221, An Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, which was reported with an amendment and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

Bill C-190, An Act to amend the Bank of Canada Act was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

A Message was received from the Senate informing this House that the Senate had passed Bill C-268, An Act to amend the Excise Tax Act and the Old Age Security Act, without amendment.

[At 5.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

By unanimous consent, orders numbered one to eleven inclusive were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-45, An Act to amend the Criminal Code (Wire Tapping, Electronic Eavesdropping, etc.);

Mr. Stanbury, seconded by Mr. Cameron (High Park), moved,—That the said bill be now read a second time.

And debate arising thereon;

By unanimous consent, the House reverted to "Motions".

Mr. Benson, a Member of the Queen's Privy Council, delivered a Message from His Excellency the Administrator, which was read by Mr. Speaker, as follows:

ROBERT TASCHEREAU

The Administrator transmits to the House of Commons Supplementary Estimates (G) of sums required for the service of Canada for the year ending on the 31st March, 1967, and, in accordance with the provisions of "The British North America Act, 1867" the Administrator recommends these Estimates to the House of Commons.

Government House, Ottawa.

On motion of Mr. Benson, seconded by Mr. Sharp, the Message of His Excellency together with the Supplementary Estimates (G), 1966-67, were referred to the Committee of Supply.

A Message was received from the Honourable Mr. Justice Cartwright, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy to His Excellency the Administrator, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker with the House went to the Senate Chamber.

And being returned;

Mr. Speaker reported that, when the House did attend the Honourable the Deputy to His Excellency the Administrator in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act to amend the Small Businesses Loans Act.

An Act to incorporate The North West Life Assurance Company of Canada.

An Act to provide for the payment of a retiring annuity to the Governor General of Canada.

An Act to provide for the establishment of a Canadian Film Development Corporation.

An Act to provide for the revision of certain salaries fixed by statute.

An Act to provide general incentives to industry for the expansion of scientific research and development in Canada and to effect certain related amendments to the Income Tax Act.

An Act to amend the Fund for Rural Economic Development Act.

An Act to amend the Excise Tax Act and the Old Age Security Act.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Turner for Mr. Favreau, a Member of the Queen's Privy Council,—by command of His Excellency the Administrator,—Report of the Custodian of Enemy Property for the year ended December 31, 1966, pursuant to section 3 of the Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947. (English and French).

At 6.18 o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,727-Mrs. MacInnis-March 10

- 1. Was any napalm exported from Canada to the United States in 1966 (a) by any government agency (b) by any other agency, person or company?
 - 2. If so, what quantity?

No. 2,728-Mr. Keays-March 10

- 1. Has there been an agreement signed by the Gaspesia Pulp and Paper Company Limited of Chandler (P.Q.) and the federal government concerning the construction of a wharf at Chandler and, if no agreement has been signed, is there one under discussion?
- 2. What will be the cost of this project, when will it be undertaken, has the land been acquired, from whom, and at what prices?

No. 2.729-Mr. Nesbitt-March 10

- 1. Has the Department of Agriculture made any inquiries during the last two months from any trucking company in Ontario concerning the cost of trucking milk from Niagara Falls to Toronto?
 - 2. If so, what is the purpose of this inquiry?

No. 2,730-Mr. Bell (Carleton)-March 10

- 1. In what location or locations has it been planned heretofore to erect buildings for the National Museum?
- 2. Has there been any change of plan in relation to such location or locations?
 - 3. If so, what change?
- 4. What is the present time schedule for the erection of each of such buildings?

No. 2,731—Mr. Bell (Saint John-Albert)—March 10

What are the names of the personnel working in the greater Saint John area for the Canada Youth Commission and what are their specific duties?

No. 2,732-Mr. Caouette-March 10-

1. How many requests for loans were made to Central Mortgage and Housing Corporation each year from 1962 to 1967 (a) in Quebec (b) in Ontario?

2. In 1962-63-64-65-66, how many loans were approved by Central Mortgage and Housing Corporation (a) in Quebec (b) in Ontario?

No. 2,733-Mr. Caouette-March 10-

- 1. Is Mr. Clément Fontaine of Val-d'Or Returning Officer for the Constituency of Villeneuve?
- 2. If not, (a) since what date, and, (b) for what specific reasons was he relieved of his functions?

No. 2,734-Mr. Isabelle-March 10

Is it the intention of Central Mortgage and Housing Corporation to publish a list of resorts and retirement facilities in Canada for retired people?

No. 2,735-Mr. Haidasz-March 10

- 1. Is there in existence a National Religious Advisory Council connected with the CBC?
 - 2. When was such a Council established?
 - 3. What are its terms of reference?
 - 4. What is the composition of the Council?
 - 5. When was the last report made to the Minister?

No. 2,736-Mr. Isabelle-March 10-

- 1. What is the amount of the grants paid to this date by the federal government for the construction of the "Cité étudiante de Hull", situated in the municipality of Lucerne, in the county of Gatineau?
 - 2. What grants will be required in order to complete the said project?

Notices of Motions for the Production of Papers-On Wednesday next

No. 218-Mr. MacDonald (Prince)-March 10

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of reports to the Department of Public Works by O. J. McCulloch, on the construction proposed for the Northumberland Strait crossing and an analysis of same by the Department, and also a copy of all communications exchanged between the Department of Public Works and O. J. McCulloch and all communications exchanged between the Government of Canada and its departments and the Government of Prince Edward Island and its departments relating to the proposed design of the Northumberland Strait crossing.

MEETINGS OF COMMITTEES

Room	Committee	Hour
y was the	(Subject to change from day to day)	
	Monday, March 13	
207 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper) (In Camera)	3.30 p.m. 8.00 p.m.
308 W.B.	Immigration (Joint) (White Paper)	3.30 p.m.
371 W.B.	National Defence (Bill C-243)	{ 3.30 p.m. 8.00 p.m.
Man Cold P	Tuesday, March 14	
112-N	Drug Costs and Prices (In Camera)	9.30 a.m. 3.30 p.m. 8.00 p.m.
253-D	Immigration (Joint) (White Paper)	9.30 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
209 W.B.	Transport and Communications (Bill S-31 and C-239).	9.30 a.m. 3.30 p.m.
217 W.B.	Public Service (Joint) (Pensions)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.
112-N	National and Royal Anthems (In Camera)	7.30 p.m.

Room	Committee	Hour
	(Subject to change from day to day)	
	Wednesday, March 15	
Washington, (D.C.)	Penitentiaries (Joint) (Subcommittee)	All day
	Thursday, March 16	
208 W.B.	Industry, Research and Energy Development	9.30 a.m.
307 W.B.	Northern Affairs and National Resources (In Camera)	9.30 a.m.
253-D	Immigration (Joint) (White Paper)	10.30 a.m. 3.30 p.m.
209 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26, C-49, etc.)	11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 224

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, MARCH 13, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Benson, a Member of the Queen's Privy Council, delivered a Message from His Excellency the Administrator, which was read by Mr. Speaker, as follows:

ROBERT TASCHEREAU

The Administrator transmits to the House of Commons Main Estimates of sums required for the service of Canada for the year ending on the 31st March, 1968, and, in accordance with the provisions of "The British North America Act, 1867" the Administrator recommends these Estimates to the House of Commons.

Government House, Ottawa.

Mr. Martin (Essex East), a Member of the Queen's Privy Council, laid before the House,—Copy of Extradition Agreement between the Government of Canada and the Government of the State of Israel, done at Ottawa, March 10, 1967, and Schedule. (English and French).

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Thomas (Maisonneuve) be substituted for that of Mr. Stafford on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,—That the names of Messrs. Blouin and Lessard be substituted for those of Mrs. Rideout and Mr. Addison on the Standing Committee on Transport and Communications.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,—That the name of Mr. Tremblay be substituted for that of Mr. Berger on the Special Joint Committee on the National and Royal Anthems; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Loiselle be substituted for that of Mr. Hopkins on the Standing Committee on National Defence.

Mr. Winters, seconded by Mr. McIlraith, by leave of the House, introduced Bill C-279, An Act to amend the Canadian Wheat Board Act, which was read the first time and ordered for a second reading at the next sitting of the House.

Mr. Pennell for Mr. Marchand, seconded by Mr. McIlraith, moved,—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:—

That it is expedient to introduce a measure to provide for the establishment of a Canada Manpower and Immigration Council, of Advisory Boards and of regional and local manpower committees; to provide also for the appointment of the members thereof, their remuneration, allowances and other expenses; and to provide further that all expenditures for the purpose of the Act shall be paid out of moneys appropriated by Parliament therefor.

Resolved,—That the House do go into Committee of the Whole at its next sitting to consider the said proposed resolution.

Pursuant to Standing Order 39(4), the following eleven questions were made Orders of the House for Returns, namely:

No. 2,369—Mr. Orlikow

- 1. What is the dollar value of equipment purchased by the Government of Canada in each of the past ten years from the Continental Telephone Supply Company of New York City?
- 2. Of this amount, how much was purchased by each government department?
- 3. What types of equipment were purchased from the Continental Telephone Supply Company by government departments?
 - 4. What was the purpose of the purchase of this equipment?

No. 2,413-Mr. Irvine

- 1. How many people are employed in the City of London, Ontario, by the federal government?
 - 2. Of this number how many come under the Civil Service Commission?
- 3. How many do not come under the Civil Service Commission, and in what departments do they serve?
- 4. How many are under annual contract and in what departments do they serve?
- 5. How many are casual or non-permanent employees and in what departments are they employed?

- 6. How many are in other classifications?
- 7. Of those listed under Parts 3, 4, 5 and 6, what holiday, vacation, pension and compensation benefits do they receive?

No. 2,437—Mr. Knowles

During the calendar year 1966, or during the latest twelve-month period for which figures are available, how much was spent by each department of the federal government on advertising by (a) radio over C.B.C. stations (b) television over C.B.C. stations (c) radio over private stations (d) television over private stations?

No. 2,450-Mr. Grégoire

Since 1944, what annual grants were paid for sugar beets in each province?

*No. 2,484-Mr. Irvine

- 1. How many people were employed by the London Post Office and other postal services in London, Ontario, as casual and/or part-time workers during each month of 1966, and for how many days in each instance?
- 2. How many people were employed by the London Post Office and other postal services in London, Ontario, as casual and/or part-time workers in each of the years 1960 to 1966 inclusive, and in each of these years, how many of these workers were employed (a) for 60 to 100 working days (b) for 200 days or more?

No. 2,569-Mr. Schreyer

- 1. Since the inception of the Industrial Area Development and Incentives Program, what amounts have been expended by the Government of Canada in each year by province?
- 2. How many applications for development grants have been received to date, by the Area Development Agency from persons or corporations seeking to construct new facilities or expand existing facilities in the area of Manitoba Census Divisions 19, 3, 4, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17 and 18?
- 3. With respect to Part 2, how many of these applications were approved and what was the amount of the grant in each case?
- 4. How many applications were received under the Area Development Program from persons or corporations seeking the accelerated capital cost allowance of this program with respect to the construction of stores, warehouses, motels and apartments in these areas?
- 5. With respect to Part 4, how many applications were approved and what was the differential between the accelerated capital cost allowance allowed as compared to ordinary capital cost allowance applicable in each case?
- 6. What is the date of expiry of the accelerated capital cost allowances feature of the Area Development Program and is it the intention to extend this?

No. 2,590-Mr. Orlikow

- 1. When was the supersonic wind tunnel constructed for the National Research Council?
 - 2. What was the cost of constructing the supersonic wind tunnel? V 224—11

- 3. What has been the cost of operating and maintaining the supersonic wind tunnel annually since it went into operation?
- 4. For what research and development projects has the supersonic wind tunnel been used since its inception?

No. 2,601-Mr. Howe (Hamilton South)

- 1. What was the total quantity of imports of baler and binder twine into Canada in each of the years 1955 and 1965 and what were the countries of origin?
- 2. What was the total quantity of baler and binder twine manufactured in Canada in each of the years 1955 and 1965?
- 3. What percentage quantity of the total consumption in each year of 1955 and 1965 was imported and what percentage was manufactured in Canada?
- 4. If the percentage of total consumption met by imports increased during this ten-year period, what steps are being taken to protect the Canadian industry and Canadian labour employed in that industry?

*No. 2,675-Mr. Woolliams

- 1. Is it a fact that the opening of the Drumheller Penitentiary has been delayed because of storages of houses for a staff of approximately 175 employees, necessary for the operation and opening of the institution?
- 2. Would the Minister of Labour give details as to what direct negotiations have taken place with Central Mortgage and Housing to make a deal with the City of Drumheller to expedite the building of houses, so that this institution can be opened and relieve the crowded conditions of other institutions?

No. 2,681-Mr. Nielsen

Under the recently inaugurated Northern Mineral Exploration Program of the Department of Indian Affairs and Northern Development (a) how many applications have been made in connection with work to be performed in the Yukon Territory (b) by whom were such applications made (c) for how much was each application made (d) which applications, if any, have been approved?

No. 2,696-Mr. Godin

- 1. Has Canada exported eggs in 1965 and 1966 and, if so (a) to what countries (b) in what quantities?
- 2. During the same period, what quantities were imported and from what countries?

Mr. Stewart, Parliamentary Secretary to the Minister of Public Works, presented,—Returns to the foregoing Orders.

Bill C-190, An Act to amend the Bank of Canada Act was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Friday, March 3, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-190, An Act to amend the Bank of Canada Act and further progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the names of Messrs. Schreyer and Orange be substituted for those of Messrs. Lewis and Hymmen on the Standing Committee on Transport and Communications.

On motion of Mr. Pilon, seconded by Mrs. Rideout, it was ordered,—That the names of Messrs. Basford, Beer and Watson (Châteauguay-Huntingdon-Laprairie) be substituted for those of Messrs. Chatwood, Nixon and Orange on the Standing Committee on Northern Affairs and National Resources.

(Proceedings on Adjournment Motion)

At 10.05 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Sharp, a Member of the Queen's Privy Council,—Report of the Bank of Canada and Statement of Accounts certified by the Auditors, for the year ended December 31, 1966, pursuant to section 27(3) of the Bank of Canada Act, chapter 13, R.S.C., 1952, as amended 1953-54. (English and French).

At 10.27 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Wednesday next

No. 2.737-Mr. Schreyer-March 13

- 1. What assets were transferred by either the Government of Canada or Air Canada (Trans-Canada Airlines) to TransAir Ltd. in any of the last six years?
 - 2. For what price or consideration was this transfer made?
- 3. Have the services provided to date by TransAir Ltd. been in accordance with the agreement made at the time of transfer of these assets?
- 4. Has the Government of Canada entered into any supplementary agreement with TransAir Ltd. relative to the above?

No. 2.738-Mr. Schreyer-March 13

- 1. In each of the last three years (a) how many Unemployment Insurance Offices have been closed and at what places (b) how many new offices have been opened at what places?
- 2. In each of the last three years (a) how many National Employment Service or Manpower Offices have been closed and at what places (b) how many new offices have been opened and at what places?

No. 2,739-Mr. Schreyer-March 13

- 1. Has the Government of Canada or the Canadian Centennial Commission any plans to arrange for the commemoration of Louis Riel during Centennial Year?
 - 2. If so, what is the nature of these plans or arrangements?

*No. 2,740-Mr. Irvine-March 13

Is it the intention of the government to establish labour research centres in major metropolitan industrial cities as suggested by the representations made by Local 27, U.A.W., London, Ontario, on March 7, 1967, and (a) if so, when may such action be expected (b) if not, for what reason?

No. 2,741-Mr. Bell (Carleton)-March 13

- 1. Has the government purchased houses in the cities of Quebec or Toronto or suburbs of either, for use by public servants engaged in the bilingualism exchange program?
- 2. If so (a) how many houses in each area (b) at what total cost in each area?

- 3. Is it planned to acquire more houses for this purpose?
- 4. If so (a) how many (b) at what estimated cost?
- 5. Do the public service occupants of these houses pay rent therefor?
- 6. If so (a) upon what basis is rent calculated (b) what is the total amount of rent paid in each area?
- 7. In each area, does the government lease houses from owners for use in this program?
- 8. If so (a) how many houses are leased in each area (b) at what total annual cost in each area (c) is the full amount of the rent paid by the government recovered from the public service occupant?

No. 2,742—Mr. Olson—March 13

Is any consideration being given to naming the Trans-Canada Highway "The Vanier Highway"?

No. 2,743-Mrs. MacInnis-March 13

- 1. Has Canada ratified the I.L.O. Convention prohibiting women from working in mines?
- 2. If so, has the federal government passed legislation to give effect to this Convention?
- 3. To the knowledge of the government, have any of the provincial governments passed such legislation and, if so, which ones?

No. 2,744-Mr. Forrestall-March 13

- 1. Is it the intention of the Department of Transport to take over the airfield and all or part of its facilities at the Rockcliffe Air Station as of April 1, 1967?
- 2. If so, have the Canadian Armed Forces agreed to this turnover, and what facilities are to be included?
- 3. Are steps being taken to locate storage space for goods and material now stored in the two hangars located on the northern boundary of the Air Station so that these may be vacated and turned over without delay to the Department of Transport?
- 4. Is there existing storage space in the so-called "ready" hangars located at the extreme southeast section of the Uplands Airport where such goods and material could be stored?

No. 2,745-Mr. Forrestall-March 13

- 1. By government departments, what are the current rates paid for labour classifications in the Halifax and Dartmouth area?
 - 2. What is the prevailing rate in the area for this classification?
- 3. Is there more than one rate for this classification among Department of National Defence employees and, if so, how many different rates are there and where do they apply?

No. 2.746-Mr. Forrestall-March 13

- 1. Which firms submitted tenders for the half-life refit of HMCS Bonaventure and in what amounts?
 - 2. Who was the successful bidder?
- 3. Have any adjustments been made in this contract which affect the total cost of this refit?
- 4. If so, what were these adjustments and what is the total dollar content of each?
 - 5. What has been the total cost of this contract up to this date?
 - 6. Are any further changes in the total cost expected?
 - 7. What has been Canada's total investment in this ship since purchase?
 - 8. When will the refit be completed?

No. 2,747-Mr. Bell (Carleton)-March 13

- 1. In what location will the office building in the City of Ottawa, for which \$500,000 is provided in the Estimates for 1967-68, be erected?
- 2. For use of what departments of government will the building be allocated?
- 3. When is it anticipated that this building will be (a) commenced (b) completed?
 - 4. What is the estimated total cost of the building?
 - 5. How many square feet of space will be provided in the building?

No. 2,748-Mr. Bell (Carleton)-March 13

- 1. In what location in the City of Ottawa is it proposed to erect a building for the Exhibition Commission, Department of Trade and Commerce, and Chief Electoral Officer?
- 2. When is it anticipated that this building will be (a) commenced (b) completed?
 - 3. What is the estimated total cost of the building?
 - 4. How many square feet of space will be provided in the building?

No. 2,749-Mr. Bell (Carleton)-March 1

- 1. Are alterations and improvements being undertaken in the Confederation Building and, if so, what are they?
 - 2. What is the purpose of such alterations and improvements?
 - 3. Will any additional space be provided and, if so, how many square feet?
 - 4. What is the estimated cost of such alterations and improvements?
 - 5. When will they be completed?

No. 2,750-Mr. Webb-March 13

1. With reference to Expo tenders No. CCWE6-3139/1 and CCWE6-3140/1 for the performing of services, amounting to some \$300,000.00, what company was the successful tenderer, and where is the head office of said company?

- 2. Has the said company a Canadian office and, if so, where?
- 3. Was the successful tenderer allowed to change his original quotation and thereby qualify for award of the contract and, if so, for what reason?
- 4. Was the opportunity to re-bid, or change the specifications, offered to the other tenderers and (a) if so, when (b) if not, for what reason?
 - 5. What were the amounts of the tenders received, and from whom?
- 6. In view of the national character of Expo '67, why was such a large contract not granted to a Canadian company?

MEETINGS OF COMMITTEES

Room	Committee	Hour
-03.0 05.0 ((Subject to change from day to day)	
	Tuesday, March 14	
207 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper) (In Camera)	9.30 a.m. 3.30 p.m. 8.00 p.m.
112-N	Drug Costs and Prices (In Camera)	9.30 a.m. 3.30 p.m. 8.00 p.m.
253-D	Immigration (Joint) (White Paper)	9.30 a.m. 3.30 p.m. 8.00 p.m.
308 W.B.	Mr. Justice Landreville (Joint)	9.30 a.m. 3.30 p.m. 8.00 p.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Northern Affairs and National Resources	9.30 a.m.
209 W.B.	Transport and Communications (Bill S-31 and C-239).	9.30 a.m. 3.30 p.m.
217 W.B.	Public Service (Joint) (Pensions)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Bill S-9)	11.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.
112-N	National and Royal Anthems (In Camera)	7.30 p.m.
	Wednesday, March 15	
Wash-		
ington, (D.C.)	Penitentiaries (Joint) (Subcommittee)	All day

Room	Committee	Hour
	(Subject to change from day to day) Thursday, March 16	Acoust Manner
208 W.B.	Industry, Research and Energy Development	9.30 a.m.
307 W.B.	Northern Affairs and National Resources (In Camera)	9.30 a.m.
253-D	Immigration (Joint) (White Paper)	(10.30 a.m.
209 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26, C-49, etc.)	3.30 p.m. 11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 225

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, MARCH 14, 1967.

2.30 o'clock p.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. Choquette, it was ordered,—That the following Members be appointed to serve on the part of this House on the Special Joint Committee on the Criminal Code (Hate Propaganda): Messrs. Baldwin, Forest, Gauthier, Klein, Leboe, Lewis, Mandziuk, Mongrain, Nasserden, Reid, Tolmie and Walker; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Choquette, it was ordered,—That the name of Mr. Reid be substituted for that of Mr. Legault on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. Choquette, it was ordered,—That the name of Mr. Orange be substituted for that of Mr. Watson (Châteauguay-Huntingdon-Laprairie) on the Standing Committee on Northern Affairs and National Resources.

Bill C-190, An Act to amend the Bank of Canada Act was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Friday, March 3, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

V 225-1

The House resumed consideration in Committee of the Whole of Bill C-190, An Act to amend the Bank of Canada Act and further progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Clermont, it was ordered,—That the name of Mr. Orange be substituted for that of Mr. Chatwood on the Special Joint Committee on the National and Royal Anthems; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

On motion of Mr. Pilon, seconded by Mr. Clermont, it was ordered,—That the name of Mr. Hymmen be substituted for that of Mr. Roxburgh on the Standing Committee on Northern Affairs and National Resources.

(Proceedings on Adjournment Motion)

At 10.10 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Pearson, a Member of the Queen's Privy Council,—Summary of Orders in Council passed during the month of December, 1966. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council, by command of His Excellency the Administrator,—Report of the Department of the Secretary of State of Canada for the year ended March 31, 1966, pursuant to section 8 of the Department of State Act, chapter 77, R.S.C., 1952. (English and French).

By Mr. Sharp, a Member of the Queen's Privy Council,—Report by the Tariff Board, dated November 15, 1966, relative to the Investigation ordered by the Minister of Finance respecting Machinery and Equipment for Fresh Fruit or Fresh Vegetables—Reference No. 137, (English and French), together with a copy of the transcript of the evidence presented at public hearings, pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

At 10.29 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

*No. 2,751-Mr. Bell (Carleton)-March 14

Why has the government reduced the payment to the National Capital Fund from \$25,000,000 in the fiscal year 1966-67 to \$14,650,000 in 1967-68?

No. 2,752-Mr. Bell (Carleton)-March 14

Referring to page 434 of the Estimates for 1967-68, how is the item of \$5,710,000 not required for 1967-68 for accommodation services in Ottawa made up?

No. 2,753-Mr. Prittie-March 14

- 1. Concerning the Civil Service Commission information circular No. 66-4110 regarding University Training in Library Science, how many applications were received by January 9, 1967?
 - 2. How many of the applicants were selected for interview?
- 3. How many applicants have been offered appointments as librarians in training?
 - 4. How many of these applicants have accepted appointments?

*No. 2,754-Mr. Mather-March 14

- 1. Is there statistical evidence linking cigarette smoking and lung cancer?
- 2. How many deaths from lung cancer occurred in Canada during 1962, 1963, 1964, 1965 and 1966?
- 3. Has a decision been arrived at regarding the advisability of regulating cigarette advertising in the interests of public health?
 - 4. Is the matter under consideration?

*No. 2,755-Mr. Herridge-March 14

- 1. What was the total of the Gross National Product for Canada in 1966?
- 2. What increase would be required in the personal, corporation and sales taxes to provide one percent of the Gross National Product?
- 3. What increase would be required in the personal, corporation and sales taxes to provide two percent of the Gross National Product?
- 4. What increase would be required in the personal, corporation and sales taxes to provide three percent of the Gross National Product?

*No. 2,756-Mr. Herridge-March 14

What are the names of the three directors of the Canadian public art museums who recommended the purchase of the painting entitled "Sunday Afternoon" by Claude Breeze, to the Canada Council?

No. 2,757-Mr. Coates-March 14

- 1. Has a contract been awarded by the Department of Transport to Northern Electric Company for the study of satellite communication?
- 2. If so (a) what is the date of the contract (b) what is the total amount of the contract and when are payments to be made thereunder (c) what are the purposes and objectives of the study and, in particular, what are the terms of reference set forth in the contract (d) is the contractor required to make a report and submit recommendations and, if so, when are such report and recommendations due?
- 3. Is the contractor entitled to sub-contract any part of his duties or obligations under the contract?
- 4. If so (a) has he done so (b) what part of the contract has been so sub-contracted (c) to whom have sub-contracts been let (d) what is the amount of each sub-contract?
- 5. Has the prime contractor any previous experience in such studies or work as is required to be performed under the contract?
- 6. If so, for what person or persons did he carry on such previous studies or work?
- 7. Did the Department of Transport invite, solicit or entertain any proposal from (a) agencies or other departments of the Government of Canada or (b) private Canadian firms or organizations, to undertake the study or work for which a contract was let to Northern Electric Company?
 - 8. If so (a) what agencies, departments or firms (b) with what results?
- 9. Does the Bell Telephone Company of Canada have any commercial or other interest in the result or outcome of the studies and work to be performed under the contract?
- 10. If so (a) what is the nature of such interest (b) was this considered before the award of the contract to Northern Electric Company?

No. 2,758-Mr. Isabelle-March 14-

- 1. Did the Government of Canada contribute towards the construction of the recently opened Louis-Hyppolite Lafontaine tunnel in Montreal?
 - 2. If so, what was its contribution?
- 3. Who represented the federal government at its opening and what speeches did they make?

No. 2,759-Mr. McCleave-March 14

- 1. When was the government wharf at Sambro, Halifax County, Nova Scotia, built?
 - 2. What is its shape, and its length and breadth?
- 3. At the time it was built, how many fishing vessels used the same, and what was their approximate average length and tonnage?

- 4. At the time it was built, what limit if any was imposed on the weight of vehicles using same?
 - 5. What moneys have been spent on the wharf since it was built?

No. 2,760-Mr. Isabelle-March 14-

- 1. In connection with the opening and for the duration of the World Fair to be held in Montreal from April to October, what protocol will be followed at the official events tendered by Expo '67 for the various people who will come to represent their countries?
 - 2. Which will be followed, the Quebec or the federal protocol?

No. 2.761-Mr. Brand-March 14

- 1. How many bids were received on the 71 buildings from Camp Wainwright, Alberta, recently sold by Crown Assets Disposal Corporation?
- 2. What are the names of those individuals or groups who submitted tenders?
- 3. Who was awarded the tender and what was the amount of the successful tender?
- 4. In deciding the successful tender was any consideration given to charitable or community organizations in preference to those who are interested mainly in speculative purchasing?

*No. 2,762-Mr. McKinley-March 14

How many university students and university graduates have been employed during 1966 and 1967 by the Department of External Affairs and (a) how many of those employed were bilingual (b) how many were not bilingual?

*No. 2,763-Mr. McCutcheon-March 14

- 1. Have any Ministers of the present Cabinet appeared on the C.B.C. TV program "Front Page Challenge" since January 1, 1967 and, if so, which Ministers and on what dates did each appear?
- 2. Have any Members of Parliament belonging to (a) the Progressive Conservative Party (b) the N.D.P. (c) the Social Credit or Creditiste Party, appeared on the said program since January 1, 1967 and, if so, which Members?

No. 2,764-Mr. McCleave-March 14

- 1. With reference to paragraph 4 of the answer of the Minister of National Defence to Question No. 2,565, how many of the 8,070 referred to were "interested individuals", and who compiled such a list of "interested individuals"?
 - 2. What will be done with the undistributed copies?
 - 3. Was the printing cost of \$5,397.92 determined in advance?
- 4. Why did the Minister reject the alternative of purchasing \$2,262 worth of copies of *Hansard* of that day?

No. 2,765-Mr. Macquarrie-March 14

- 1. What is the total contribution of the Government of Canada towards the construction of the Centennial project of Prince Edward Island, namely, the provincial administrative building formerly designated as the Charlottetown Centre?
- 2. What is the total contribution of the Government to the construction of the New Brunswick Centennial project, the provincial office building in Fredericton?
- 3. What has been the contribution of the Dominion Government towards similar Centennial projects in each of the other provinces?

No. 2,766-Mr. Horner (Acadia)-March 14

- 1. How many direct grants have been made under ARDA to co-operative enterprises?
 - 2. To whom were these grants made and in what provinces?
- 3. What was the basic purpose towards which each of the grants contributed—employment, the eradication of poverty, land development, etc.?

Introduction of Bills-On Thursday next

March 14—The Minister of Finance—Bill intituled: "An Act to amend the Income Tax Act".

March 14—Mr. Howard—Bill intituled: "An Act to amend the Fisheries Act (seal hunting prohibited)".

MEETINGS OF COMMITTEES

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Room	Committee	Hour
	(Subject to change from day to day)	
Wash-	Wednesday, March 15	
ington, (D.C.)	Penitentiaries (Joint) (Subcommittee)	All day
217 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper) (In Camera)	3.30 p.m.
307 W.B.	Mr. Justice Landreville (<i>Joint</i>)	3.30 p.m.
371 W.B.	National Defence (Bill C-243)	3.30 p.m.
	Thursday, March 16	
Return to Ottawa	Penitentiaries (Joint) (Subcommittee)	Evening
208 W.B.	Industry, Research and Energy Development	9.30 a.m.
307 W.B.	Northern Affairs and National Resources (In Camera)	9.30 a.m.
253-D	Immigration (Joint) (White Paper)	{10.30 a.m. 3.30 p.m.
208 W.B.	Finance, Trade and Economic Affairs (Bill S-28)	11.00 a.m.
209 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26, C-49, etc.)	11.00 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	3.00 p.m.
112-N	Public Service (Joint) (Pensions)	3.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 226

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, MARCH 15, 1967.

2.30 o'clock p.m.

PRAYERS.

RULING BY MR. SPEAKER

Mr. Speaker: Yesterday, the honourable Member for Edmonton West (Mr. Lambert) raised as a question of privilege what he termed a gross irregularity in the presentation of National Defence spending estimates for the coming fiscal year. He argued that the form of these estimates is in violation of the National Defence Act and of the Financial Administration Act. The honourable member gave notice of a motion to have the book of estimates withdrawn and revised by the government.

Arguments were advanced by the Right Honourable Leader of the Opposition (Mr. Diefenbaker) and by other honourable Members in support of the claim that the estimates as presented are irregular in form and illegal, and that they affect Parliamentary privileges.

The Minister of National Defence (Mr. Hellyer) in reply, argued that his departmental estimates were submitted on the basis of the approved integrated Commands of the Armed Services. The honourable Members for Medicine Hat (Mr. Olson) and for Greenwood (Mr. Brewin) also argued that there was no valid objection at this point to the form of these estimates, and, therefore, no question of privilege.

Essentially, the question submitted to the Chair is whether the proposed estimates of the Department of National Defence are presented in such a form as to be contrary to existing law. Some honourable Members claim that the presentation is irregular, others argue that it is legal. The point is of course of great interest to Parliament, and the concern expressed in the form of the proposed motion may be quite justified. What the Chair has to determine is whether the debate should come before the House at this time, in priority to other business, by way of question of privilege.

Certainly, it is not for the Chair to decide whether these estimates are presented in a form that is contrary to the existing law. According to the usages of Parliament, the Speaker does not rule on a question of law.

In my view, the proposition advanced by the honourable Member for Edmonton West does not meet the requirements of a *prima facie* question of privilege. It is really an argument, no doubt serious, that can be brought forward by way of objection to the adoption of these estimates. It is undoubtedly a relevant point of debate when a Supply Motion is before the House for consideration. But in my humble opinion, it is not a question of privilege and therefore I cannot accept the motion proposed by the honourable Member for Edmonton West.

Mr. Ryan, from the Special Joint Committee on the National and Royal Anthems, presented the Second Report of the said Committee, which is as follows:

Your Committee unanimously recommends that the government be authorized to adopt forthwith the music for "O Canada" composed by Calixa Lavallée as the music for the National Anthem of Canada with the following notation added to the sheet music: With dignity, not too slowly.

Your Committee unanimously recommends that the government be authorized to adopt forthwith the traditional music of "God Save the Queen (King)" found in the public domain as the music for the Royal Anthem in Canada.

To remove all traces of commercialism which may attach to the playing of the National or Royal Anthems, your Committee deems it essential that the government take such steps as are necessary to appropriate the copyright to the music by providing that it shall belong to Her Majesty in right of Canada for all time. This provision would also include that no other person shall be entitled to copyright in the music or any arrangements or adaptations thereof.

With respect to the lyrics for the National and Royal Anthems, your Committee is of the opinion that its Order of Reference is far too restrictive to permit the detailed study which this question deserves.

To do justice to all Canadians, many of whom have taken a personal interest in providing suggestions to your Committee, it is recommended that the said Order of Reference be amended to provide authority to call for persons, papers and records and examine witnesses; to print such papers and evidence from day to day as may be deemed advisable and that Standing Order 66 be suspended in relation thereto; and that it be empowered to retain such experts as may be required from time to time.

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Ninth Report of the said Committee, which is as follows:

Your Committee has considered Bill S-9, An Act to revise and consolidate the Interpretation Act and Amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act, and has agreed to report it without amendment.

A copy of the relevant Minutes of Proceedings, and Evidence (Issue No. 28) is appended.

⁽The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 57 to the Journals).

Mr. Pepin, a Member of the Queen's Privy Council, laid before the House,—Report on Hydrology and Regulation of the Ottawa River, dated September 1, 1965, by the Ottawa River Engineering Board (T. M. Patterson, Chairman), together with appendices entitled "Hydrologic and Forecasting Studies" and "Flow Regulation Studies". (English and French)

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Allmand and Yanakis be substituted for those of Messrs. Béchard and Basford on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Pursuant to Standing Order 39(4), the following Question was made an Order of the House for a Return, namely:

No. 2,504-Mr. Muir (Cape Breton North and Victoria)

- 1. Since 1957, what amounts, in detail, have been loaned by the government or any of its agencies to the Dominion Steel and Coal Company or any of its subsidiaries?
 - 2. What balance is owing at the present time in regard to such loans?
- 3. Since 1957, what amounts, in detail, have been provided as direct grants or subsidies to the Dominion Steel and Coal Company or any of its subsidiaries?
- 4. Since 1957, what amounts have been paid annually in the form of subventions for the shipment of coal produced by the Dominion Steel and Coal Company or any of its subsidiaries?

Mr. Stewart, Parliamentary Secretary to the Minister of Public Works, presented,—Return to the foregoing Order.

Ordered,—That there be laid before this House a copy of any communications exchanged between the Carter Royal Commission on Taxation and the Department of Finance, or the Minister or any official thereof, with reference to officials of the Department of Finance seeing draft chapters of the Commission's report prior to its being presented to the Governor in Council. —(Notice of Motion for the Production of Papers No. 72— Mr. Knowles).

Notice of Motion for the Production of Papers No. 191, as follows:

That an Order of the House do issue for a copy of all correspondence, telegrams or other documents exchanged between the Canadian Broadcasting Corporation, or any official thereof and any other person, group or organization, excepting any other department or agency of the government, relating to the application of the Canada Labour (Standards) Code or the deferment or suspension of any part thereof,

having been called, was at the request of the Honourable the Secretary of State (Miss LaMarsh) transferred by the Clerk to the order of "Notices of Motions (Papers)" pursuant to Standing Order 47 as provisionally amended on April 20, 1964.

Ordered,—That there be laid before this House copies of all correspondence received by the Minister of Finance, the Superintendent of Insurance, the Superintendent of Bankruptcy or officials in their Departments, from William

Gruber of Toronto, and replies sent by government officials to such letters, since January 1, 1964.—(Notice of Motion for the Production of Papers No. 199—Mr. Orlikow).

Notices of Motions for the Production of Papers Nos. 205, 209, 212, 214 and 215 were allowed to stand at the request of the government.

Resolved,—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 between the federal government, any Crown Corporations or federally sponsored organizations or agencies and the provincial Government of Nova Scotia concerning the proposed project hitherto known as the "Southern Route" in Cape Breton Island, between January 1910 and January 1960.—(Notice of Motion for the Production of Papers No. 210—Mrs. MacInnis).

Resolved,—That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of all communications exchanged between the Government of Manitoba and the Minister of Agriculture or the Canadian Government with reference to the calling of a National Conference on Agricultural problems.—(Notice of Motion for the Production of Papers No. 216—Mr. Dinsdale).

Resolved,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence and relevant documents between the Government of Canada and the Government of Manitoba relative to the proposed establishment of a second national park in Manitoba.—(Notice of Motion for the Production of Papers No. 217—Mr. Schreyer).

Resolved,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of reports to the Department of Public Works by O. J. McCulloch, on the construction proposed for the Northumberland Strait crossing and an analysis of same by the Department, and also a copy of all communications exchanged between the Department of Public Works and O. J. McCulloch and all communications exchanged between the Government of Canada and its departments and the Government of Prince Edward Island and its departments relating to the proposed design of the Northumberland Strait crossing.—(Notice of Motion for the Production of Papers No. 218—Mr. MacDonald (Prince).

Bill C-190, An Act to amend the Bank of Canada Act, was again considered in Committee of the Whole, reported without amendment, read the third time, on division, and passed.

The Order being read for the third reading of Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act:

Mr. Sharp, seconded by Mr. Winters, moved,—That the said bill be now read a third time.

And the question being put on the said motion, it was agreed to on the following division:

YEAS

MESSRS:

Pelletier, Deachman, Lachance, Allard, Pennell, Douglas, Laflamme, Allmand, LaMarsh (Miss), Pepin, Andras, Drury. Lamontagne, Asselin (Richmond- Émard, Pickersgill, Ethier, Pilon, Wolfe), Langlois (Chicoutimi), Prittie. Faulkner, Badanai, Laprise, Prud'homme, Barnett, Favreau, Racine, Basford, Fawcett, Laverdière, Reid. Batten, Forest, Lefebvre, Lessard, Richard, Beer, Foy, Rideout (Mrs.), Gauthier, Benson, Lewis, Berger, Gendron, Lind, Rochon, Blouin, Gilbert, Loiselle, Rock, Boulanger, Godin, Macaluso, Roxburgh, Ryan, Gordon, Macdonald Brewin, (Rosedale), Saltsman, Brown, Goyer. Byrne, MacInnis (Mrs.), Schreyer, Gray, Mackasey, Scott (Danforth), Greene, Cadieux, McIlraith, Sharp, Guay, Cameron (High McNulty, Simard, Habel, Park), Cameron (Nanaimo- Haidasz, Marchand, Stanbury, Martin (Essex East), Thomas (Maison-Cowichan-The Harley, Islands), Mather, neuve-Rosemont). Hellyer, Matheson, Tolmie, Cantin, Herridge, Matte, Tremblay, Cashin, Honey. Choquette, Howard, Mongrain, Trudeau, Chrétien, Hymmen, Neveu, Tucker, Clermont, Wahn, Isabelle, Olson, Comtois, Walker, Orange, Jamieson, Côté (Dorchester), Johnston, Orlikow, Whelan, Côté (Nicolet-Winters. Klein, Otto, Yamaska), Knowles, Patterson, Yanakis-120.

NAYS

MESSRS:

Alkenbrack,	Forbes,	Lambert,	Nugent,
Baldwin,	Forrestall,	MacDonald (Prince),	Ormiston,
Beaulieu,	Grafftey,	MacEwan,	Pascoe,
Bell (Carleton),	Gundlock,	MacInnis,	Pugh,
Bigg,	Hales,	MacLean (Queens),	Rapp,
Brand,	Harkness,	Macquarrie,	Rynard,
Cadieu,	Horner (Acadia),	McCleave,	Scott (Victoria
Cantelon,	Horner	McCutcheon,	(Ont.)),
Chatterton,	(The Battlefords),	McIntosh,	Simpson,
Churchill,	Howe (Wellington-	McKinley,	Smallwood,
Clancy,	Huron),	McLelland,	Southam,
Coates,	Irvine,	Madill,	Stefanson,
Code,	Jorgenson,	Mandziuk,	Thomas
Crouse,	Keays,	Monteith,	(Middlesex West),
Danforth,	Kennedy,	Moore,	Wadds (Mrs.),
Diefenbaker,	Kindt,	Muir (Lisgar),	Watson (Assiniboia),
Dinsdale,	Korchinski,	Nasserden,	Webb,
Enns,			Winkler—66.

The House resolved itself into Committee of the Whole to consider Bill C-222, An Act respecting Banks and Banking, and progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

(Returns and Reports Deposited with the Clerk of the House)

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Favreau, a Member of the Queen's Privy Council,—Report dated February 17, 1967, of the Restrictive Trade Practices Commission, under the Combines Investigation Act concerning an Inquiry Relating to the Supply and Sale of Eggs in Kingston and Collins Bay, Ontario. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council,—Supplementary Return to an Order of the House, dated March 13, 1967, (Question No. 2,369) showing: 1. What is the dollar value of equipment purchased by the Government of Canada in each of the past ten years from the Continental Telephone Supply Company of New York City?

- 2. Of this amount, how much was purchased by each government department?
- 3. What types of equipment were purchased from the Continental Telephone Supply Company by government departments?
 - 4. What was the purpose of the purchase of this equipment?

By Miss LaMarsh,—Return to an Order of the House, dated March 15, 1967, for a copy of any communications exchanged between the Carter Royal Commission on Taxation and the Department of Finance, or the Minister or any official thereof, with reference to officials of the Department of Finance seeing draft chapters of the Commission's report prior to its being presented to the Governor in Council.—(Notice of Motion for the Production of Papers No. 72)

By Miss LaMarsh,—Return to an Address, dated March 15, 1967, to His Excellency the Administrator for copies of reports to the Department of Public Works by O. J. McCulloch, on the construction proposed for the Northumberland Strait crossing and an analysis of same by the Department, and also a copy of all communications exchanged between the Department of Public Works and O. J. McCulloch and all communications exchanged between the Government of Canada and its departments and the Government of Prince Edward Island and its departments relating to the proposed design of the Northumberland Strait crossing.—(Notice of Motion for the Production of Papers No. 218).

At 6.02 o'clock p.m., Mr. Speaker adjourned the House without question but until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,767-Mr. Coates-March 15

On what date will tenders be called for the new federal building at Amherst, Nova Scotia?

No. 2,768-Mr. Coates-March 15

- 1. What progress has been made toward the construction of a new federal building at Parrsboro, Nova Scotia?
 - 2. Has a site been secured and, if so, from whom and at what cost?

No. 2,769-Mr. Coates-March 15

On what date will the new Young Offender's Penal Institution at Springhill, Nova Scotia, be placed in operation from an institutional point of view?

No. 2,770-Mr. Coates-March 15

Will a dredging program be carried out at Pugwash Harbour in 1967 and, if so, of what will the program consist and what is the estimated cost of same?

No. 2,771-Mr. Coates-March 15

- 1. What is the total amount received to date by the Commissioners of the Royal Commission on Bilingualism and Biculturalism, and in each case what is the breakdown of the monies received as between honoraria and expenses?
- 2. How much has each commissioner received that has been classified as tax exempt?

No. 2,772—Mr. Coates—March 15

When will tenders be called for breakwater repairs at Parrsboro, Nova Scotia, and what will the repairs in question involve?

No. 2,773-Mr. Coates-March 15

Will breakwater repairs be effected at the breakwater at West Advocate, Nova Scotia, and are any other improvements planned?

No. 2,774—Mr. Coates—March 15

No. 2,775-Mr. Bell (Carleton)-March 15

- 1. To what municipalities does the National Capital Commission make grants in lieu of taxes pursuant to Section 15 of the National Capital Act?
- 2. What was the amount of such grant to each such municipality for each of the fiscal years ending March 31, 1964, 1965, 1966, and 1967, and the estimate for the year ending March 31, 1968?

No. 2,776-Mr. Laprise-March 15-

What is the present situation as regards the ARDA technical and economic study No. 24017 on the possibility of establishing a blueberry freezing and storage plant in Lac St-Jean and Abitibi?

No. 2,777-Mr. Allard-March 15-

- 1. In connection with advertising for Centennial events, what amount of money has been spent to date by the federal government or its agencies and by the Centennial Commission, in Canada and abroad and also in each province?
- 2. With respect to the details of Part 1, what amount has been estimated for the said advertising?
- 3. What proportion of the money was spent for advertising in the French language on T.V., radio, in newspapers, magazines, brochures, leaflets, circulars or other printed matter on billboards, flags, medallions or other advertisements, and for each category, what was the total amount of money spent for Frenchlanguage advertising?
- 4. Taking into account the categories mentioned in Part 3, what proportion of the money was spent for bilingual advertising on the same media, printed matter or object?
- 5. Taking into account the categories mentioned in Part 3, what proportion of money was spent for advertising in languages other than French and English, in Canada and abroad and also by provinces?

No. 2,778-Mr. Reid-March 15

- 1. Are all the functions of the National Museum consolidated in one building and, if not (a) for what reason (b) what are the other addresses (c) what functions or departments of the National Museum are housed there, and (d) what is the cost to the government for this space?
- 2. Since April, 1966, has the National Museum acquired additional space and, if so (a) how much additional space (b) where is it located (c) what is the reason for this additional space?
- 3. What are the government's plans for the construction of the new National Museum building?

No. 2,779-Mr. Caouette-March 15-

- 1. What criteria does the government use in judging the financial stability of persons bidding on government projects?
- 2. What method does the government use to determine the capacity of the bidder to complete work within a prescribed deadline?

No. 2,780-Mr. Caouette-March 15-

- 1. How many loans were granted by the Industrial Development Bank in the Province of Quebec and in the Province of Ontario during the years 1963, 1964, 1965 and 1966?
- 2. How many applications for loans did the Farm Credit Corporation receive from the Provinces of Quebec and Ontario during the years 1964, 1965 and 1966?
- 3. How many of these applications for loans were granted by the Corporation during those same years?

*No. 2,781-Mr. Alkenbrack-March 15

- 1. Has the government received requests for an increase in the present subsidy on industrial milk for the new fiscal dairy year beginning April 1, 1967?
- 2. From how many and which segments of the milk producing industry have these requests been received?
- 3. Has the government referred these requests to and consulted with the Canadian Dairy Commission?
- 4. Has the government referred these requests to and consulted with the Stabilization Board?

*No. 2,782—Mr. Alkenbrack—March 15

- 1. Has the government received a message from 150 dairy farmers of Prince Edward-Lennox, who assembled at Bloomfield, March 13, in which they unanimously requested a minimum price of \$5.10 per cwt. for industrial milk for the coming dairy year?
 - 2. Will the government give this request favourable consideration?

Notices of Motions for the Production of Papers-On Wednesday next

No. 219-Mr. McIntosh-March 15

That an Order of the House do issue for a copy of all correspondence to or from the Minister of National Defence in connection with the statements allegedly made by Major Stanley H. Nudds, Militia Officer in Rouyn-Noranda on November 11, 1966.

Notices of Motions (Routine Proceedings)—On Friday next

March 15—Mr. Ryan (Joint Chairman of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems):

That the Second Report of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems, presented to the House on Wednesday, March 15, 1967, be concurred in.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, March 16	170-15 Land
Return to Ottawa	Penitentiaries (Joint) (Subcommittee)	Evening
218 W.B.	Broadcasting, Films and Assistance to the Arts (White Paper) (In Camera)	9.30 a.m. 3.30 p.m.
112-N	Drug Costs and Prices (In Camera)	9.30 a.m.
208 W.B.	Industry, Research and Energy Development	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
253-D	Immigration (Joint) (White Paper)	10.30 a.m. 3.30 p.m.
208 W.B.	Finance, Trade and Economic Affairs (Bill S-28)	11.00 a.m.
209 W.B.	Justice and Legal Affairs (Subject-matter of Bills C-26, C-49, etc.)	11.00 a.m.
356-S	Drug Costs and Prices (In Camera)	3.30 p.m. 8.00 p.m.
112-N	Public Service (Joint) (Pensions)	3.30 p.m.
308 W.B.	Mr. Justice Landreville (Joint) (In Camera)	8.00 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 227

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, MARCH 16, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Macaluso, from the Standing Committee on Transport and Communications, presented the Fourteenth Report of the said Committee, which is as follows:

Your Committee has considered Bill S-31, An Act respecting Quebec North Shore and Labrador Railway Company, and has agreed to report it without amendment.

A copy of the relevant Minutes of Proceedings and Evidence (Issue No. 42) will be tabled later.

Mr. Badanai, from the Standing Committee on Northern Affairs and National Resources, presented the Fifth Report of the said Committee, which is as follows:

- 1. Pursuant to the Order of Reference of Wednesday, July 13, 1966, on the matter of northern development, this report of your Committee concerns evidence heard since its Third Report which embodied observations and recommendations following upon a visit to northern Canada.
- 2. Since that time, your Committee has heard Mr. B. G. Sivertz, former Commissioner of the Northwest Territories, whose testimony added to your Committee's information.
- 3. A copy of the relevant Minutes of Proceedings and Evidence (Issue No. 21) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 58 to the Journals).

Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twenty-Third Report of the said Committee, which is as follows:

Your Committee has considered Bill S-28, An Act to incorporate Anniversary Life Insurance Company, and has agreed to report it without amendment.

A copy of the relevant Minutes of Proceedings, and Evidence (Issue No. 54) will be tabled later.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,— That the names of Messrs. Legault and Hopkins be substituted for those of Messrs. Loiselle and Macaluso on the Standing Committee on National Defence.

Mr. Sharp, seconded by Mr. Sauvé, by leave of the House, introduced Bill C-280, An Act to amend the Income Tax Act, which was read the first time and ordered for a second reading at the next sitting of the House.

Mr. Howard, seconded by Mr. Knowles, by leave of the House, introduced Bill C-281, An Act to amend the Fisheries Act (seal hunting prohibited), which was read the first time and ordered for a second reading at the next sitting of the House.

Bill C-222, An Act respecting Banks and Banking was again considered in Committee of the Whole:

And the House continuing in Committee:

At 6.00 o'clock p.m., Mr. Speaker took the Chair.

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Private Bills)

By unanimous consent, the order being read for the second reading of Bill S-41, An Act respecting La Société des Artisans.

Mr. Gendron, seconded by Mr. Forest moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion it was agreed to.

Accordingly, the said bill was read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The House resolved itself into Committee of the Whole to consider Bill S-26, An Act respecting The Excelsior Life Insurance Company, which was reported without amendment.

Mr. Stanbury, seconded by Mr. Cameron (High Park) moved,—That the said bill be now read a third time.

And debate arising thereon;

Mr. Howard, seconded by Mr. Peters moved in amendment thereto,— That Bill S-26 be not now read a third time but that it be referred back to Committee of the Whole House for reconsideration of Clause 2.

After debate thereon, the question being put on the said proposed amendment;

And more than five members having risen to object to the taking of a vote on the said motion;

In accordance with section (3) of provisional Standing Order 6, the said vote was postponed until 8.00 o'clock p.m. this day.

The order being read for the second reading of Bill S-27, An Act to incorporate Laurier Life Insurance Company.

Mr. Cameron (High Park) seconded by Mr. Stanbury moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The hour for Private Members' Business expired.

Pursuant to Special Order adopted Friday, March 3, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

At 8.00 o'clock p.m. Mr. Speaker interrupted the proceedings pursuant to section (3) of provisional Standing Order 6 and the House was deemed to have reverted to "Private Members' Business".

Whereupon the question which had been deferred from the hour for "Private Members' Business" was put by Mr. Speaker as follows:

Mr. Stanbury, seconded by Mr. Cameron (High Park) moved,—That Bill S-26, An Act respecting The Excelsior Life Insurance Company, be now read a third time.

Mr. Howard, seconded by Mr. Peters moved in amendment thereto,— That Bill S-26 be not now read a third time but that it be referred back to Committee of the Whole House for reconsideration of Clause 2.

And the question being put on the said proposed amendment, it was negatived on the following division;

YEAS

MESSRS:

Barnett,
Brewin,
Cameron (NanaimoCowichan-The
Islands),
Dionne,
Couglas,
Fawcett,
Gauthier,
Gilbert,
Godin,
Grégoire,

Howard, Knowles, Latulippe, Lewis, MacInnis (Mrs.) Orlikow, Peters, Saltsman, Schreyer, Simard—20.

V 227-11

NAVS

MESSRS:

Alkenbrack.	Deachman.	Langlois (Chicouti-	Pennell
Allmand.	Dinsdale.	mi),	Pilon,
Andras.	Émard.	Laverdière.	Rapp.
Basford,	Enns.	LeBlanc (Rimouski),	Reid,
Batten,	Éthier,	Lefebyre.	Ricard.
Béchard.	Faulkner,	Legault.	Richard,
Beer.	Forbes.	Lessard,	Rideout (Mrs.).
Bell (Carleton),	Forest.	Lind.	Robichaud.
Benson,	Forrestall,	MacDonald (Prince),	Rochon.
Berger,	Foy,	MacEwan.	Rock.
Blouin,	Gendron.	MacInnis.	Roxburgh.
Brand,	Greene.	Mackasey.	Scott (Victoria (Ont)),
Brown,	Grills.	MacLean (Queens).	Sharp,
Byrne.	Guay,	MacRae.	Simpson,
Cadieu.	Gundlock.	McCleave,	Skoreyko,
Cameron (High	Habel,	McCutcheon.	Smith,
Park),	Hales,	McIlraith.	Southam,
Cantelon.	Harley.	McIntosh.	Stanbury,
Cantin.	Hees,	McKinley.	Starr,
Cashin,	Honey.	McNulty,	Stefanson,
Chatterton,	Hopkins.	McWilliam.	Stewart.
Choquette.	Horner (The Battle-	Madill.	Tardif.
Chrétien,	fords).	Marchand,	Thomas
Churchill,	Howe (Wellington-	Matheson.	(Maisonneuve-
Clancy,	Huron),	Matte.	Rosemont).
Clermont,	Hymmen,	Mongrain.	Thomas (Middlesex
Code,	Irvine.	Moore.	West).
Comtois,	Isabelle.	Munro,	Tolmie,
Côté (Dorchester),	Johnston,	Nasserden.	Tremblay,
Côté (Longueuil),	Jorgenson,	Neveu.	Wahn,
Côté (Nicolet-	Keays,	Nugent,	Walker.
Yamaska),	Kennedy,	Olson,	Watson (Château-
Cowan,	Kindt,	Orange,	guay-Huntingdon-
Crossman,	Klein,	Ormiston,	Laprairie),
Crouse,	Laflamme,	Otto,	Webb,
	Lambert,	Patterson,	Yanakis—133.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking and progress having been made and reported, the Committee obtained leave to consider it again later this day.

In accordance with the provisions of provisional Standing Order 6 (2), Mr. McIlraith, seconded by Mr. Pickersgill, moved,—That the House continue to sit not later than 11.00 o'clock p.m. this day.

And no Member having risen to object, the motion was deemed to have been carried.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking and further progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Stewart, it was ordered,—That the name of Mr. Orlikow be substituted for that of Mr. Howard on the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration.

On motion of Mr. Pilon, seconded by Mr. Stewart, it was ordered,—That the name of Messrs. Asselin (Richmond-Wolfe) and Jamieson be substituted for those of Messrs. Whelan and O'Keefe on the Standing Committee on Industry, Research and Energy Development.

(Proceedings on Adjournment Motion)

At 10.45 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate the said question was deemed to have been adopted.

At 11.00 o'clock p.m. the House adjourned until to-morrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,783-Mr. Korchinski-March 16

- 1. In the last five years, by provinces (a) how many egg producers received payments from the Agricultural Stabilization Board (b) how much was paid to these egg producers?
- 2. In what year was the minimum shipment requirement of eggs established?
- 3. In each of the last five years, by provinces, how many egg producers shipped between (a) 500 and 4,000 dozen per year (b) 500 and 10,000 dozen per year?

No. 2,784-Mr. Korchinski-March 16

- 1. In the last three years, how many ships used the Welland Canal?
- 2. How many of these ships were loaded with grain when using the canal?

No. 2,785-Mr. Hales-March 16

- 1. Did the Centennial Commission make a grant towards the dinner recently held in Toronto in honour of George Brown, one of the Fathers of Confederation?
 - 2. For what amount was the grant?
 - 3. By whom was the grant requested?

No. 2,786-Mr. Webb-March 16

- 1. Is Joseph Schlesinger a full-time employee of the C.B.C.?
- 2. Reporting on the C.B.C. television news at 11 p.m. on February 16 on Prime Minister Wilson's return from Bonn, did Joseph Schlesinger report from London or Toronto?
- 3. Has the C.B.C. been putting on national newscasts featuring Mr. Schlesinger, purporting to be on the scene reports from Europe, actually delivered in Toronto and, if so, why are the viewers being misled into believing that he is abroad?

No. 2,787-Mr. Brand-March 16

1. Has the Mental Health Division of the Department of National Health and Welfare been repositioned to a lower position in the departmental structure?

- 2. If so, does this mean that the Chief of the Mental Health Division no longer reports to the Deputy Minister?
- 3. If so, does this indicate a decline in the incidence or importance of mental disease in Canada?

No. 2,788-Mr. Isabelle-March 16-

Where was the Canadian Flag placed during the ceremony for the opening of the Louis-Hippolyte Lafontaine Tunnel?

No. 2,789-Mr. Schreyer-March 16

1. What was the total cost of ARDA Project No. 7030?

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2. Of that amount, what percentage constituted the federal share of the cost?

PRIVATE BILLS NOTICE

The Standing Committee on Finance, Trade and Economic Affairs will consider on or after Monday, March 20, 1967:

Bill S-41, An Act respecting La Société des Artisans,-Mr. Gendron.

Bill S-27, An Act to incorporate Laurier Life Insurance Company.—Mr. Cameron (High Park).

MEETINGS OF COMMITTEES

Room	Committee	Hour
,31,493) 2785 — 1893	(Subject to change from day to day)	2 ma
	Friday, March 17	
209 W.B.	Indian Affairs, Human Rights and Citizenship and Immigration	9.30 a.m.
208 W.B.	Industry, Research and Energy Development	9.30 a.m.
371 W.B.	National Defence (Bill C-243)	9.30 a.m.
218 W.B.	Broadcasting (In Camera)	12 Noon

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 228

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, MARCH 17, 1967.

11.00 o'clock a.m.

PRAYERS.

Mr. Laflamme, from the Special Joint Committee respecting Mr. Justice Landreville, presented the Second Report of the said Committee, which is as follows:

1. On November 21st, 1966, the House of Commons passed an Order, the first paragraph of which reads as follows:

"That a joint committee of both Houses of Parliament be appointed to enquire into and report on the expediency of presenting an address to His Excellency praying for the removal of Mr. Justice Léo Landreville from the Supreme Court of Ontario, in view of the facts, considerations and conclusions contained in the report of the Honourable Ivan C. Rand concerning the said Mr. Justice Léo Landreville, dated the 11th day of August, 1966 and tabled in the House of Commons on the 29th day of August, 1966;"

The Honourable Ivan C. Rand's Report was tabled in the Senate on November 22nd, 1966, and on November 30th, 1966 the Senate resolved to unite with the House of Commons for the above-mentioned purpose.

- 2. In accordance with its terms of reference, during the course of nineteen (19) meetings, the Committee applied itself to, and carefully examined the facts, considerations and conclusions contained in the said report.
- 3. The Committee invited Mr. Justice Landreville to appear before it as a witness. He testified at eleven (11) meetings of the Committee and answered questions from Members of and Counsel to the Committee.
 - 4. The report of the Honourable Ivan C. Rand states:

"No question is raised of misbehaviour in the discharge of judicial duty; the inquiry goes to conduct outside that function."

V 228-1

- 5. The reflections of the Honourable Ivan C. Rand on Mr. Justice Landreville's character were not considered pertinent and thus played no part in the Committee's decision.
- 6. After hearing the testimony of Mr. Justice Landreville and considering the report of the Honourable Ivan C. Rand, the Committee finds that Mr. Justice Landreville has proven himself unfit for the proper exercise of his judicial functions and, with great regret, recommends the expediency of presenting an address to His Excellency for the removal of Mr. Justice Landreville from the Supreme Court of Ontario.
- 7. A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 1 to 7) will be tabled later.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 59 to the Journals).

On motion of Mr. Pilon, seconded by Mr. Choquette, it was ordered,—That the name of Mr. Lambert be substituted for that of Mrs. Wadds on the Standing Committee on External Affairs.

Bill C-222, An Act respecting Banks and Banking was again considered in Committee of the Whole:

And the House continuing in Committee;

Pursuant to Special Order adopted Friday, March 3, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking and further progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the House.

A Message was received from the Senate informing this House that the Senate had passed the following bills, without amendment:

Bill C-220, An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration.

Bill C-277, An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

By unanimous consent, it was ordered,—That an additional 200 copies of the English version and 100 copies of the French version of Bill C-222, An Act respecting Banks and Banking, (as amended by the Standing Committee on Finance, Trade and Economic Affairs) be printed for use on Monday, March 20, 1967.

[At 5.00 o'clock p.m. Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

Orders numbered 1 to 8 having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-37, An Act to amend the Canada Labour (Standards) Code (Three Weeks Annual Vacation after Three Years);

Mr. Knowles, seconded by Mr. Lewis, moved,—That the said bill be now read a second time.

And debate arising thereon;

The hour for Private Members' Business expired.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Pickersgill, a Member of the Queen's Privy Council,—Report of Air Canada for the year ended December 31, 1966, pursuant to section 29 of the Trans Canada Airlines Act, chapter 268, R.S.C., 1952. (English and French).

By Mr. Pickersgill,—Report to Parliament of the Accounts of Air Canada for the year ended December 31, 1966, pursuant to section 29 of the Trans Canada Airlines Act, chapter 268, R.S.C., 1952. (English and French).

By Mr. Robichaud, a Member of the Queen's Privy Council,—Report of the Fisheries Research Board of Canada for the year ended March 31, 1965. (English and French).

By Mr. Sharp, a Member of the Queen's Privy Council,—Return of Unclaimed Balances in the Chartered Banks of Canada, as at December 31, 1966, pursuant to section 119(1) of the Bank Act, chapter 48, Statutes of Canada, 1953-54.

By Mr. Sharp,—Return of Unclaimed Balances in the Banks incorporated under the Quebec Savings Banks Act, as at December 31, 1966, pursuant to section 93(1) of the said Act, chapter 41, Statutes of Canada, 1953-54.

At six o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,790-Mr. Diefenbaker-March 17

- 1. Under the "guaranteed income" program, how many persons currently in receipt of old age security payments have applied for an additional \$40 per month?
 - 2. How many of the applications have been processed to date?
 - 3. How many have been approved for payment of an additional \$30.00?
 - 4. How many have been approved for lesser additional amounts?
 - 5. How many applications have been rejected?

No. 2,791-Mr. Nugent-March 17

What was the total cost of the operation and maintenance of Government House in Ottawa in each of the years, 1962 to date, including the estimate for 1966-67?

No. 2,792-Mr. Nugent-March 17

- 1. What was the total cost of operation and maintenance of the High Commission in India in each of the years, 1962 to date, including the estimate for 1966-67?
- 2. In addition to the above amounts, how much has been expended or is intended to be expended in the estimates of 1966-67 for capital expenses in each of the said years?

*No. 2,793-Mr. Pascoe-March 17

- 1. How many R.C.A.F. pilot-instructors (a) at Moose Jaw (b) at Portage, have applied for discharge from the R.C.A.F. since January 1, 1967?
 - 2. How many have received discharges since January 1, 1967?
- 3. In the case of those who have not received discharges, for what reasons have discharges been withheld?
- 4. Are R.C.A.F. personnel allowed discharge on application following sixmonths' notice and, if not, what is the present policy and since when has it been in effect?
- 5. How many R.C.A.F. personnel of all ranks (a) at Moose Jaw (b) at Portage, have applied for discharge since January 1, 1967 and, how many have been granted and how many refused?

Notices of Motions for the Production of Papers-On Wednesday next

No. 220-Mr. Smallwood-March 17

That an Order of the House do issue for a copy of all correspondence, orders, receipts and other documents, since July 1, 1966, between the Canadian Broadcasting Corporation and the recipients of 107 colour television sets, conferred *gratis*, upon individuals within and without the Corporation.

Private Members' Notices of Motions

No. 82-Mr. Alkenbrack-March 17

That in the opinion of this House, the government should give immediate consideration to the advisability of establishing a Canadian Cultural Council to encourage the development of nationhood, recognizing the existence of our cultural plurality.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Monday, March 20	
253-D	Immigration (Joint) (White Paper)	3.30 p.m.
371 W.B.	National Defence (Bill C-243)	{ 3.30 p.m. 8.00 p.m.
112-N	Drug Costs and Prices (In Camera)	8.00 p.m.
	Tuesday, March 21	
356-S	Consumer Credit and Cost of Living (Joint)	10.00 a.m.
253-D	Immigration (Joint) (White Paper)	10.00 a.m.
307 W.B.	Finance, Trade and Economic Affairs (Bills S-41 and S-27)	11.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192)	11.00 a.m.
112-N	Public Service (Joint) (In Camera)	3.30 p.m.
	Thursday, March 23	
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192)	11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

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No. 229

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, MARCH 20, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. MacEachen, from the Special Committee on Procedure of the House, presented the First Report of the said Committee, which is as follows:

Your Committee was established by resolution of the House on Wednesday, January 25, 1967 to consider and from time to time to report upon the advisability of making permanent, with or without amendment, any or all the several changes in the procedure of this House adopted for the First Session of the Twenty-Seventh Parliament on January 21, 1966, and such other changes as the committee may deem suitable to promote the more expeditious dispatch of the business of the House.

By resolution of the House on Friday, February 24, 1967, the following Members were appointed to the Committee: Messrs. Asselin (Richmond-Wolfe), Baldwin, Brand, Faulkner, Knowles, Langlois (Mégantic), MacEachen, Nugent, Olson, Richard and Stewart.

Your Committee considers that the appointment of an Assistant Deputy Chairman of Committees is desirable, and therefore recommends that Section (5) of Standing Order 52 be amended to read as follows:

(5) At the commencement of every session, or from time to time as necessity may arise, the House may appoint a Deputy Chairman of Committees and also an Assistant Deputy Chairman of Committees, either of whom shall, whenever the Chairman of Committees is absent, be entitled to exercise all the powers vested in the Chairman of Committees including his powers as Deputy Speaker during Mr. Speaker's unavoidable absence.

Mr. MacEachen, from the Special Committee on Procedure of the House, presented the Second Report of the said Committee, which is as follows:

Your Committee considers that the reform of the procedure of the House is a matter calling for long and earnest study, and that the time which will be required to complete this task is not available to your Committee during the current session.

Your Committee, therefore, recommends as follows:

- 1. That a Special Committee on Procedure of the House be appointed without delay at the beginning of the second session of the Twenty-Seventh Parliament.
- 2. That the Standing Orders as provisionally amended and modified for use in the current session be continued in operation for the duration of the second session of the Twenty-Seventh Parliament except as hereinafter provided.
 - 3. That Standing Order 6 be provisionally amended to read as follows:
 - 6.(1) On Mondays, Tuesdays and Thursdays, except when Private Members' Business is to be considered in any such sitting, the sittings of the House shall be suspended from 6.00 o'clock p.m. until 8.00 o'clock p.m.
 - (2) When Private Members' Business is taken up on any Monday, Tuesday or Thursday, the business of the House shall be interrupted at 7.00 o'clock p.m. and the sitting shall be suspended until 8.00 o'clock p.m.
 - (3) On any day on which a morning sitting is held, the business of the House shall be suspended from 1.00 o'clock p.m. until 2.30 o'clock p.m.
 - (4) Subject to the exceptions stated in section (5) of this order, at 10.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, and at 6.00 o'clock p.m. on Wednesdays and Fridays, Mr. Speaker shall adjourn the House, without question put, until the next sitting day.
 - (5) (a) When, pursuant to Standing Order 39A, a motion to adjourn is deemed to have been proposed at 10.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, the House shall not be adjourned until the said motion is deemed to have been adopted.
 - (b) When a sitting is extended pursuant to Section (6) of this order, or when it is provided in any other Standing Order that the business under consideration at the ordinary time of adjournment shall be disposed of or concluded, the adjournment proceedings in that sitting shall be suspended and that sitting shall not be adjourned except pursuant to a motion to adjourn moved by a Minister of the Crown.
 - (6) During the hour preceding 1.00 o'clock p.m., 6.00 o'clock p.m. or 10.00 o'clock p.m., as the case may be, a motion to extend a sitting beyond the ordinary hour of daily adjournment, or to continue a sitting through the period between 1.00 o'clock p.m. and 2.30 o'clock p.m. or between 6.00 o'clock p.m. and 8.00 o'clock p.m., as the case may be, may be made without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put

on the motion. If no member objects or if fewer than ten members rise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. During an extended sitting, as provided under the provisions of this section, no Order shall be called for consideration unless such Order was under consideration prior to the normal hour of adjournment. An extended sitting under the provisions of this section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.

- (7) No vote shall be taken between 6.00 o'clock p.m. and 8.00 o'clock p.m. on Mondays, Tuesdays and Thursdays or between 1.00 o'clock p.m. and 2.30 o'clock p.m. on any day upon which a morning sitting of the House is held. When any vote is postponed under the terms of this section the same shall be forthwith disposed of at 2.30 o'clock p.m. or 8.00 o'clock p.m., as the case may be. The House shall be deemed to have reverted to Private Members' Business for such time as is necessary for the taking of any vote postponed from the time provided for Private Members' Business.
- (8) The provisions of Section (7) shall not prevent the adoption of any resolution or clause, section, preamble or title of a bill in any committee of the whole provided this is done without a standing vote.
- 4. That Standing Order 44 be consequentially amended on a provisional basis to read as follows:
 - 44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the Orders of the Day; for proceeding to another order; to adjourn the debate; to extend the sitting of the House; to continue a sitting between the hours of 1.00 o'clock p.m. and 2.30 o'clock p.m. or 6.00 o'clock p.m. and 8.00 o'clock p.m., as the case may be; or for the adjournment of the House.
- 5. That the House adopt the following resolution with respect to supply procedure:

That for the duration of the second session of the Twenty-Seventh Parliament Standing Orders 56 and 57 shall be provisionally amended and interpreted in the light of the following procedures which shall govern the business of Supply:

- (a) Except as hereunder provided, when the order of the day is called for the House to go into Committee of Supply Mr. Speaker shall leave the Chair without question put.
- (b) There shall be four occasions in the session on which an order for supply is called for the purpose of moving 'That Mr. Speaker do now leave the Chair'. There shall be no restriction on the number of departments of Government the estimates of which may be first taken up and entered for consideration upon the adoption of the first supply motion, except that the estimates of at least one department shall be taken up and entered for consideration on the adoption of each subsequent supply motion.
- (c) Subject to the conditions specified below there shall be an overall limitation of thirty-eight days allotted to the business of supply V 229—1½

during the session. For the purposes of this order the business of supply shall consist of supply motions; main estimates; interim supply with the exceptions noted below; supplementary and additional estimates with the exception noted below; and supply bills based on the foregoing.

- (d) On the first interim supply resolution introduced after the ninetieth sitting day of the session and all subsequent stages of the supply bill based thereon there shall be a limitation of three days; additional to the thirty-eight days specified above. On any further interim supply resolutions and bills based thereon there shall be no time limitation.
- (e) The final supplementary or additional estimates to be introduced during the fiscal year and the subsequent stages of the supply bill based thereon shall be subject to no time limitation.
- (f) For the purpose of the time limitations specified in this order a day allotted to supply shall be a day on which the business of supply stands as the first order of the day. Under any other circumstances a total of five hours shall be deemed to be the equivalent of one sitting day.
- (g) When estimates are referred to standing committees they shall be referred without prejudice to the right of the Committee of Supply to consider those same estimates, whether or not the standing committees have reported on them.
- 6. That Standing Order 15 (4) be consequentially amended on a provisional basis to read as follows:
 - 15(4). On any Monday, Tuesday or Thursday, notwithstanding the provisions of Section (3) of this Standing Order, the consideration of Private Members' Business shall be suspended when an order for resuming the Address Debate or the Budget Debate, an order for a motion 'That Mr. Speaker do now leave the Chair' for the House to go into Committee of Supply, or an order to go into Committee of the Whole on a money resolution, pursuant to Standing Order 61A, is set down as the first item of Government business in any such sitting.
- 7. That the Special Committee on Procedure of the House, the appointment of which is proposed in the first recommendation of this Report, should be required to consider the amendments necessary to the Standing Orders governing supply procedures, and in particular to consider ways and means for giving to the Opposition during the second session of the Twenty-Seventh Parliament an opportunity to select the order in which departmental estimates will be discussed.
- 8. That the Clerk of the House be hereby authorized to edit the Standing Orders as provisionally amended in regard to matters of form, numbering, etc., and to reprint the same in such number as he may deem to be necessary for use in the next session of this parliament; and that the provisions of Standing Order 66 be suspended in relation thereto.

APPENDIX

DOCUMENT SUMMARIZING PROVISIONAL RULES CHANGES AS CONSIDERED BY YOUR COMMITTEE

PROVISIONAL RULE CHANGES WHICH WILL LAPSE AT THE END OF THIS SESSION UNLESS RENEWED

1. Limitation of Question Period to one hour on Mondays, 30 minutes on Wednesdays and 40 minutes on Tuesdays, Thursdays and Fridays.

Speaker empowered to order that an oral question be placed on the order paper as a written question.

(See S.O. 39 (5) as modified by resolution of 21 January 1966).

- 2. Provision for half-hour debate on daily adjournment motion. (See S.O. 39 (5) and S.O. 39A).
- 3. Control of statements on government policy. (See S.O. 15 (2A)).
- 4. Limitation of debate on motions for the production of papers. (See S.O. 47 (2)).
- 5. S.O. 20(1) (Precedence of business on the Order Paper) temporarily suspended.
- 6. Clarification of procedure on motions to adjourn the House for the purpose of discussing a definite matter of urgent public importance.

(See S.O. 26 (3)).

7. Limitation of debate on resolution stage preceding a Money Bill. Debate limited to one full sitting day and speeches limited to 20 minutes, except for Prime Minister and Leader of the Opposition.

(See S.O. 61A and consequential amendment to S.O. 16 as modified by resolution of 21 January 1966).

8. Postponement of consideration of short title clause during committee stages of Bills.

(See S.O. 78 (1)).

9. Limitation of 30 days on certain business of supply, namely main estimates, interim supply and certain supplementary and additional estimates.

Detailed examination of estimates to be undertaken by Standing Committees.

Number of supply motions reduced from six to four.

(See Resolution of the House of 8 June 1965. Resolution also ordered the appointment of a Special Committee of 24 members to consider the consequential changes in the Standing Orders, and the means of giving the Opposition the right to select the departmental estimates for discussion).

10. Abolition of luncheon and dinner adjournments, except during Throne Speech and Budget debates.

(See S.O. 6 (1), as modified by resolution of 21 January 1966).

11. Provision that a motion to sit beyond the specified hour of adjournment may be made without notice unless 10 or more members object.

(See S.O. 6(2) and consequential amendments to S.O. 44).

- 12. Provision made whereby five or more members may object to the taking of a vote during the luncheon and dinner periods.

 (See S.O. 6 (3)).
- 13. Abolition of the right to appeal from a ruling of the Speaker from the floor of the House.

(See S.O. 12 (1)).

14. Alteration of order of business.

(See S.O. 15 (3)).

15. Suspension of Private Members' business during debate on supply motion—alteration of time.

(See S.O. 15 (4)).

16. Provisions made for a Business Committee and an allocation of time procedure.

(See S.O. 15A).

17. Speeches during Private Members' business limited to 20 minutes at all times.

(See S.O. 31 (2)).

18. Control of questions of privilege: one hour's notice in writing required unless the question arises during the course of proceedings in the Chamber.

(See S.O. 41A).

19. Resumed debate on a motion under S.O. 15 (2) (Routine Business) to be transferred to government orders.

(See S.O. 43 (2) and consequential amendment to S.O. 18 (2)).

- 20. Chairman's rulings made subject to appeal to the Speaker. (See S.O. 59 (4)).
- 21. Reform of Standing Committee structure.

 (See S.O. 65 and consequential amendments to S.O.'s 99 and 105).
- 22. In Standing and Special Committees, rulings of chairman made subject to appeal to the committee.

(See S.O. 68A).

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Loiselle, Macaluso and Stafford be substituted for those of Messrs. Reid, Andras and Ethier on the Standing Committee on National Defence.

Pursuant to Standing Order 39(4), the following five Questions were made Orders of the House for Returns, namely:

No. 2,168-Mr. Grégoire

Who among the persons appointed by the Governor in Council since November 8, 1965, were candidates at the General Election of November 8, 1965?

No. 2,493-Mr. Knowles

- 1. Has the Department of Manpower and Immigration, at any time since it came into being, engaged a firm of consultants?
- 2. If so (a) what is the name of the firm (b) what terms of reference were given to it (c) was it engaged on a contract basis or otherwise, and (d) how much has been paid to the said firm to date?
- 3. Was the firm engaged to study and report on any particular division, branch or section of the Department, and, if so, which one?
- 4. Have any reports or recommendations yet been submitted and, if so, what was their nature and are they being implemented?
 - 5. When will the firm's final report be submitted?

No. 2,610-Mrs. MacInnis

- 1. How many persons, labour, professional and civil service, were employed at the Fortress of Louisbourg Restoration Project on January 1 of each year between January 1960 and January 1967?
 - 2. What were the classifications of these employees?
- 3. What were the rates of pay, salaries and method of payment of these employees?

No. 2,627—Mr. Caouette

- 1. With respect to contracts awarded for the transportation of mail between Gaspé and Campbellton in replacement of the mail train, and for mail transports 100-101, 102-103, 140-141 and 160-161 respectively (a) what was the name of each of the bidders, including their bids (b) who was awarded the contract for these mail transports (c) if the lowest bidder was not awarded the contract, why was this so?
- 2. Who has the contract for the distribution of parcels originating from the Lévis Post Office?
- 3. Was a call for tenders made and, if so (a) what is the name of each of the bidders (b) what were their bids (c) who was awarded the contract?

No. 2,698-Mr. Schreyer

- 1. How many applications have been received by the Board of Transport Commissioners from the C.N.R. and C.P.R. relative to the removal of agents at specific localities in each month since January, 1965?
- 2. Of the number of applications received from each of the two railway companies how many were approved?
- 3. What are the place names involved with respect to each of these applications for agent removal?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented, —Returns to the foregoing Orders.

Bill C-222, An Act respecting Banks and Banking was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again later this day.

By unanimous consent, at 7.08 o'clock p.m., the sitting was suspended until 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking, and further progress having been made and reported, the Committee obtained leave to consider it again later this day.

In accordance with the provisions of provisional Standing Order 6 (2), Mr. McIlraith, seconded by Mr. Pickersgill, moved,—That the House continue to sit after 10.00 o'clock p.m. this day;

And no Member having risen to object, the motion was deemed to have been carried.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking, and further progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

A Message was received from the Senate informing this House that the Senate had passed Bill C-221, An Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, without amendment.

A Message was received from the Senate informing this House that the Senate had passed Bill S-57, An Act to establish a corporation for the administration of the National Museums of Canada, to which the concurrence of this House is desired.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. Béchard it was ordered,—That the names of Messrs. Etheir and MacRae be substituted for those of Messrs. Langlois (Chicoutimi) and Harkness on the Standing Committee on National Defence.

On motion of Mr. Pilon, seconded by Mr. Béchard it was ordered,—That the name of Mr. Langlois (Mégantic) be substituted for that of Mr. Gauthier on the Special Joint Committee on the Criminal Code (Hate Propaganda); and

That a Message be sent to the Senate to acquaint Their Honours thereof.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Pennell, a Member of the Queen's Privy Council,—Copies of Agreements between the Government of Canada and certain municipalities in the province of Manitoba for the use or employment of the Royal Canadian Mounted Police, pursuant to subsection 3 of section 20 of the Royal Canadian Mounted Police Act, chapter 54, Statutes of Canada, 1959.

By Mr. Winters, a Member of the Queen's Privy Council, by command of His Excellency the Administrator, Annual Report of the Minister of Trade and Commerce under the Corporations and Labour Unions Returns Act for the fiscal periods of corporations ending in 1963 (Part I), pursuant to subsection (1) of section 16 of the Corporations and Labour Unions Returns Act, chapter 26, Statutes of Canada, 1962, (English and French).

Pursuant to provisional Standing Order 6 (2), at 12.13 o'clock a.m., on motion of Mr. McIlraith, seconded by Mr. Pickersgill, the House adjourned until 2.30 o'clock p.m. this day.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry—On Wednesday next

No. 2,794-Mr. Tucker-March 20

Is it the intention of the government to build in Newfoundland-Labrador, a laboratory for the Fisheries Research Board of Canada and, if so (a) where will it be built (b) when will construction begin?

No. 2,795-Mr. Allard-March 20-

- 1. Of the 68 bilingual civil servants working in Department of Manpower and Immigration offices abroad, did any claim to be bilingual on their job application forms and speak no French but simply read it and, if so, how many?
- 2. Do civil servants who are hired locally abroad, by the department for work in its offices, including those who speak and write French, in contact with the public and do they perform confidential work and, if not, for what reason?
- 3. Do civil servants hired locally abroad by the department for work in its offices communicate with the local public in English only and, if so, for what reason?

No. 2,796-Mr. Muir (Cape Breton North and Victoria)-March 20

What is the number of seals estimated by the Department of Fisheries on the Atlantic Coast and in the St. Lawrence Basin which, in addition to young Harp seals, were killed in each of the years 1964, 1965, 1966 and 1967 to date?

No. 2,797-Mr. Webb-March 20

- 1. Did Dr. Taylor, who is in charge of herring fisheries on the West Coast, forecast 1967 as a bumper year in the herring harvest?
 - 2. How long did the season last?
 - 3. Was the season closed earlier than usual and, if so, for what reason?

No. 2,798-Mr. Nasserden-March 20

- 1. How many dozens of eggs were imported into Canada during the year 1966?
- 2. How many dozens were imported in each of the months of January and February, 1967?

Notices of Motions (Routine Proceedings)-On Wednesday next

March 20—The Minister of National Health and Welfare (Chairman of the Special Committee on Procedure of the House):

That the First Report of the Special Committee on Procedure of the House, presented to the House on Monday, March 20, 1967, be concurred in.

March 20—The Minister of National Health and Welfare (Chairman of the Special Committee on Procedure of the House):

That the Second Report of the Special Committee on Procedure of the House, presented to the House on Monday, March 20, 1967, be concurred in.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, March 21	
356–S	Consumer Credit and Cost of Living (Joint)	10.00 a.m.
253-D	Immigration (Joint) (White Paper)	10.00 a.m.
371 W.B.	National Defence (Bill C-243)	10.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Finance, Trade and Economic Affairs (Bills S-41 and S-27)	11.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.
209 W.B.	Drug Costs and Prices (In Camera)	1.00 p.m.
256–S	Divorce (Joint)	3.30 p.m.
	Thursday, March 23	
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

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No. 230

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, MARCH 21, 1967.

2.30 o'clock p.m.

PRAYERS

Mr. Cashin, from the Standing Committee on Industry, Research and Energy Development, presented the Eighth Report of the said Committee, which is as follows:

Pursuant to its Order of Reference dated Friday, June 3, 1966, your Committee had before it the following matter for consideration and report:

"That the Standing Committee on Industry, Research and Energy Development be empowered to consider the subject-matter of the designated area programme and the criteria thereunder."

Your Committee held 5 meetings and heard evidence from the following witnesses on the aforementioned matter. The witnesses heard were:

- 1. The Honourable C. M. Drury, Minister of Industry and Minister of Defence Production.
- 2. Mr. S. S. Reisman, Deputy Minister of Industry.
- 3. Mr. W. J. Lavigne, Commissioner, Area Development.
- 4. Mr. J. A. Teeter, Deputy Commissioner, Area Development.
- 5. Mr. F. V. S. Goodman, Special Assistant to the Minister of Manpower and Immigration.
- 6. Mr. Harry Bridle, Chairman of the Designated Areas Committee of Mount Forest, Ontario.
- 7. Mr. Ross McLellan, Secretary of the Designated Areas Committee of Mount Forest, Ontario.
- 8. Mr. Dan Murphy, Goderich, Ontario.
- 9. Mr. Arnold Patterson, Mayor of Orangeville, Ontario.
- 10. Mr. E. B. McInnes, Hanover, Ontario.

- 11. Mr. H. F. Noonan, Clinton, Ontario.
- 12. Mr. Dave Kilberg, Listowel, Ontario.
- 13. Mr. William Irwin, Palmerston, Ontario.
- 14. Mr. C. Schmaltz, Walkerton, Ontario.
- 15. Mr. Leo DelVillano, Vice-President of the Northeastern Ontario Regional Development Council, North Bay, Ontario.
- 16. Mr. John Cram, Cobalt, Ontario.
- 17. Mr. A. C. Kilgour, North Bay, Ontario.

In view therefore of the present status of, and having completed its inquiry pursuant to the said Order of Reference, your Committee reports:

(a) That the Minister of Industry outlined to the Committee the objectives of the Area Development Agency's incentive programme. The Minister told the Committee that the fact that the Department of Industry was established during a period when chronic unemployment was of concern to the Government largely determined the character of the Area Development programme as it exists today.

The Government introduced this programme to encourage industrial development to take place in those areas where conditions of unemployment were chronic and severe. There was no intention in this legislation to embark upon a programme of industrial development on a national basis. The concern of the programme has been with those areas of chronic unemployment and slow employment growth. The Area Development legislation does not provide for a comprehensive programme of regional development as such. Rather the approach has been to designate, for purposes of this programme, those areas wherever they exist in the country, that are shown by the official statistics to have problems of unemployment and associated conditions that are severe and long-standing.

It is a fact of economic life that localities within a province, and even provinces as between themselves, are often competitors for the opportunities for industrial growth that are available to Canada as a whole. Thus the Federal Government ought to avoid any element of involvement in this competition and must proceed with caution and study in any programme that has regional implications.

The legislation of 1963 provided for a review of the areas that were designated in order to determine the continued eligibility for benefits. At the same time, the Department reviewed the programme and made certain changes, both in the criteria in designation, and in the form of assistance available to industry locating in designated areas.

In some designated areas the response of industrial expansion was very marked and employment gains quickly alleviated the conditions of unemployment which had led to designation in the first instance. As a result of this, the review of the programme led to the removal of three NES areas from the list of designated areas.

A further dimension of the Area Development programme consists of its relation to the regional development plans of the Province. The Minister endorsed the principle that programmes of each level of government should be harmonized and particularly in the area of regional development. This should be subject to the responsibility of each level to take action when it is required to do so. The Minister expressed the intention of maintaining the fullest degree of consultation with those Provinces that see this programme as being related to their own programmes for regional development. To this end the changes that were introduced with regard to the new criteria were done so

last year only after an extensive round of consultation with the Provinces. On the matter of coordination of the Area Development programme with related policies at the Provincial level, the Minister pointed out that this same problem of coordination exists within the Federal Government itself. Those Federal programmes which have implications for regional development include the ARDA programme, the Atlantic Development Board and certain programmes administered by the Department of Manpower and Immigration. The Minister expressed the view that these programmes complement one another in helping to achieve the objective of full employment across Canada.

The Minister outlined to the Committee some of the results that the programme has achieved. As of September 30, 1966, a total of 798 applications had been received from firms stating their intentions to establish in designated areas. Of this number, 620 applications had been approved, or were under consideration, and another 23 had been reserved for final decision.

As of September 30, 1966, the total capital investment represented in active applications amounted to very close to $$1\frac{1}{4}$$ billion. The new jobs to be created directly by these investments will be over 40 thousand.

The Minister concluded his report by stating that the Department was conscious of certain imperfections. However, the Department has undertaken a comprehensive programme of studies and development work of their own to try and overcome these limitations. They are examining the possibility of finding a basic geographic unit for designation other than the NES area which would allow the drawing of a fine line in marginal areas. This problem is being investigated with officials of the Dominion Bureau of Statistics and other agencies concerned.

A review of the programme by the Department is underway and approaching completion. As a result of this it was indicated that there may be possible changes in designated areas before April 1, 1967.

(b) The Committee heard representations on some of the problems associated with the Area Development programme from two interested groups in addition to other aspects which were raised by the members of the Committee themselves.

The Committee heard evidence from a delegation representing 47 municipalities in the four Western Ontario Counties of Bruce, Wellington, Huron and Dufferin.

The views of this delegation might be summarized by saying that they were concerned about the lack of new industry that has been attracted to their municipalities over the last few years. The rate of industrial growth in these four Counties is slower than in the larger metropolitan areas of Ontario.

They also were concerned about the adverse effect which the designation of the Georgian Bay area has had on these four Counties. They pointed out that the designation of the Georgian Bay area, while within a separate NES area, was really only part of a larger more natural economic or geographic unit, which included the four above mentioned Counties. They maintained that any new industry interested in their four Counties would be strongly influenced to locate in the Georgian Bay area because of the incentives they would receive and because there were no other significant factors which, for the purposes of

industrial development, distinguished these four Counties from the Georgian Bay area.

They thus asked that these four Counties be designated so as to make them competitive with the Georgian Bay area.

They recognized that this could not be done under the present legislation and specifically recommended a change in the legislation that would permit designation of an area in which the average non-farm family income is below \$4,600.00, rather than below \$4,250.00, or in the alternative rather than using a basis of annual family income, to use the basis of the average industrial income for individual workers.

It seemed to the Committee that other areas in Canada in a similar position to the four above mentioned Counties might make similar suggestions.

The basic problem arising from this situation arises from the designation of areas on the basis of NES areas rather than an economic or geographic area.

It also illustrated to the Committee that in certain instances, the designation of any area could conceivably have or appear to have an adverse effect on the adjoining area. Another problem raised by this delegation from Western Ontario, which the Committee felt might be universally applicable relates to the desire of each municipality to attract as much industry as possible in order to reduce the municipal tax burden on home owners.

The Committee acknowledges that this is a whole new area for discussion and one that is not within its terms of reference. However, the Committee felt that this concern about industrial growth, in order to alleviate the municipal tax burden was a major factor in the competitive activities of various areas of the country in attempting to attract industry.

Further representations were made to the Committee by representatives of the North Eastern Ontario Regional Development Council. While much of the comment of this delegation was similar to that heard previously by the Committee, they did illustrate that there were some differences in their concern with the Area Development Agency's incentive programme. These differences are largely attributable to the geopraphic position of Northern Ontario and to its reliance on primary industries. Their basic desire was to have a programme which would help stimulate the growth of secondary industries in Northern Ontario. They pointed out that in the past when at least one part of Northern Ontario was designated under this programme, it was not as successful in attracting industry as the programme had been in other areas of Canada.

Their representations may be summarized by saying they felt that all of North Eastern Ontario should be designated as an area for regional development. While they recognized that the accomplishment of this end involved more than its being designated by the Area Development Agency, they felt that this would be one important aspect of any programme of regional development. They too, felt the criteria should be broadened to accomplish this. They pointed out that unemployment generally was not as great a problem as is the problem of outward migration, and slow economic growth. It appeared to the Committee that what they were really saying was that there should be a policy aimed at attracting secondary industry to regions such as Northern Ontario which have traditionally been areas of resource development.

(c) The Committee recognizes the inherent difficulties involved in designating a programme that will successfully resolve all the problems that were raised. It further recognizes that the Area Development Agency's programme is but one instrument to cope with the problem of unemployment and slow economic growth. Some of these problems arise from the possible differences in the objectives of economic regions and national objectives. A further difficulty may arise from disparities within the same economic region. The Committee was encouraged to note that the Department is examining the possibility of finding a basic unit for designation other than the NES area. It was the view of the Committee that NES areas do not necessarily approximate natural geographic or economic units.

The Committee is also aware of the fact that a further difficulty arises as a result of the great difference that exists between areas of the country where the rate of industrial growth and economic development has been slower than in major industrial centres.

For example, the problems of economic development and industrial growth in Western Ontario and certain parts of the country are different from those areas of Canada which have historically experienced high unemployment, slow economic growth and a standard of living substantially below the national average. The question is then raised as to the difficulties involved in a programme that treats both areas like Western Ontario on the one hand, and Eastern Quebec and the Atlantic Provinces on the other, in exactly the same manner. The former situation suggests that there are pockets or areas in Canada which are relatively close to highly industrialized areas, but which nevertheless have not experienced the same level of development. The latter situation involves areas which have more fundamental problems. There are also regions such as Northern Ontario which share a common problem with Eastern Quebec and the Atlantic Provinces arising from their geographic position, away from the centre of industrial activity in Canada.

This is also true in varying degrees of Western Canada. This surely suggests one obvious complexity facing anyone charged with the administration of the present programme or anyone attempting to change the present programme, namely, the fact that it is expected to do different things in different areas of Canada.

The Committee feels some of the basic problems raised by both individual members and by the two delegations who made representations, are involved in part at least, with the concept of regional economic development. Before any changes could be made in the programme to meet some of the problems enunciated above, and particularly with regard to the concept of regional development and regional planning, there must be the fullest possible discussion and consultation with the Provinces.

In view of the foregoing, the Committee would respectfully submit the following recommendations:

- (1) That the Department of Industry continue its review of this programme with particular reference to the criteria to be followed in designating areas;
- (2) That at a future date a further opportunity be given to this Committee to further examine the programme of the Area Development Agency.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 10, 11, 13, 15, 16) will be tabled later.

Mr. Stanbury, from the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented the Eleventh Report of the said Committee, which is as follows:

On Wednesday, November 23rd, 1966, the White Paper on Broadcasting (1966) was referred to your Committee.

Your Committee held 17 sittings during which it heard statements and evidence related to the White Paper from the following persons or organizations in the following order:

- 1. Mr. J. A. Ouimet, President, CBC
- 2. Dr. Andrew Stewart, Chairman, BBG
- 3. Canadian Association of Broadcasters
- 4. Canadian Broadcasting League
- 5. National Community Antenna Television Association of Canada
- 6. Community Antenna Television Ltd., Calgary
- 7. Association of Canadian Television and Radio Artists
- 8. Sir Hugh Greene, Director-General, British Broadcasting Corporation
- 9. Sir Robert Fraser, Director-General, Independent Television Authority (U.K.)
- 10. Canadian Association for Adult Education
- 11. CBC Board of Directors
- 12. The Honourable Judy LaMarsh, Secretary of State.

Your Committee also received briefs from the following:

- 1. Mr. E. Austin Weir, Toronto
- 2. Mr. Warwick Webster, Orillia
- 3. Composers, Authors and Publishers Association of Canada.

The three full-time members of the Board of Broadcast Governors attended for presentation of the Board's views. The full Board of Directors of the CBC appeared, in what your Committee believes was the first appearance of the entire board of a Crown corporation before a parliamentary Committee. Your Committee feels its opportunity for dialogue with the members of these boards was mutually beneficial, and expresses its appreciation to them.

Your Committee is deeply indebted to Sir Hugh Greene and Sir Robert Fraser, two distinguished British public servants, for coming to Canada and aiding the Committee.

Your Committee is grateful for all submissions received and for the assistance of its Clerk, Mr. M. Slack, the Committees Branch, the Department of the Secretary of State and the Parliamentary Librarian, Mr. Erik J. Spicer.

Many valuable observations are to be found in the evidence presented. Your Committee, while not referring in detail to such observations in this Report, has considered them in formulating its assessment of each proposition put forth in the White Paper. For ease of reference, this Report includes the White Paper.

I

INTRODUCTION

(White Paper)

Canadian identity and Canadian unity. In this respect the situation in 1966 is no different from that at any other point in our history. Almost forty years ago the Royal Commission headed by Sir John Aird found unanimity in Canada on one fundamental question—Canadian radio listeners wanted Canadian broadcasting. This strong mandate did not arise from any narrow nationalism that sought to shut out the rest of the world or, more appropriately, the rest of our continent, but rather from a clear conviction that the destiny of Canada depended on our ability and willingness to control and utilize our own internal communications for Canadian purposes.

What policies are therefore appropriate in a Canada that shares the common lot of all technologically advanced countries in the electronic age? The speed of personal movement has been far outstripped by the speed with which ideas and information of all kinds can now be transmitted over long distances and can reach into the homes and minds of the population at large. There is no insulation from these new forces, no iron curtains of the mind to permit a comfortably slow pace of adjustment to new forces. The era of the communications satellites is upon us, still further complicating the processes of adaptation which the essential goal of Canadian unity will demand.

Any statement of policy relating to broadcasting in Canada therefore starkly poses this question. How can the people of Canada retain a degree of collective control over the new techniques of electronic communication that will be sufficient to preserve and strengthen the political, social and economic fabric of Canada, which remains the most important objective of public policy?

2. The Advisory Committee

The report of the Advisory Committee on Broadcasting was submitted to the Government and published early in September, 1965, after some fifteen months of intensive study of the complex problems peculiar to Canadian broadcasting. Its far-reaching recommendations gave rise to an extraordinary volume of public comment and debate to which the Government has given careful attention, with special regard to the expressed opinions of the Canadian public at large. The Government has also received and given careful consideration to representations from the Board of Broadcast Governors, the Canadian Broadcasting Corporation, the Canadian Association of Broadcasters, the Canadian Broadcasting League, and other interested organizations.

Following these deliberations, the Government has concluded that the comments and criticisms made by the Advisory Committee within its terms of reference are in many respects soundly based and generally valid, and that many of its recommendations should be implemented as soon as possible, in effect but not necessarily in every detail. The Government accordingly proposes to introduce new legislation on the general lines set out herein.

A distinctly Canadian broadcasting system is essential to our national identity, unity and vitality in our second century. Transportation was a key factor in shaping Canada in the past. Communications will play a major role in shaping the Canada of the future. It has been said that transportation is the skeleton on which the Canadian body politic has grown during the past one hundred years. In future, broadcasting may well be regarded as the central nervous system of Canadian nationhood.

Canadian broadcasting is unique in the world—with its complex mix of public and private components, its bilingual nature, its foreign competition, its far-flung and diverse constituency. It has served Canada well. It must, however, be challenged to serve it better.

Fundamental to any consideration of broadcasting policy is the fact that the airwaves are public property, and the privilege of exclusive use of any channel or frequency must be subject to the clear responsibility of serving the public interest as expressed through national policy.

The Committee feels strongly that it is not a proper function of Parliament or Government to be involved in the programming, or the day-to-day operation or supervision of the broadcasting system. It is, however, the responsibility of Parliament to define the public interest to be served by our broadcasting

system and to enunciate the national policy. It is also Parliament's duty to create a viable structure within which the service we seek can be assured to the Canadian people.

Objectives

The Committee concurs with the White Paper's statement of objectives. We are convinced that Canadians want radio and television programs of Canadian origin and character, although programs produced in the United States are available to a majority of Canadians who obviously enjoy them. A Canadian identity demands public affairs and news programs about Canada and about the world through Canadian eyes. Canadian broadcasters have a special responsibility to provide such programs because they will not come from any other source. Although the United States will continue to be the source of many dramatic and variety programs on Canadian stations, Canadian broadcasters must develop such programs in Canada to the fullest extent which availability of talents and resources permits.

With prospective development of non-commercial broadcasting in the United States, and with the rapid progress toward satellite broadcasting, all Canadians may soon have direct access to more international programs of wide interest and high quality. This will be welcome provided Canadians are assured of the opportunity to receive Canadian programs of high quality, to develop their own talents and display them globally.

The Committee notes with approval the growing interest in domestic film-making including the recent legislation to establish the Canadian Film Development Corporation. This opens new opportunities for co-operation between broadcasters and film-makers. We recommend that Canadian television be encouraged to utilize the National Film Board and independent film producers to a greater extent.

Indeed, to advance Canadian cultural objectives, broadcasting should draw on all available creative organizations and resources in the theatrical, musical and other artistic fields. We commend continuing and expanding government assistance to the arts; this will enlarge the pool of Canadian talent available to the broadcasting media.

The Committee is of the opinion that the lack of adequate archive facilities to preserve films of lasting value constitutes a severe loss to Canadians. We, therefore, recommend urgent action to preserve such films.

II

PUBLIC CONTROL OF BROADCASTING

3. General Principles

(White Paper)

Television channels and radio frequencies, the number of which at present limited, are public property over which the public is entitled to exercise appropriate control, primarily by issuing broadcasting licences subject to special and enforceable conditions. Past experience has clearly demonstrated the necessity in Canada for a broadcasting system that includes public and private elements, in which the place of the public element should predominate in policy areas where a choice between the two is involved. Subject only to regulations applicable to all broadcasters and the conditions of individual licences, the right to freedom of expression

should be unquestioned, but all broadcasters have a responsibility for the public effects of the powerful and pervasive influence which they exercise.

Much of the controversy about public control of broadcasting seems to arise from a failure to distinguish clearly between two quite separate elements—the physical structure of the system and the actual programs broadcast—which can and should be differently treated. It is almost universally recognized that the regulation of programming must be entirely and demonstrably free from improper influences and pressures, and can therefore best be delegated to an independently constituted to the contraction of t tuted authority which is not subject to any form of direction in that regard. But, since the coverage of the national broadcasting service must be provided by the public element, which is dependent on funds voted by Parliament, the physical structure of the system as a whole is a matter for the Government, which is responsible to Parliament, to decide.

Fears of hidden influences on program content have tended to obscure this legitimate right to direct the structure of the broadcasting system. These fears can best be dispelled by providing statutory machinery which distinguishes clearly between the total delegation of authority over programming on the one hand, and ultimate authority over the structure of the system on the other.

In the new legislation, Parliament will therefore be asked to authorize the Governor in Council to give formal directions to the regulatory authority, dealing with the structure of the system, which may then be put into effect after suitable public discussion. Matters affecting programming will not be subject to such directions, the scope of which is more fully described below.

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. We agree that, although the CBC's responsibility is paramount, all broadcasters share a duty to serve the public interest and must share it more equitably and effectively. We earnestly hope that the proposed "total delegation of authority over programming" will end Parliament's frequent involvement with broadcasting matters.

(White Paper)

4. The Regulatory Authority

The Canadian broadcasting system, comprising public and private sectors, must be regarded as a single system which should be regulated and controlled by a single independent authority. It is therefore proposed that the powers and authority of the Board of Broadcast Governors, which require extension and clarification, shall be applicable to all broadcasters alike, and that the Board itself shall be reconstituted. The Government does not concur in the recommendation of the Advisory Committee that the regulatory authority should be responsible for the management of the Canadian Broadcasting Corporation. However, the legislation will make it clear that the Corporation will be subject to the regulatory powers of the Broadcast Carte VI of the Board of Broadcast Governors in all matters affecting general broadcasting policy in Canada.

The Board of Broadcast Governors will have full power to issue broadcasting licences, subject only to technical evaluation and certification by the Department of Transport and to any formal direction that may have been issued under the new Act relating to the structure of the system. Licences will be issued on the authority of the Board itself, without reference, as at present, to the Governor in Council, but provision will be made for formal appeals to be made to the Governor in Council against the decisions of the Board in the exercise of this power. The necessary amendments to the Radio Act will be submitted to Parliament simultaneously with the new broadcasting legislation.

The Board will also have full power to regulate the constitution of and conditions of affiliation to all television and radio networks, both public and private.

The Board will be required to undertake, in collaboration with the Canadian Broadcasting Corporation, objective research into all matters bearing upon broadcasting in Canada. The need to keep abreast of the pace of technological change is quite apparent. It is also generally agreed that far too little is known about the specific effects on the public of new forms of communication, or about the views held by Canadians as to the objectives of public broadcasting.

The Board will be asked to consider the feasibility and desirability of setting up regional broadcasting councils to advise upon representations made by the general public with regard to programming.

The extended powers and responsibilities of the Board will, in the opinion of the Government, require the attention of more full-time members than at present, but there should continue to be a number of part-time members sufficient to provide a broad cross-section of Canadian opinion. The authority of the Board will reside in the full-time members, but there will be an obligation to consult the whole Board before decisions are taken on matters of regulatory policy.

It is accordingly proposed that the Board shall comprise a Chairman, a Vice-Chairman, and three other full-time members, together with up to seven part-time members, all to be appointed by the Governor in Council. Normal terms of appointment will be seven years for the full-time members and five years for the part-time members, but in both cases the terms of initial appointments will be adjusted so as to ensure a rotation of new appointments.

The Committee concurs with the White Paper's proposal that the Board of Broadcast Governors be reconstituted and its powers and authority clarified so as to make it a more effective regulatory authority in all matters affecting general broadcasting policy. We emphasize our conviction, however, that the areas of authority and responsibility of the BBG and the CBC, and the nature of the relationship it is intended to establish between them, be fully understood and clearly defined in the legislation.

If public and private components are part of a single structure, as the Fowler Committee Report and the White Paper see them to be, a common regulatory authority is needed to oversee this structure and, as an "auditor general" of broadcasting, to advise Parliament periodically as to the performance of Canadian broadcasting.

Although the ultimate authority and responsibility of Parliament is clear, it is equally clear that Parliament cannot administer or supervise broadcasting. Nor do we believe a Minister of the Crown should have such power. A reconstituted BBG should provide an assessment of our broadcasting system. In order to do so, it must have clear-cut directives from Parliament as to how it will be expected to act on Parliament's behalf.

The CBC, as the prime instrument of public policy in broadcasting and one of the world's largest broadcasting organizations, needs a strong Board of Directors. Its directors would continue to be challenged with the management of one of our country's most important corporations. Legally, they are the Corporation. Although they hold this public asset as trustees for the Canadian people, it is natural that they should develop loyalties to its personnel, its programs and its welfare. It is in the public interest, as well as in the interest of the CBC, that they do so, within the context of their responsibility to Parliament on behalf of the people. At the same time, the CBC (and the public) should benefit from continuous and co-operative liaison with a BBG bearing responsibility for overseeing performance of the entire broadcasting system. The BBG, however, should not be involved in the Corporation's day-to-day decision-making or in policy-making concerned with the internal workings of the Corporation. These must be the responsibility of the CBC Board of Directors.

The responsibility of the BBG, in the first instance, would be to amplify the broad principles for Canadian broadcasting laid down by Parliament and to set general standards following public hearings. The legislation must say,

with a good deal of precision, what these principles are, as they apply to the various components of the system, both public and private. Obviously, the most important of them will concern programming. In the case of the CBC, responsibility for porgramming must rest with its Board and management. We welcome the assurance that the BBG "will not, however, be empowered to give directions, other than by generally applicable regulations or in the conditions of a licence, to any broadcaster in respect of specific programs."

In case of conflict between components, the BBG should have the power to arbitrate any dispute. It should seek to resolve complaints which fall within its purview by consultation with the component or components concerned before resorting to penalties or public censure, either of which should be a final resort but firmly used if necessary.

As creatures of Parliament, both the BBG and the CBC should continue to report to Parliament annually and the members of each board should be available to this Committee for a review of their reports when their estimates are under consideration. A major parliamentary inquiry into broadcasting should not be necessary more than once every five years. We agree that it will be necessary, and useful, to have discussions between the CBC and BBG on the Corporation's budget. The BBG, however, should not assume responsibility for the budget. As "auditor general" of broadcasting, the BBG should assess the performance of all components of the system under its supervision, including the CBC. In assessing the CBC, the BBG 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.

We endorse the White Paper's view that "far too little is known about the specific effects on the public of new forms of communication, or about the views held by Canadians as to the objective of public broadcasting." We note the willingness of private broadcasters to collaborate with the BBG and the CBC in an accelerated research program and feel that other independent agencies should be encouraged to participate in this endeavour. In addition to the areas of research mentioned in the White Paper, we recommend that a study be undertaken of the economic effects on Canadian broadcasting of advertising placed by Canadian firms with U.S. stations.

The Committee approves of the licensing procedure, regulation of affiliation agreements, and composition of the BBG as outlined in the White Paper. The Committee believes, however, that the authority of the Board should not reside only in the full-time members but that part-time members should have the right to vote. We also recommend that the total number of members be eleven; five full-time and six part-time. We suggest that the full-time members

constitute an Executive Committee empowered to deal with matters delegated to it by legislation or by the full Board.

Your Committee has not heard specific views on the point as to whether the reasons for decisions of the BBG should be made public at the request of interested parties. We suggest, however, that this point be considered when legislation is being drafted.

(White Paper)

5. The Structure of the Broadcasting System

In ordinary circumstances, the Board of Broadcast Governors will have the unqualified right, subject to technical certification by the Department of Transport, to select one from a number of applicants for a broadcasting licence, and to issue and renew licences on a basis of merit. But, as noted, authority will rest with the Governor in Council to give formal directions to the Board on the overall pattern of coverage to be followed; on the reservation of particular channels and frequencies for the use of the Canadian Broadcasting Corporation; on the assignment of particular channels and frequencies for special purposes; on the eligibility of certain classes of applicants for licences; and on the pre-emption of broadcast time for special purposes or in an emergency.

All Canadians are entitled, subject only to practical considerations in the expenditure of public funds, to service in the Canadian official language that they habitually use. The Government intends to give the highest possible priority to the extension of radio and television coverage on this basis. Parliament will be asked to provide funds so that the Canadian Broadcasting Corporation can complete coverage, to the fullest extent that is feasible, with all possible speed.

The time has also come to consider full national network services in both official languages from coast to coast, and a detailed study of all aspects of this question will be undertaken forthwith.

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.

In recommending the issue of a second-station licence before the enactment of new legislation, the Board of Broadcast Governors will be required to satisfy the Government that the advertising revenue of a new station will be adequate to support a proper level of public-service programming.

The Committee concurs with the statement on structure appearing in the White Paper, particularly with reference to extending coverage to all Canadians, and to full network services in both official languages. We recommend further that, wherever practical, in areas now receiving only one Canadian service, if the service is through a private outlet, the alternative should be provided by CBC. If CBC is now the sole service, the second service should be private. Where there are serious obstacles to such parallel development, however, these should not prohibit the extension of alternate service by other means, at least on a temporary basis. We urge that the introduction of dual service proceed as rapidly as CBC finances and local market conditions permit.

(White Paper)

6. New Television Channels

The television channels now in regular use in Canada all lie within what is known as the very-high-frequency band (VHF). The number of these channels is limited, and most have already been assigned. Those that remain are too few to meet current and impending requirements for educational television stations and other special needs. For these purposes it will be necessary to make use of the additional channels available in the ultra-high-frequency band (UHF), which requires special transmitting and receiving equipment, and which is not yet in regular use. The Department of Transport was accordingly directed some time ago to study in detail and make recommendations, in collaboration with the Board of Broadcast Governors, on the pattern of assignment of ultra-high-frequency television channels to the public and private sectors, and for educational and other special uses.

The Committee has noted with approval the study now in progress on the pattern of assignment of ultra-high-frequency television channels. We recommend that appropriate steps be taken to ensure that all new television sets sold in Canada be equipped to receive UHF transmission.

* * * *

(White Paper)

7. Programming

Clearly there must be regulations, applicable to all broadcasters alike, establishing general standards of public acceptability and governing such matters as the length, frequency and nature of advertising announcements, but this is hardly enough. While the Canadian Broadcasting Corporation has a special place in the field of public-service programming, private broadcasters also have a positive responsibility to contribute to a wide range of audience choice, to meet certain standards of public service, and to achieve the highest quality of programming they can reasonably afford. This the Canadian people are fully entitled to demand in return for the grant of a valuable franchise. But standards of quality and public service should not be formulated on a universally applicable basis. Private broadcasters operating in the larger and more profitable markets can afford to provide a greater variety and higher quality of programming than those in less favoured areas, and it is therefore logical to relate regulatory requirements to the profit-potential of individual licences.

In programming, high quality is more a matter of general excellence than of mere content. So called "high-brow" programs can be artistically or technically poor, while light entertainment can be excellent. High quality does not necessarily flow from high cost, and standards of quality cannot readily be made a condition of a licence. However, judgments about quality can quite legitimately be made in retrospect on the basis of actual observed performance, and should carry a great deal of weight when an application for the renewal of a licence is being considered.

Other important requirements of public policy can be measured in terms of time and money. In particular, the employment of Canadian talent of all kinds is something that public policy should require by demanding that all broadcasters include a substantial Canadian content in their programming, particularly in prime time. Events of national interest which originate abroad are important as public-service programming, but do not contribute to the utilization of Canadian talent and should not qualify as Canadian content.

Accordingly the new legislation will provide that minimum standards of publicservice programming and Canadian content shall be determined by the Board of Broadcast Governors on an individual basis, taking account of the circumstances of the licensee or of groups of licensees, including the Canadian Broadcasting Corporation. These minimum standards will be incorporated into the conditions of the licence so as to be legally enforceable.

Thus, in future, a broadcasting licence will be granted after a public hearing and subject to technical certification, to the applicant who undertakes, as a condition of his licence, to comply with generally applicable regulations on program quality and advertising, and to provide the best texture of public-service programming and Canadian content. The renewal of an existing licence will be subject to the same considerations, and the past performance of the licensee will be taken fully into account. The Board will not, however, be empowered to give directions, other than by generally applicable regulations or in the conditions of a licence, to any broadcaster in respect of specific programs.

The Committee agrees with the comments of the White Paper on programming. We approve of a flexible formula of expectations for performance by individual stations or groups of stations but with strict enforcement of standards imposed as a condition of licence. We believe it is essential to avoid monopolization of prime time by foreign programs, and to increase true Cana-

dian content in radio as well as television. We also believe that public affairs programs should be included among those shown during prime time.

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(White Paper)

8. Ownership of Canadian Facilities

Another important aspect of licensing policy in the field of radio and television which requires attention is the ownership of broadcasting facilities. It has always been recognized that the control of Canadian communications facilities should remain in Canadian hands. There are already instances of foreign ownership and potential foreign control extending markedly into the field of Canadian communications facilities, particularly in the community-antenna television systems.

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.

Parliament will be asked to authorize the Government to give guidance to the Board of Broadcast Governors aimed at preventing foreign control of broadcasting facilities, the domination of a local situation through multiple ownership, or the extension of ownership geographically in a manner that is not in the public interest.

The Committee supports the White Paper's proposal that the BBG be required to investigate and report on public complaints or representations about situations where control of broadcasting and another communications medium may tend to create a monopoly of information. We suggest that similar action would be justified where there appears to be danger of an undue concentration of control within broadcasting media. We also recommend that the BBG be authorized to initiate such investigations in the absence of public complaints when it deems advisable. We believe, too, that careful attention should be paid to these considerations in the granting of licences and in formulating conditions of licences, particularly in any area where there is unlikely to be more than one station, either radio or television. The Committee has noted that in the United States there is a limitation on the number of stations which can be licenced to any one owner, and feels the merits of such a restriction should be considered.

(White Paper)

9. Educational Broadcasting

A tremendous expansion in the use of television for educational purposes is to be expected in the next few years, and the operation of educational broadcasting stations or systems involves both federal and provincial responsibilities. The policy that has been followed for the past twenty years is that broadcasting licences should not be granted to other governments or to agencies under their direct control. The only exceptions have been some radio licences issued to educational institutions specifically for educational broadcasting. Provincial applications for licences for private television stations to be operated in connection with the educational system of the province are now being received, and more are to be expected in the near future.

Federal policies in the field of communications must not work to impede but must facilitate the proper discharge of provincial responsibilities for education. For this purpose, it will be necessary to work directly with the provinces to study the technical facilities required, and to plan and carry out the installation of educational broadcasting facilities throughout Canada.

The Government is prepared to give immediate consideration to the creation of a new federal organization licensed to operate public service broadcasting facilities. This organization would be empowered to enter into an agreement with any province to make such facilities available for the broadcasting within the province, during appropriate periods of the day, of programs designed to meet the needs of the provincial educational system as determined by the responsible provincial authorities. As a component of the Canadian broadcasting system, the new organization would be subject to the authority of the Board of Broadcast Governors in respect of the licensing of stations, the hours of broadcasting, the interpretation

of its purposes, and generally the regulatory power of the Board in all matters affecting general broadcasting policy in Canada. Details of this arrangement will be developed after ample opportunity has been given for full discussion with all concerned.

It is the view of the Government that, since the imminent availability of ultrahigh-frequency channels and facilities will be quite adequate for the needs of education, there is no need at this time to proceed with the recommendation of the Advisory Committee that the very-high-frequency channels now in use should be pre-empted for educational purposes in the forenoon.

The Committee has reserved this part of the White Paper for more intensive study, which it hopes to pursue after presentation of this report. However, we appreciate that some steps might have to be taken toward making broadcasting facilities available for instructional purposes before we can report further. The Committee therefore cautions against any departure from the long-standing policy that broadcasting licences not be granted to governments or to agencies under their direct control, and urges that no facilities be committed to the exclusive use of any government or any such agency of government.

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(White Paper)

10. Community-Antenna Television Systems

The new legislation will provide that community-antenna television systems shall be treated as components of the national broadcasting system, subject to licensing, regulation and control by the Board of Broadcast Governors.

The Board will be empowered to examine, at public hearings or otherwise, all applications for new licences or the renewal of existing licences for such systems. Among the matters subject to regulation or incorporated in the conditions of a licence will be the inclusion of Canadian channels, the preservation of the integrity of the programs received and carried by the systems, the formation of networks, an adequate degree of Canadian control of corporate licensees, and—as already noted—questions of multiple ownership or control.

Study is being given to special problems of jurisdiction involved in the regulation of closed-circuit television operations and the reception of transmissions from antennae in the United States fed through a coaxial cable or microwave system to Canadian communities for local distribution over cable networks.

The Committee concurs with the proposals of the White Paper with respect to community antenna systems. We recognize the value of these systems but we agree that they should be treated as part of the broadcasting system. While they do not at present use the airwaves, they nevertheless distribute broadcast programs which may compete with those of other broadcasting outlets and therefore, should be under the jurisdiction of the BBG.

* * * *

(White Paper)

11. Penalties and Appeal Procedures

The Board of Broadcast Governors will be empowered to inflict monetary penalties for breaches of regulations or failure to comply with the conditions of a licence; in the latter case there will also be power to suspend or revoke a licence. The legislation will also provide for appeals to the courts, on questions of law but not of fact, against any decisions of the Board.

The Committee approves the procedures suggested in the White Paper provided licensees are afforded the right to be heard. Such procedures appear to be consistent with those of other comparable tribunals.

III

THE CANADIAN BROADCASTING CORPORATION

12. The National Broadcasting Service

(White Paper)

The new legislation will establish that the Canadian Broadcasting Corporation, as the public component of the national broadcasting system, will be subject to

regulation and control by the Board of Broadcast Governors, and that the standards of quality and the nature of the service provided will be a condition of the licences granted to the Corporation. Since monetary penalties would be ineffectual and the suspension of a licence impractical, the Corporation will necessarily be required to comply with specific directions by the Board in cases of breach of regulations or failure to comply with the conditions of a licence.

The Committee concurs with the proposal in the White Paper that the CBC will be subject to regulation and control by the BBG on the understanding that this does not imply any power to give directions in respect of specific programming except by general regulation or conditions of licences.

(White Paper)

13. The Mandate of the Corporation

Under the present Broadcasting Act, responsibility is assigned to the Canadian Broadcasting Corporation for the operation of a national broadcasting service. The interpretation of this phrase has been left largely to the Corporation itself, and it has fulfilled its prime responsibility to provide broadcasting services to the Canadian people as a whole in a manner that is altogether praiseworthy.

The new legislation will confirm the objectives developed by the Corporation, which are to provide a complete and balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes, including a high content of regional, national and international news, factual and interpretative reports, and programs devoted to all aspects of the arts, light entertainment, and sport. It should seek to use and develop Canadian artistic and cultural resources and talent, wherever situated, to the maximum extent consistent with high standards of program quality. It should serve the two official-language groups and the special needs of geographical regions, and it should actively contribute to the flow and exchange of information, entertainment and understanding between cultures and between regions.

The Committee concurs with the White Paper's confirmation and elaboration of the objectives developed by the CBC. We recommend, however, that there be legislative definition of this mandate with clear recognition that the CBC is the principal agency for carrying out public policy through broadcasting. While we feel the CBC's performance of its mandate has been by and large praiseworthy, we believe it can and must achieve its objectives more adequately under the new conditions proposed in the White Paper.

(White Paper)

14. The Board of Directors

The field of management and operational policy in the Canadian Broadcasting Corporation is so large that the Government is convinced this responsibility should not be entrusted to a panel of members of the Board of Broadcast Governors, as recommended by the Advisory Committee. This is true even though, under the new legislation, some broad areas of broadcasting policy which may now be within the competence of the Board of Directors of the Corporation will henceforth be subject to regulation by the Board of Broadcast Governors. There seems to be no doubt that the Corporation will benefit from the advice and judgment of outstanding Canadians chosen mainly but not exclusively for their knowledge and experience of management matters.

It is accordingly proposed that the Board of Directors of the Corporation shall comprise a President and a sufficient number of other directors to provide adequate representation, all to be appointed by the Governor in Council. The President, who will be the chairman of the Board, will be appointed for a term of seven years, the other directors for five years, with suitable provision for the overlapping of initial terms. Subject to the approval of the Governor in Council, the Board of Directors will appoint a chief executive officer, who will be responsible to the Board for all the operations of the Corporation.

The Committee concurs with the proposed composition of the Board and the provision for a chief executive officer to be appointed by the Board. We have noted with approval the relationship between the Chairman and the Director-General in the British Broadcasting Corporation which might well be emulated in the CBC.

We recommend that the Chairman be known by that title rather than as President. We consider this a position of high prestige and responsibility to be filled by an outstanding Canadian prepared to devote his energies fully to the CBC.

We recommend that the chief executive officer be called the General Manager and that he not be a director. We feel he should be a highly respected person experienced in program production administration and finance, capable of giving creative and positive leadership in the keystone of our broadcasting system.

We reiterate the Committee's recommendation in its Ninth Report, dated June 29, 1966, that there should be a Senior Executive responsible for programming and production in the English and French networks respectively, each reporting to the General Manager.

We agree that directors should be experienced in management matters, but we would not wish to see "management" in this context equated entirely with "housekeeping". Program policy is a most vital element in the management of a broadcasting organization, and it will always be an asset to have some directors with a practical knowledge of broadcasting. Although geographical representation need not be a prime consideration in the appointment of directors, the Committee supports the idea of forming two groups within the Board, each one to concern itself more particularly with the English or French network. Each should include directors who can speak the language of the network concerned and whose normal residence is within the coverage area of that network.

* * *

15. Financial Provision

(White Paper)

The Government accepts the recommendation of the Advisory Committee that the Corporation should be financed by means of a statutory five-year grant based on a formula related to television households, with a suitable borrowing authority for capital requirements. The details of the actual amounts, which will require the exercise of a tight financial discipline by the Directors of the Corporation but will be adequate for reasonable requirements, will be submitted to Parliament by the Minister of Finance later in the year when financial requirements of all kinds for the next and ensuing fiscal years are under consideration.

The Committee concurs with the proposal in the White Paper for financing of the CBC, and considers this basic to accomplishment of the goals which justify the Corporation's existence.

* * * *

16. Commercial Activities

(White Paper)

The size of the statutory grant to the Corporation must necessarily take into account an estimate of revenue from advertising and other sources. The Government has given the most careful consideration to the question of commercial activities, and has concluded that the recommendations of the Advisory Committee on Broadcasting should be implemented. It is important both to the Corporation and to private broadcasters that definite limits be set to the amount of revenue to be derived from its commercial activities. The Corporation should not seek to increase its present volume of commercial programming.

Parliament will accordingly be asked to make financial provision for the Corporation on the basis that, while improving its programming, it should seek to retain but not to increase its present 25% share of the television advertising market and 4% share of the corresponding radio market. It is hoped that, with improvements in sales techniques and growing oportunities for sales of programs abroad, this policy will enable the Corporation to provide a quality and diversity of programming that will not be unduly dependent on commercial resources.

The Committee recommends reconsideration of the commercial target on which the grant is to be based. If the Corporation is to carry out its mandate, improving quality and expanding Canadian content of its programming, its first concern must not be competition for commercial sales. A revenue target based on a share of the advertising market could require the Corporation to place an excessive emphasis on this aspect of its activities.

An alternative is suggested that would relate CBC commercial revenues to the proposed statutory grants. Having determined the over-all revenue needs of the Corporation for operational purposes, and the desired level of commercial activity, the number of dollars to be derived from advertising sources would be specified. This must be a realizable target and the Corporation should be expected to use aggressive advertising and program sales policies to the degree necessary to achieve it.

* * * *

(White Paper)

17. Headquarters and Consolidation Plans

The Government considers that the headquarters of the Corporation should remain in Ottawa, but that the headquarters staff should be of the minimum size compatible with the effective general direction of the Corporation. So far as possible, operational and ancillary activities, particularly the control of programming, should be removed to the main production centres, where suitable adjustments to consolidation plans should be made as a matter of urgency.

Approval has already been given for the start of construction for the consolidation of Montreal operations, but until the peak of construction for Expo '67 has been passed expenditures are to be incurred only at a minimal pace; this will give the Corporation a final opportunity to review its plans in detail. Decisions about consolidation in other production centres must await further discussion with the Corporation and detailed consideration of proposed plans.

The recent difficulties in the relationship of management to production staff forcefully underline the necessity for significant improvements in internal communications. The Government therefore expects that action to effect the necessary organizational changes will be given high priority by the Corporation.

The Committee concurs with the proposals set out in the White Paper, which are consistent with previous recommendations of this Committee. In the planning of facilities, however, we believe consideration should be given to what appears to be a major growth in the use of film production for television.

* * *

18. Colour Television (White Paper)

The Government has reviewed and confirmed its decision that the introduction of colour television, while necessary, must take a lower priority than other improvements in the public broadcasting service. The Corporation will therefore be required to limit its expenditures on conversion to colour through the fiscal year 1969-70 to plans already announced.

The Committee concurs with the policy expressed in the White Paper, but urges that it be reviewed frequently to avoid placing the public element in a prejudicial position relative to competitors and thus defeating the purpose of the CBC to serve as many Canadians as possible.

(White Paper)

19. The Northern Service and Armed Forces Service

For Canadians living and serving in the north and other remote parts of the country, and for Canadian servicemen overseas, broadcasting service is of inestimable importance. Radio and, increasingly in the future, television provide vital links with the more populous parts of Canada by affording an immediacy of communication that is essential to the preservation of a sense of Canadian unity. The Government therefore attaches high importance to the improvement of the present facilities for shortwave transmissions, which are far from adequate.

Parliament will accordingly be asked to provide funds so that the improvements in facilities and programming recommended by the Advisory Committee can be effected as quickly as possible. The present arrangements under which the Department of National Defence bears the main cost of the Armed Forces Service will be continued.

The Committee concurs with the White Paper.

* * * *

(White Paper)

20. The International Service

The Government is convinced of the importance and value of the International Service, and is generally prepared to accept the recommendations of the Advisory Committee with regard to the necessary renewal of the physical plant and the extension and improvement of programming. The integration of the Service with the Corporation, which should be undertaken forthwith, will facilitate a rationalization of activities and operations abroad. Programming policy will be determined under the guidance of the Department of External Affairs. The cost of operating the International Service will continue to be met by a special Vote, and Parliament will be asked to provide for the early installation of new transmitting equipment, as well as for the programming improvements and extensions recommended by the Advisory Committee.

The Committee concurs with the White Paper.

IV

CONCLUSION

(White Paper)

21. The Future of Canadian Broadcasting

The new legislation that Parliament will be asked to enact will, the Government believes, have many beneficial effects. The responsibilities and authority of the Board of Broadcast Governors will be unequivocally established, in relation both to the private broadcasters and to the Canadian Broadcasting Corporation. Both sectors will be fully aware of what is expected of them, and will thus be able to plan confidently for the future. If their plans are soundly conceived and executed, as the Government is confident they will be, the Canadian public will continue to enjoy broadcasting services envied by the rest of the world.

In a policy statement such as this, much of the content is necessarily devoted to the details of the Canadian broadcasting system, and it is therefore necessary to recall the national objectives set out in the opening statement. There is no area of human endeavour that is more affected by the present pace of technological change than the means by which people communicate with each other through electronic devices. The Canadian system must be adaptable to change. It must have a ready capacity to adjust to new forces so that it may contribute powerfully in the future, as it has in the past, to the essential goal of Canadian unity.

The Committee concurs with the White Paper's blueprint for the future. We recognize, of course, that technical advances such as satellite communication will create major changes in the whole field of broadcasting. These developments and their likely effect on the system must be considered carefully in all planning and legislation.

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."

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 29 to 42 inclusive) will be tabled later.

Mr. Klein, from the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration, presented the Fifth Report of the said Committee, which is as follows:

Pursuant to its Order of Reference dated January 30, 1967, a Subcommittee composed of thirteen members of the Standing Committee on Indian Affairs, Human Rights, Citizenship and Immigration visited the St. Régis and Caughnawaga Indian Reserves on Tuesday, February 14, 1967.

The Subcommittee under the guidance of the respective Chiefs toured the Reserves and attended meetings of the Band Council and open meetings of the Bands.

The major topics discussed at these meetings were Adult and Child Education, Central Mortgage and Housing Corporation housing, Recreational Facilities, Community Development Officers, Band Administration, Provincial Relations, Law Enforcement, Welfare, Hospital and Medical Assistance, Taxation and Grievances against St. Lawrence Seaway Authority respecting damage claims.

Your Committee recognizes the need to obtain additional information relating to matters affecting Indians and Indian Communities and to this end has planned additional visits to various Indians Bands.

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Tenth Report of the said Committee, which is as follows:

Your Committee had referred to it the subject-matter of Bill C-26, an Act to amend the Criminal Code (Safety Devices for Automotive Vehicles); Bill C-49, an Act to amend the Criminal Code (Dangerous Motor Vehicles); Private Members Notice of Motion Number 26: "That, in the opinion of this House, the government should consider early action to provide or promote legislation having as its aim the inclusion, at the manufacturer's level, of new and effective safety features in motor vehicles produced in or imported into Canada"; Private Members Notice of Motion Number 31: "That, in the opinion of this House, the Government should, as soon as possible, create a Commission or Committee to enquire into the manufacturing or safer motor vehicles and that, subsequently, on production of the report of such Commission or Committee, it should take immediate steps towards the implementation thereof in order to assure that all scientifically proven safety features are incorporated on vehicles produced or imported for use in Canada and in order to halt the senseless and unnecessary slaughter of thousands of Canadians each year on our highways"; and Private Members Notice of Motion Number 38; the question of auto safety.

In considering the subject-matter of these Bills and Notices of Motion, your Committee held 15 formal meetings over the period May 5, 1966 to March 16, 1967. These included two meetings where your Committee sat at the University of Windsor, Windsor, Ontario. In addition, your Committee visited laboratory and automobile safety testing facilities at General Motors Corporation at Milford, Michigan, Ford Motor Company at Dearborn, Michigan, and Chrysler Motor Corporation at Highland Park, Michigan.

The following witnesses were heard during the formal proceedings: Mr. R. R. Southam, M.P.; Mr. Ian Wahn, M.P.; Mr. Barry Mather, M.P.; Mr. Heward Grafftey, M.P.; The Hon. C. M. Drury, Minister of Defence Production; Mr. P. J. Farmer, Canadian Highway Safety Council; Messrs. Guy Renaud, J. G. McQueen, E. G. Paul, of the Canadian Automobile Association; Messrs.

D. Wolochow, J. E. Hanna, and J. A. Bancroft, of the Canadian Government Specifications Board: the Hon. Gordon E. Taylor, Minister of Highways, Government of the Province of Alberta; Messrs. K. B. Raham and W. S. Berry of American Motors Corporation; Messrs. G. A. Lacy, R. C. Haeusler, R. F. Keborn, R. M. Bannatyne and C. R. Smith of Chrysler Corporation Limited; Messrs. W. Scott, C. R. Briggs, Carl Purdy, E. Mehrer and J. Campoli of Ford Motor Company; Mr. Roy P. O'Callaghan of Kaiser Jeep of Canada Limited; Messrs. W. A. Woodcock, K. A. Stonex, F. E. Conlin, E. R. S. McLaughlin, A. S. Evans and J. B. F. Richardson of General Motors Corporation; Mr. C. R. McMillan of Goodyear Tire and Rubber Co.; Mr. William Dodge from the Canadian Labour Congress; and Messrs. Larry Sheffe, Charles Brooks, James Milne, Don Read and Michael Heas of the United Automotive Workers Union.

The following were printed as appendices to the Minutes of Proceedings and Evidence:

The Brief of Mr. Heward Graffety, M.P.

The Synopsis of brief by Mr. Heward Grafftey.

The Resolution of Canadian Fire Marshals and Commissioners.

The Brief of Canadian Automobile Association.

Canadian Government Specifications Board draft Standards re automobiles, 97-GP-1 through 97-GP-27.

CGSB draft "guide on factors of automobile safety".

Canadian Labour Congress Brief of February 2, 1967.

Brief of Mr. James Milne, United Auto Workers Union.

Brief of Mr. Don Read, United Auto Workers Union.

Brief of Mr. Michael Heas, United Auto Workers Union.

The following were made exhibits:

Bill (United States Senate) S 3005 regarding Safety Standards of Motor Vehicles—received from Senator Warren G. Magnuson, the Committee on Commerce, U.S. Senate.

Legislative Calendar, April 1, 1966 received from Senator Warren G. Magnuson, Chairman of the Committee on Commerce, U.S. Senate, Committee on Commerce.

Traffic Safety Hearings, Committee on Commerce—received from Senator Warren G. Magnuson, Chairman of the Committee on Commerce, U.S. Senate.

1966 S.A.E. (Society of Automotive Engineers) Handbook.

Summaries obtained through the Canadian Government Specifications Board of Motor Vehicle Safety legislation in England, France, United States, Germany, Italy and Japan and in the Canadian Provinces.

U.S. Department of Commerce, Initial Federal Motor Vehicle Safety Standards of February 1, 1967, received from Dr. Wm. Haddan, jr., Administration, National Traffic Safety Agency.

Grievance No. 3-31108 at Chrysler Corp. of Canada Ltd. from UAW.

Inspection defect cards O. Assy, 7474-1, November, 1966, from UAW. Inspection check list, 169128, and 166998, from UAW.

New Vehicle Starting Procedure, dated October 12, 1965 and December 6, 1965, issued by A. A. McKenzie, Industrial Relations Manager, Ford, Oakville.

Report dated November 1, 1966, signed by Mr. J. L. Coissie relating an inspection incident, from UAW.

Brief of Local 444, UAW, presented by Mr. Charles Brooks, President, Local Union.

Agreement between Chrysler Canada Limited and UAW - Local 444, March 7, 1965.

Chrysler Assembly Inspection Travel Cards.

Chrysler Passenger Car Pre-Delivery Service Inspection.

Chrysler Organization Chart.

Procedure for the Safe Handling of Defective Power Assist Brake Units from Ford, dated October 1, 1965.

Safety Precaution-No Brake Vehicle sign from Ford.

Danger-"Do Not Drive" sign from Ford.

Danger-"Toe-In" sign from Ford.

1967 Passenger Car Pre-Delivery Service Record from Ford.

1967 New Vehicle Pre-Delivery Inspection and Adjustment Check Sheet from General Motors.

Inspection Record Card from General Motors.

In the course of the hearings, evidence to the following effect was presented:

(1) Highway safety requires improvement in all of the following four factors, namely: (i) the driver, (ii) the highway, (iii) the vehicle produced by the automotive industry and (iv) proper maintenance of the vehicle by the owner.

While this report can deal with only one of these four factors, namely the vehicle produced by the automotive industry, the other factors are equally important.

(2) A great deal more can be done to design and equip motor vehicles (i) which will minimize the possibility of accidents happening, and (ii) which will protect the driver and passengers and highway users from the results of accidents when they do happen.

Particular attention should be paid to safety features which will minimize injury and death to the driver and passengers from the so-called second collision, i.e. the collision with the interior of the car and its contents which happens when a rapidly travelling vehicle is suddenly stopped.

(3) In recent years automotive manufacturers have increased very substantially expenditures on work and research for the purpose of designing and producing safer motor vehicles. This has coincided with increased public interest in the subject and with the United States Federal Legislation on motor vehicle safety.

On the whole, the Canadian automotive industry is doing a good job in producing a good quality motor vehicle at a reasonable cost to the Canadian

purchaser. It is essential, however, that expenditures on work and research for the purpose of designing and producing a safer motor vehicle should continue and increase.

(4) Because of the close integration of the Canadian and American automotive industries, it is highly desirable that legislative safety requirements for motor vehicles should be uniform or nearly uniform in Canada and the United States. Because of United States federal legislation in the field, Canadian motor vehicle purchasers will automatically obtain the benefits of the additional safety features required by United States legislation.

Nevertheless, Canadian legislation to promote increased safety in motor vehicle design and equipment is desirable. Because of the great amount of interprovincial and international travel, it is desirable that the basic requirements should be imposed by federal rather than provincial legislation so that maximum uniformity and enforcement can be obtained.

The federal Department of Defence Production has already established the Canadian Government Specifications Board. This Board has produced a set of standards with regard to motor vehicles which are used in the purchasing of motor vehicles for federal government departments.

(5) Most other leading industrial countries have legislation on this subject. Such countries include England, France, United States, Germany, Italy and Japan.

Most of the Canadian provinces already have some legislation relating to motor vehicle safety including legislation relating to lights, reflectors, directional signals, windshield wipers, windshield defrosters, safety glass, mufflers, horns, rear view mirrors, brakes and warning devices for disabled vehicles.

- (6) In the production of motor vehicles a very substantial amount of "lead time" is required. Design work on a particular model usually commences several years prior to the actual production of such a model. Accordingly the introduction of mandatory standards should give appropriate recognition to the lead time required to give effect to such standards with reasonable efficiency and economy.
- (7) It is essential that federal legislation should be drafted bearing in mind the constitutional restrictions to which the federal parliament is subject. The field of criminal legislation is clearly within the exclusive legislative jurisdiction of the federal parliament. It is also believed that the regulation of motor vehicles used either interprovincially or internationally would also be subject to federal jurisdiction.

While it is believed that the federal government has adequate jurisdiction to carry out the recommendations set out below, it is recognized that any such legislation must be checked for constitutional validity by the Department of Justice.

Your Committee therefore makes the following recommendations:

(1) A public Board (which could be Canadian Government Specification Board, Canadian Standards Association or new board) should be charged with the responsibility for developing at the earliest possible date, and improving from time to time, appropriate safety standards of design, construction and equipment for all motor vehicles produced in, or imported into, Canada and authorized for use in interprovincial or international transportation.

Vehicles not complying with such standards would not be permitted to be used in interprovincial or international transportation.

In order to promote maximum flexibility and design initiative, it is believed that, in general, it would be preferable for such standards to be in the nature of performance standards (i.e. that the vehicle comply with performance specifications) rather than that specific items of equipment be required.

In addition, this Board should have the following additional functions:

- (a) To set appropriate standards of inspection and quality control and to see that they are observed by automotive producers and parts manufacturers;
- (b) To initiate and supervise traffic safety research, possibly through the National Research Council; and
- (c) To co-ordinate the activities of the many voluntary and governmental agencies now interested and involved in traffic safety, including those concerned with driver education, driver licensing, vehicle maintenance and inspection and highway improvement.
- (2) While this Board should be established by federal legislation, it is essential that the co-operation of provincial governments, the automotive industry and the community should be obtained, and that the danger of bureaucratic control of a vital industry should be minimized. Provision should, therefore, be made for fair representation on the Board, of representatives of the major regions of Canada, namely the Atlantic Provinces, Quebec, Ontario and Western Canada (including the Territories) as well as representation from the industry and from the universities.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 3, 4, 5, 7, 10, 11, 16, 18, 20, 21, 26, 27 and 29) will be tabled later.

Mr. Orange, for Mr. Badanai, from the Standing Committee on Northern Affairs and National Resources, presented the Sixth Report of the said Committee, which is as follows:

- 1. Pursuant to the Order of Reference of Tuesday, November 1, 1966, on the matter of national parks and historic parks and sites, this report is further to your Committee's Fourth Report which listed: thirty-eight witnesses heard in Banff and Jasper National Parks, Alberta, November 30, 1966 to December 3, 1966; and related documents. Witnesses from Waterton Lakes were also heard and the recommendations in this report should be considered as applicable to that national park as well.
- 2. Since the Fourth Report, the following witnesses have been heard: The Honourable Arthur Laing, Minister of Indian Affairs and Northern Development; Mr. J. A. MacDonald, Senior Assistant Deputy Minister, Department of Indian Affairs and Northern Development; Mr. Don Hummel, former Chairman of the Conference of National Park Concessioners in the United States, who is principal stockholder in the Prince of Wales Hotel in Waterton Lakes National Park, Alberta, Canada.
- 3. Policy: Your Committee supports the principle set forth in Section 4 of the National Parks Act, which reads:

"The Parks are hereby dedicated to the people of Canada for their benefit, education and enjoyment, subject to the provisions of this Act and the regulations, and such Parks shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations."

- 4. Zoning: In the application of the foregoing principle, your Committee favours the concept of zoning national parks into areas which are:
 - (a) wilderness;
 - (b) semi-wilderness, including recreational areas;
 - (c) visitor service centres.
- 5. Administration: Your Committee also agrees with long range planning of national parks and decentralization of authority through regional offices, which is being conducted by the Department of Indian Affairs and Northern Development.
- 6. Related to the decentralization, it was apparent to your Committee that, in Banff, Jasper and Waterton Lakes, there are serious problems of communication between, on the one hand, the Department, and on the other hand, residents and commercial operators. Your Committee recommends that the government increase its efforts to establish and maintain more effective consultative machinery by strengthening the roles of Town Managers and Advisory Councils in administrating the townsites.
- 7. Leasing: One of the matters on which there is an apparent lack of communication, and which is a source of discontent in Banff, Jasper and Waterton Lakes, is leasing and changes in leasing which have occurred since 1958.
- 8. With regard to the legality of the practice of not renewing perpetual renewable leases, which practice has been achieved by administrative action, and which your Committee has been informed is, in the formal opinion of the law officers of the Crown, legal, and in view of the contrary opinion heard by the Committee, your Committee recommends that the testing of its validity be left to the courts.
- 9(a) With respect to residential leaseholds, your Committee recommends that the government act immediately to provide for local boards of arbitration representing the government, the leaseholders, and an independent point of view, to determine the compensation due to leaseholders on the expiry of their lease.
- 9(b). For commercial leases, your Committee recommends that the terms be sufficient to ensure an adequate supply of capital for visitors services, and a reasonable return of investment to be recovered over a reasonable period of time, at the same time continuing the objective of the government in ensuring that the public lands remain subject to public control.
- 9(c) With respect to old-form commercial leases which do not provide for the reversion of assets on termination, your Committee recommends that the government continue to substitute new-form leases providing for a fixed term and reversion of assets at each transfer or renewal point.
- 9(d). In respect of the question of compensation at the end of commercial lease terms, your Committee is satisfied that the period for recovery of investment, which in most cases is 42 years or longer, is sufficient for the recovery of investment, without compensation except on the recommendation of the proposed National Parks Leasehold Corporation.
- 9(e). Your Committee notes the Minister's statement to the Committee on March 14, 1967, that legislation will be introduced to establish a National Parks

Leasehold Corporation to administer leases, and also notes the Minister's hope that many leasing problems will be met by that Corporation.

- 10. Recreation: Your Committee is aware of the growing need for recreational facilities in the nation and encourages the federal government to co-ordinate the development of recreational areas, particularly within reasonable distance of urban centres, with all responsible provincial and local agencies, in view of the often detrimental pressures of growing recreational needs on national parks' areas not dedicated for that purpose.
- 11. Your Committee recommends that, in consultation and co-operation with provincial governments, the federal government proceed to establish, as expeditiously as possible, additional national parks throughout the nation.
- 12. Your Committee extends its appreciation to all those who assisted in arranging its visit to Calgary, Banff National Park, Jasper National Park, Edmonton, and Elk Island Nationl Park, all in Alberta.
- 13. A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 17 to 25) will be tabled later.

Mr. Nicholson, a Member of the Queen's Privy Council, laid before the House,—Copy of Regulations made March 21, 1967 pursuant to the Maintenance of Railway Operation Act, 1966, chapter 50, Statutes of Canada, 1966. (English and French).

The following bill from the Senate was read the first time and ordered for a second reading at the next sitting of the House:

Bill S-57, An Act to establish a corporation for the administration of the National Museums of Canada.—*Miss LaMarsh*.

Bill C-222, An Act respecting Banks and Banking was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again later this day.

By unanimous consent, at 7.00 o'clock p.m., the sitting was suspended until 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking and further progress having been made and reported, the Committee obtained leave to consider it again later this day.

By unanimous consent, it was ordered,—That this House continue to sit beyond 10.00 o'clock p.m. this day.

The House resumed consideration in Committee of the Whole of Bill C-222, An Act respecting Banks and Banking (as amended in the Standing Committee on Finance, Trade and Economic Affairs), which was reported with further amendments, and considered as amended.

By unanimous consent, Mr. Sharp, seconded by Mr. Pickersgill, moved,— That the said bill be now read a third time.

And debate arising thereon;

Mr. Knowles, seconded by Mr. Gilbert, moved in amendment thereto,— That Bill C-222 be not now read a third time, but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 91 thereof;

And the question being put on the said proposed amendment, it was negatived on the following division:

YEAS

MESSRS:

Barnett,	Gilbert,	Latulippe,	Peters,
Bell (Carleton),	Godin,	MacInnis,	Prittie,
Caouette,	Grégoire,	MacInnis (Mrs.),	Régimbal,
Churchill,	Herridge,	MacRae,	Scott (Victoria
Clancy,	Horner (Acadia),	McCleave,	(Ont.)),
Code,	Horner (Jasper-	McCutcheon,	Smallwood,
Crouse,	Edson),	McIntosh,	Starr,
Dionne,	Johnston,	Madill,	Thompson,
Fane,	Knowles,	Monteith,	Wadds (Mrs.),
Fawcett,	Langlois (Mégantic),	Nasserden,	Webb,
Forrestall,	Laprise,	Nugent,	Winkler—42.

NAYS

MESSRS:

Allmand,	Cowan,	Laverdière,	Richard,
Asselin (Richmond-	Crossman,	LeBlanc (Rimouski),	Rideout (Mrs.),
Wolfe),	Deachman,	Leboe,	Robichaud,
Basford,	Dubé,	Lefebvre,	Rochon,
Batten,	Émard,	Legault,	Rock,
Béchard,	Forest,	Lessard,	Roxburgh,
Benson,	Foy,	Lind,	Ryan,
Blouin,	Gendron,	Loiselle,	Sharp,
Boulanger,	Goyer,	Macdonald	Stafford,
Cameron (High	Gray,	(Rosedale),	Stewart,
Park),	Greene,	McIlraith,	Tardif,
Cantin,	Guay,	McWilliam,	Thomas
Cashin,	Habel,	Matheson,	(Maisonneuve-
Chatwood,	Harley,	Matte,	Rosemount),
Choquette,	Hellyer,	Morison,	Tolmie,
Chrétien,	Honey,	Neveu,	Tremblay,
Clermont,	Hymmen,	Pelletier,	Trudeau,
Comtois,	Jamieson,	Pickersgill,	Wahn,
Côté (Dorchester),	Laflamme,	Pilon,	Walker,
Côté (Longueuil),	Laing,	Prud'homme,	Whelan,
Côté (Nicolet-	LaMarsh (Miss),	Reid,	Yanakis—79.
Yamaska),			

And debate continuing;

Mr. Caouette seconded by Mr. Latulippe moved in amendment thereto,— That Bill C-222 be not now read a third time but that it be referred back to the Committee of the Whole House for the purpose of reconsidering clause 72 which relates to Bank reserves. And the question being put on the said proposed amendment it was negatived on the following division:

YEAS

MESSRS:

Caouette, Godin, Dionne, Grégoire, Langlois (Mégantic), Latulippe—7.

Laprise,

NAYS

MESSRS:

Allmand. Deachman, Leboe. Régimbal, Asselin (Richmond-Lefebvre, Dubé. Reid, Wolfe). Émard. Legault. Richard, Ballard, Fane, Lessard. Rideout (Mrs.). Barnett. Fawcett, Lind. Robichaud. Basford. Forest, Loiselle, Rochon, Batten. Forrestall, MacDonald Rock. Béchard, Foy, (Rosedale), Roxburgh, Bell (Carleton), Gendron. MacInnis. Ryan, Gilbert, Benson. MacInnis (Mrs.). Scott (Victoria Blouin. Goyer. MacRae. (Ont.)), Boulanger, Gray, McCleave, Sharp, Cameron McCutcheon, Greene. Smallwood. Guay, (High Park). McIlraith, Stafford, Cantin. Habel, McIntosh, Starr, Cashin, McKinley, Harley. Stewart. Chatwood, Hellver. McWilliam, Tardif. Choquette, Herridge, Madill. Thomas Chrétien. Honey, Matheson, (Maisonneuve-Churchill. Horner (Acadia), Matte, Rosemont), Clancy, Horner (Jasper-Monteith. Thompson, Clermont. Edson). Morison, Tolmie, Code. Hymmen, Nasserden, Tremblay, Comtois, Jamieson, Trudeau. Neveu. Côté (Dorchester), Nugent, Johnston. Wadds (Mrs.), Côté (Longueuil), Pelletier, Knowles. Wahn, Côté (Nicolet-Laflamme. Peters. Walker, Yamaska), Webb, Laing, Pickersgill, Cowan. LaMarsh (Miss), Pilon. Whelan. Crossman, Laverdière, Prittie, Winkler, Crouse. LeBlanc (Rimouski), Prud'homme, Yanakis-116.

And the question being put on the motion of Mr. Sharp, seconded by Mr. Pickersgill,—That Bill C-222, An Act respecting Banks and Banking, be now read a third time, it was agreed to, on the following division:

YEAS

MESSRS:

Allmand,
Asselin (RichmondWolfe),
Basford,
Batten,
Béchard,
Benson,
Blouin,
Boulanger,
Cameron (High
Park),

Cantin,
Cashin,
Chatwood,
Choquette,
Chrétien,
Clermont,
Comtois,
Côté (Dorchester),
Côté (Longueil),
Côté (NicoletYamaska),

Cowan, Crossman, Deachman, Dubé, Émard, Forest, Foy, Gendron, Goyer, Gray, Greene, Guay,
Habel,
Harley,
Hellyer,
Honey,
Hymmen,
Jamieson,
Laflamme,
Laing,
LaMarsh (Miss),

Laverdière,

LeBlanc (Rimouski), Matheson, Matte, Leboe, Morison, Lefebvre, Legault, Neveu, Pelletier. Lessard, Pickersgill, Lind, Pilon, Loiselle. Prud'homme. MacDonald Reid, (Rosedale), Richard, McIlraith, McWilliam, Rideout (Mrs.),

Rochon,
Rock,
Roxburgh,
Ryan,
Sharp,
Stafford,
Stewart,
Tardif,
Thomas
MaisonneuveRosemont)

Robichaud,

Trudeau,
Wahn,
Walker,
Watson
(ChâteauguayHuntingtonLaprairie),
Whelan,

Yanakis-80.

Tolmie, Tremblay,

NAYS

MESSRS:

Bell (Carleton), Godin, MacInnis (Mrs.), Régimbal, Caouette. Grégoire, MacRae, Scott (Victoria McCleave, (Ont.)), Churchill, Horner (Acadia), Clancy, Horner (Jasper-McCutcheon, Smallwood, Code, Starr, Edson). McIntosh, Crouse, Johnston, Madill, Thompson, Knowles, Wadds (Mrs.), Dionne, Monteith, Langlois (Mégantic), Nasserden, Fane, Webb, Nugent, Fawcett, Laprise, Winkler-40. Forrestall, Latulippe, Peters, Gilbert, MacInnis, Prittie,

Accordingly, the said bill was read the third time and passed.

A Message was received from the Senate informing this House that the Senate had passed Bill S-58, An Act respecting interprovincial and international teleferries, to which the concurrence of this House is desired.

A Message was received from the Senate informing this House that the Senate had passed the following bills without any amendment:

Bill C-190, An Act to amend the Bank of Canada Act.

Bill C-259, An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Act.

The house resolved itself into Committee of the Whole to consider Bill C-223, An Act respecting Savings Banks in the Province of Quebec (as amended in the Standing Committee on Finance, Trade and Economic Affairs), which was reported with further amendments and considered as amended.

By unanimous consent, the said bill was read the third time, on division, and passed.

(Proceedings on Adjournment Motion)

At 12.15 o'clock a.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate thereon, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Drury, a Member of the Queen's Privy Council,—Report of Polymer Corporation Limited, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Order of the House, dated November 23, 1966, for a copy of all correspondence, telegrams and other documents exchanged between the government or the Centennial Commission or Expo '67 or any agency, branch or department of either and any other person, group or association since January 1, 1963, relating to the carving of a totem pole for display at Expo '67.—(Notice of Motion for the Production of Papers No. 181).

By Mr. Martin (Essex East), a Member of the Queen's Privy Council,—Report of the Department of External Affairs for the year ended December 31, 1966, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C., 1952. (English and French).

By Mr. McIlraith, a Member of the Queen's Privy Council, by command of His Excellency the Administrator,—Report of the Department of Public Works for the year ended March 31, 1966, pursuant to section 34 of the Public Works Act, chapter 228, R.S.C., 1952. (English and French).

By Mr. McIlraith, by command of His Excellency the Administrator,—Report of Proceedings under the Trans-Canada Highway Act for the year ended March 31, 1966, pursuant to section 9 of the said Act, chapter 269, R.S.C., 1952. (English and French).

By Mr. Nicholson, a Member of the Queen's Privy Council,—Report of the Central Mortgage and Housing Corporation, together with a Statement of the Accounts certified by the Auditors, for the year ended December 31, 1966, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, chapter 46, and section 85 (3) and 87 (3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

At 12.37 o'clock a.m., the House adjourned until 2.30 o'clock p.m. this day.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,799-Mr. Prittie-March 21

- 1. Which company has been awarded the contract to carry out the piling and timber inspection on Phase 2 of the Fraser River Trifurcation plan?
 - 2. Were competitive tenders asked for before a company was chosen?
 - 3. If the answer to Part 2 is no, on what basis was the company selected?
- 4. Did the department ascertain if the company selected had sufficient personnel experienced in carrying out inspections in Pacific Coast and Fraser River water conditions?
- 5. What are the rates for the following services on Phase 2 of the Fraser River Trifurcation Plan (a) treated piling, as specified (b) untreated piling—plan inspection, Vancouver area (c) untreated piling—bush inspection?
- 6. What will be the estimated total cost of Phase 2 inspection services based upon the rates referred to in Part 5?
- 7. Did Miller Inspection Services Ltd. of Richmond, B.C., submit a letter offering certain rates?
 - 8. If so, what were those rates?
- 9. Based upon the rates of Miller Inspection Services Ltd., what would the total estimated costs have been?
- 10. Have Miller Inspection Services Ltd. completed any assignments for the Department of Public Works?
 - 11. If so, were their services satisfactory?

No. 2,800-Mr. Tucker-March 21

Has the Government of Canada any plans to open a regional office of the National Parole Board of Canada in the Province of Newfoundland and, if so, when and where?

*No. 2,801-Mr. Alkenbrack-March 21

Because of the current shortage of butter in Canada, will the government give the producers of farm-separated cream a better return for their product in the new dairy year than in the one now terminating?

*No. 2,802-Mr. McCleave-March 21

With regard to the estimates of the Department of National Defence for 1967-68, were the amounts based on a program incorporating unification and, if so, what would have been the amounts had unification not been so incorporated?

No. 2,803-Mr. Crossman-March 21

- 1. What was the total amount committed for development grants under the Area Development Program in each of the Atlantic Provinces from 1964 to date?
- 2. What was the total amount paid by the Federal Government to each of the Atlantic Provinces under the fiscal agreements for the years ending March 31st 1960 to 1967?
 - 3. What is the total amount committed for the year 1967-68?

No. 2,804-Mr. Nesbitt-March 21

- 1. What was the total amount of compensation paid to landowners whose properties were either purchased or expropriated for the construction of the Gordon Pittock Dam, reservoir and recreation area, being part of the Upper Thames River Conservation Authority at Woodstock, Ontario?
- 2. What were the individual amounts of compensation paid to each land-owner to date?

Introduction of Bills-On Thursday next

March 21—Mr. Caouette—Bill intituled: "An Act to amend the Supreme Court Act".

March 21—Mr. Reid—Bill intituled: "An Act to amend the National Arts Centre Act (abolition of advisory committees)".

No. 231

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, MARCH 22, 1967.

2.30 o'clock p.m.

PRAYERS.

STATEMENT BY MR. SPEAKER.

Mr. Speaker: I am sure honourable Members will be interested to know that, on March 14, concurrent resolutions were introduced in the United States Senate and House of Representatives that the United States Congress extend its congratulations to the Parliament of Canada on the occasion of the Centennial of Confederation.

The resolutions were introduced in their respective Chambers by two great friends of Canada who have long been associated with the Canada-United States Interparliamentary Group, Senator George D. Aiken of Vermont, and Congressman Cornelius J. Gallagher of New Jersey. Senator Aiken and Congressman Gallagher, it should be noted, will once again be the Co-Chairmen of the United States Delegation to the tenth meetings of the Canada-United States group when it meets in Canada next May 10 to 14.

The resolutions were referred on March 14 to the appropriate committees of Congress for due consideration. They have now been reported back and adopted unanimously. The text is as follows: "Whereas the year 1967 marks the centennial of the confederation of Canada; and

Whereas the century of Canadian confederation has been marked by close ties of friendship and association between Canada and the United States; and

Whereas relations have been strengthened through the annual meetings of the legislators of Canada and of the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States extends its congratulations and its best wishes to the Parliament of Canada on the occasion of the centennial of the confederation of Canada and in affirmation of the affection and friendship of the people of the United States for the people of Canada."

V 231—1

I shall be pleased to convey to the Speaker of the House of Representatives and to the President of the Senate, a message of appreciation on behalf of all honourable Members.

Mr. Deachman, from the Standing Committee on National Defence, presented the Fifth Report of the said Committee, which is as follows:

Pursuant to its Order of Reference of Thursday, February 2, 1967, your Committee has considered Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof.

Your Committee held 55 meetings from February 7, 1967 to March 21, 1967, and heard the following witnesses (listed in order of appearance before the Committee):

The Honourable Paul Hellyer, Minister of National Defence

Air Marshal F. R. Sharp, Vice Chief of the Defence Staff

Air Marshal E. M. Reyno, Chief of Personnel

Major-General M. R. Dare, Deputy Chief Reserves

Brigadier W. J. Lawson, Judge Advocate General

Mr. Robert H. Hilborn, President, Tri-Service Identities Organization

Mr. Robert I. Hendy, Vice-President, Tri-Service Identities Organization

Mr. George Penfold, Secretary-Treasurer, Tri-Service Identities Organization

Mr. Robert I. Hendy, Chairman of the Committee on the Maritime Component of the Canadian Defence Forces

Mr. Robert G. Bundy, President of The Naval Officers' Associations of Canada

Mr. R. C. G. Wilson, President, Ontario Division of the Navy League of Canada

Mr. J. E. Koyl, Vice-President, Ontario Division of the Navy League of Canada

Mr. Richard Gaunt, Executive Committee, Navy League of Canada, Montreal Branch, RCN(R)

Mr. Frank C. Manchee, President, Toronto Branch, The Naval Officers' Associations of Canada

Rear-Admiral Jeffry V. Brock Rear-Admiral C. J. Dillon

Rear-Admiral W. M. Landymore

General Charles Foulkes

Mr. K. R. Patrick

Lieutenant-General R. W. Moncel

Air Marshal Clare L. Annis

Air Vice-Marshal M. M. Hendrick

Lieutenant-General F. J. Fleury

General J. V. Allard, Chief of the Defence Staff

Vice-Admiral H. S. Rayner

Air Marshal W. A. Curtis

Lieutenant-General Guy G. Simonds

Air Chief Marshal F. R. Miller

Your Committee has agreed by majority vote to report the said Bill, with amendments.

Your Committee has ordered a reprint of Bill C-243 embodying the amendments adopted by the Committee.

A further report, setting forth the above-mentioned amendments to Bill C-243, is being prepared and will be presented.

A copy of the Minutes of Proceedings and Evidence relating to Bill C-243 (Issues Nos. 14 to 37) will also be tabled.

Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twenty-Fourth Report of the said Committee, which is as follows:

Your Committee has considered the following bills and has agreed to report them without amendment:

Bill S-27, An Act to incorporate Laurier Life Insurance Company.

Bill S-41, An Act respecting La Société des Artisans.

A copy of the Minutes of Proceedings and Evidence relating to these bills (Issue No. 55) will be tabled later.

Mr. Sharp, a Member of the Queen's Privy Council, laid before the House,—Copy of Order in Council P.C. 1967-533, dated March 21, 1967, amending Income Tax Regulations made by Order in Council P.C. 1954-1917, as amended together with the Schedule annexed thereto. (English and French).

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Harkness be substituted for that of Mr. MacRae on the Standing Committee on National Defence.

The following bill from the Senate was read the first time and ordered for a second reading at the next sitting of the House:

Bill S-58, An Act respecting interprovincial and international teleferries.— Mr. Pickersgill.

Pursuant to Standing Order 39(4), the following four Questions were made Orders of the House for Returns, namely:

No. 2,239-Mr. Harkness

- 1. For the period from the appointment of the present Minister of Agriculture until November 30, 1966, what trips has the Minister taken on government business and at the taxpayer's expense?
- 2. In each case (a) where was the trip to (b) what was the purpose of it (c) what was the cost (d) was a government plane used?

No. 2,310-Mr. Reid

Has the federal government or any of its agencies, including the C.B.C. or the Board of Broadcast Governors; had any communications with the various provinces concerning Educational Television (ETV) and, if so (a) with what provinces (b) who initiated the correspondence (c) what is the content of this correspondence?

No. 2,428-Mr. Reid

- 1. What are the criteria used by the Civil Service Commission in establishing the salary levels for various classifications of the Canada Manpower Services and the Unemployment Insurance Commission?
- 2. Were the recommendations of the Gill Report used in determining the salary levels of Unemployment Insurance Commission staff and, if not (a) for what reason (b) what report, if any, was used?
- 3. What are the salary levels for the various staff classifications of the Canada Manpower Services and the Unemployment Insurance Commission?
 - 4. If there are differences, what are the reasons for these differences?
- 5. What impact has the difference in salary scale on the calculation of Superannuation for employees of the Unemployment Insurance Commission?

No. 2,578-Mr. Ryan

What have been the total all-inclusive costs of Canada's representation on each of the three international commissions in Indo-China, in each full fiscal year, since the Geneva agreements were entered into, and what amounts of such costs has Canada borne in each case?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,—Returns to the foregoing Orders.

Notices of Motions for the Production of Papers Nos. 205, 209, 212, 214, 215 and 220 were allowed to stand at the request of the government.

Ordered,—That there be laid before this House a copy of all correspondence to or from the Minister of National Defence in connection with the statements allegedly made by Major Stanley N. Nudds, Militia Officer in Rouyn-Noranda on November 11, 1966.—(Notice of Motion for the Production of Papers No. 219—Mr. McIntosh).

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Benson, seconded by Mr. Cadieux (Terrebonne) it was ordered,—That the Message of His Excellency together with the Main Estimates, 1967-68, presented to the House on Monday, March 13, 1967, be referred to the Committee of Supply.

The House resolved itself again into Committee of Supply and progess having been made and reported the Committee obtained leave to sit again later this day.

In accordance with the provisions of provisional Standing Order 6 (2), Mr. McIlraith, seconded by Mr. Gordon, moved,—That the House continue to sit after 6.00 o'clock p.m. this day;

And no Member having risen to object, the motion was deemed to have been carried.

The House resolved itself again into Committee of Supply.

(In the Committee)

The following resolutions were adopted:

SUPPLEMENTARY ESTIMATES (G), 1966-67

AGRICULTURE

PRODUCTION AND MARKETING

Administration

Administration		
17g Grants, Contributions and Subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of Estimates	94,387,000	00
Animal and Animal Products		
20g Administration, Operation and Maintenance	223,600	00
Plant and Plant Products		
35g Grants, Contributions and Subsidies as detailed in the Estimates	1	00
HEALTH OF ANIMALS		
40g Administration, Operation and Maintenance	136,000	00
45g Grants, Contributions and Subsidies as detailed in the Estimates	1	00
CANADIAN DAIRY COMMISSION		
65g Administration, Operation and Maintenance	49,000	00
FARM CREDIT CORPORATION		
90g Estimated amount required to provide for the operating loss of the Farm Credit Corporation for the fiscal year ending March 31, 1967	2,600,000	00
DEFENCE PRODUCTION		
A—Department		
10g Reimbursement of the Supply Service Revolving Fund for the value of stores which have become obsolete or unserviceable	13,423	00
15g Reimbursement of the Queen's Printer's advance Account for the value of stores which have become obsolete or unserviceable	36,678	00
C—Crown Companies		
Canadian Arsenals Limited		
40g Administration and Operation	391,000	00

45g Construction, Improvements and Equipment 67,700 00

LOANS, INVESTMENTS AND ADVANCES

DEFENCE PRODUCTION

L13g To extend the purposes of the revolving fund established by Loans, Investments and Advances Vote L18e, Appropriation Act No. 4, 1966, to include (a) the procurement of insurance coverage at bulk rates on the movement of household effects; and (b) the financing, in the 1966-67 and 1967-68 fiscal years, of the cost of hotel accommodation in Montreal during the period of the Canadian Universal and International Exhibition, Montreal, 1967 under arrangements approved by the Treasury Board

1 00

ENERGY, MINES AND RESOURCES

A-DEPARTMENT

ADMINISTRATION SERVICES

104,000 00

FIELD AND AIR SURVEYS, MAPPING AND AERONAUTICAL

CHARTING

20g Administration, Operation and Maintenance 100,000 00

GENERAL

85g Polar Continental Shelf Project 251,000 00

B-Dominion Coal Board

100g Administration and Investigations of the Dominion Coal 6,500 00

105g Payments in connection with the movements of coal under conditions prescribed by the Governor in Council—To extend the authority granted by Mines and Technical Surveys Vote 75b, Appropriation Act No. 10, 1964, as amended by Mines and Technical Surveys Vote 75d, Appropriation Act No. 2, 1966, and by Energy, Mines and Resources Vote 105c, Appropriation Act No. 9, 1966, to increase to \$37,737,911 the amount that may be spent pursuant thereto in the current fiscal year; additional amount required

4,591,686 00

ATOMIC ENERGY

ATOMIC ENERGY CONTROL BOARD

1g Administration Expenses of the Atomic Energy Control Board

2,214 00

ATOMIC ENERGY OF CANADA LIMITED (RESEARCH PROGRAM)

10g Current Operation and Maintenance, including expendable

LOANS, INVESTMENTS AND ADVANCES

ATOMIC ENERGY OF CANADA LIMITED

3,000,000 00

EXTERNAL AFFAIRS

A-DEPARTMENT

1 00

5g Representation Abroad—Operational

195,000 00

1 00

15g Assessments, Contributions and other payments to International (including Commonwealth) Organizations and International Multilateral Economic and Special Aid Programs as detailed in the Estimates

256,000 00

EXTERNAL AID OFFICE

3,500,000 00

LOANS, INVESTMENTS AND ADVANCES

EXTERNAL AFFAIRS

L24g Additional advance to the working capital fund of the United Nations Educational, Scientific and Cultural Organization in an amount of \$23,460 U.S., notwithstanding that payment may exceed or fall short of

the equivalent in Canadian dollars, estimated as of February, 1967, which is	25,000 00
FINANCE	
Administration	
1g Departmental Administration including Administration of the Guaranteed Loans Acts	125,200 00 167,000 00
COMPTROLLER OF THE TREASURY	
25g Administration, including the administration of the Superannuation and Retirement Acts and recoverable expenditures on behalf of the Canada Pension Plan	440,900 00
LOANS, INVESTMENTS AND ADVANCES	
FINANCE	
Comptroller of the Treasury	
L29g To authorize the operation of a working capital advance account, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Treasury Board, for the purpose of providing to federal government departments and agencies standing travel advances, advances for petty cash expenditures and imprest bank accounts, and such other accountable advances as may be approved by Treasury Board; advances made shall be charged to the account and refunds of advances credited thereto, the amount outstanding at any one time not to exceed	17,000,000 00
INSURANCE	
1g Departmental Administration	25,000 00
FISHERIES	
Administration	
1g Departmental Administration	23,000 00
FISHERIES MANAGEMENT AND DEVELOPMENT	
15g Grants, Contributions and Subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of Estimates	300,000 00
Special	
17g Estimated amount required to recoup the Fishing Vessel Indemnity Account, the Lobster Trap Indemnity	

Account and the Fixed Fishing Gear and Shore Installations Indemnity Account established under Vote 540 of the Appropriation Act No. 5, 1955 and Vote

527 of the Appropriation Act No. 6, 1956, to cover the net operating losses in the said Accounts as at March 31, 1967	132,000	00
FORESTRY AND RURAL DEVELOPMENT		
1g Departmental Administration	7,000	00
FORESTRY		
23g Contributions to the Provinces in the amounts and subject to the terms specified in the Details of Estimates	130,000	00
INDIAN AFFAIRS AND NORTHERN DEVELOPME	NT	
RESOURCE DEVELOPMENT		
3g Administration, Operation and Maintenance—To extend the purposes of Indian Affairs and Northern Development Vote 3 of the Main Estimates for 1966-67 to increase the contributions to the Canadian Council of Resource Ministers to \$107,310		00
NATURAL AND HISTORIC RESOURCES		
15g Administration, Operation and Maintenance including grants as detailed in the Estimates	1	00
20g Construction or Acquisition of Buildings, Works, Land and Equipment—To extend the purposes of Indian Affairs and Northern Development Vote 20 of the Main Estimates for 1966-67 to increase to \$17,906,700 the authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the		00
current fiscal year and to provide a further amount of INDIAN AFFAIRS	990,000	00
30g Administration, Operation and Maintenance including		
grants as specified in the sub-vote titles in the Esti- mates	2,100,000	00
35g Construction or Acquisition of Buildings, Works, Land and Equipment	1,100,000	00
Northern Administration		
45g Administration, Operation and Maintenance	271,600	00
LOANS, INVESTMENTS AND ADVANCES		
Indian Affairs and Northern Development		
L51g Indian Housing Assistance Account—To extend the purposes of Indian Affairs and Northern Development Vote L51a of the Supplementary Estimates (A), 1966-67, to authorize loans and advances to Indians for the acquisition of houses and land for housing purposes in areas other than Indian reserves	Specifical Party Specif	00

INDUSTRY

1 00

JUSTICE

102,000 00

LABOUR

B-CENTRAL MORTGAGE AND HOUSING CORPORATION

2,171,932 00

2,109,457 00

7,898,965 00

6,632,832 00

LOANS, INVESTMENTS AND ADVANCES

LABOUR

Central Mortgage and Housing Corporation

L38g Advances charged to the special account in the Consolidated Revenue Fund established by sub-section (4) of section 35A of the National Housing Act, 1954, in

respect of housing and land development projects undertaken jointly with the Governments of Provinces during the calendar year 1966	19,500,000 00
L39g Advances charged to the special account in the Consolidated Revenue Fund established by sub-section 2 of section 36H of the National Housing Act, 1954, in respect of loans to any province, municipality or municipal sewerage corporation, for construction or expansion of municipal sewage treatment projects during the calendar year 1966	32,500,000 00
LEGISLATION	
THE SENATE	
5g General Administration	282,500 00
MANPOWER AND IMMIGRATION	
NATIONAL EMPLOYMENT SERVICE	
20g Administration of the National Employment Service	370,000 00
IMMIGRATION	
30g Administration, Operation and Maintenance—To extend the purposes of Vote 30 of the Main Estimates for 1966-67 to increase the grants to Immigrant Welfare Organizations from \$20,000 to \$28,000	. 1 00
LOANS, INVESTMENTS AND ADVANCES	
Manpower and Immigration	
L41g To increase to \$500,000 the amount that may be charged at any time to the special account established by Vote 626, Appropriation Act No. 2, 1955, as amended by Vote 526, Appropriation Act No. 6, 1956, for advances to posts and to employees on posting abroad; additional amount required	225,000 00
NATIONAL DEFENCE	
DEFENCE SERVICES	
15g Operation and Maintenance and Construction or Acquisition of Buildings, Works, Land and Major Equipment and Development for the Canadian Forces	15,000,000 00
DEFENCE RESEARCH	
35g Research Satellite Program—To provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States National Aeronautical and Space Administration and the Defence Research Board	1,328,000 00

NATIONAL HEALTH AND WELFARE

MEDICAL SERVICES

20g Administration, Operation and Maintenance 1,970,000 00

POST OFFICE

PRIVY COUNCIL

A-PRIVY COUNCIL

5g Ministers without Portfolio-Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of Parliament, to each member of the Queen's Privy Council for Canada who is a Minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a Member of the House of Commons) of a salary of \$7,500 per annum and pro rata for any period less than a year

1,715 00

15g Expenses of the Royal Commissions listed in the Details of Estimates 145,500 00

B-ECONOMIC COUNCIL OF CANADA

20g Administration 120,000 00

GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS

1g Office of the Secretary to the Governor General 4,000 00

PUBLIC WORKS

A-DEPARTMENT

ACCOMMODATION SERVICES

5g Maintenance and operation of public buildings and grounds 1,010,000 00

HARBOURS AND RIVERS ENGINEERING SERVICES

30g Construction, acquisition, major repairs and improvements of, and plans and sites for harbour and river works (including expenditures on works on other than federal property); provided that no contract may be entered into for new construction with an estimated total cost of \$50,000 or more unless the project is individually listed in the Details of Estimates

1 00

B-National Capital Commission

LOANS, INVESTMENTS AND ADVANCES

PUBLIC WORKS

L56g To authorize the operation of a working capital advance account in the current and subsequent fiscal years, in accordance with terms and conditions approved by the Treasury Board, for the purpose of making payments in respect of construction and repair projects undertaken by the Department of Public Works on behalf of other federal government departments and agencies; the payments to be charged to the account and refunds by federal government departments and agencies to be credited thereto, the amount outstanding at any time, after deducting therefrom all amounts due by federal government departments and agencies, not to exceed . .

10,000,000 00

REGISTRAR GENERAL

5g Corporations Branch	5,900 00
10g Combines Investigation Act—Administration	100,000 00
20g Patent Division, Copyright and Industrial Designs Division	
and Trade Marks Office including contributions to the	

4,000 00

PUBLIC SERVICE STAFF RELATIONS BOARD

SECRETARY OF STATE

A-DEPARTMENT

NATIONAL MUSEUM OF CANADA

15g Administration, Operation and Maintenance 213,772 00

UNIVERSITY GRANTS

27g To extend the purposes of Secretary of State Vote 27a, Supplementary Estimates (A), 1966-67 to authorize, notwithstanding the said Vote, payments in the current

fiscal year of the remainder of the amount not exceeding \$60,000,000 referred to therein	21,600,000 00
CITIZENSHIP	
35g Administration, Operation and Maintenance including grants and contributions for language instruction and citizenship promotion	107,000 00
D-National Arts Centre Corporation	
	25,000 00
CANADIAN BROADCASTING CORPORATION	
1g Grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service	800,000 00
CHIEF ELECTORAL OFFICER	
1g Salaries and Expenses of Office	2,060 00
SOLICITOR GENERAL	
B—Correctional Services	
GENERAL	
12g Reimbursement of the Penitentiaries Industrial Revolving Fund for the value of stores which have become obsolete, unserviceable, lost or destroyed	16,007 00
C-ROYAL CANADIAN MOUNTED POLICE	
25g Payment in the current and subsequent fiscal years of a pension to Mrs. Helen Coleman, Mrs. Gladys Welfringer and Mrs. Annie Rosalie Laird in an amount equal to the amount that would be payable in that year to each such person under Schedule B to the Pension Act if each of them were the widow of a Lt. Col. (Army) and entitled, pursuant to the Pension Act, to payment of a pension in that year at the rate set out in Schedule B to that Act minus any amount payable to such person in the year pursuant to any other statutory authority providing for the payment of a pension in respect of the loss of life while engaged in the per-	enimor at
formance of duty; amount required for 1966-67	1,068 00

LOANS, INVESTMENTS AND ADVANCES

SOLICITOR GENERAL

C-Royal Canadian Mounted Police

L70g To authorize the operation of a working capital advance account in the current and subsequent fiscal years, in

accordance with terms and conditions prescribed by the Treasury Board, for the purpose of operating RCMP messes; expenditures for such purpose to be charged to the account and receipts for mess services to be credited thereto, the amount outstanding at any 80,000 00 TRADE AND COMMERCE GENERAL ADMINISTRATION 10g Exhibitions Branch 111,800 00 TRANSPORT A-DEPARTMENT MARINE SERVICES 5g Administration, Operation and Maintenance including authority, notwithstanding section 30 of the Financial Administration Act, to increase to \$27,016,900 the commitments for the current fiscal year for the Canadian Coast Guard Service 360,700 00 RAILWAYS AND STEAMSHIPS (hereinafter called the Company) upon applications approved by the Minister of Transport made by the Company to the Minister of Finance to be applied by the Company in the payment of the deficits, certified by

15g Payments to the Canadian National Railway Company the auditors of the Company, arising in the operations in the calendar year 1966 in respect of the following services: Newfoundland Ferry and Terminals; Prince Edward Island Car Ferry and Terminals; Yarmouth, N.S.-Bar Harbour, Maine, U.S.A. Ferry Service

1,176,000 00

20g Construction or Acquisition of Buildings, Works and Land, Dock and Terminal Facilities, including improvements to Terminal Facilities owned by Newfoundland, and of Vessels and Related Equipment as listed in the Details of the Estimates provided that Treasury Board may increase or decrease the amounts within the Vote to be expended on individually listed projects

1 00

27g Canadian National Railways Deficit, 1966—Amount required to provide for payment to the Canadian National Railway Company (hereinafter called the Company) upon applications approved by the Minister of Transport, made by the Company to the Minister of Finance, and to be applied by the Company in payment of the system deficit (certified by the auditors of the Company) arising in the calendar year 1966, which deficit shall be calculated after taking into account subsidies received by the Company in 1966 in respect of the maintenance of lower freight rates in 1964 and 1965, and after providing for outstanding

483,000 00

liabilities for vacation pay accrued in 1966, subject to recovery therefrom of accountable advances made to the Company from the Consolidated Revenue Fund	25,000,000	00
Air Services		
30g Administration, Operation and Maintenance	339,000	00
35g Construction or Acquisition of Buildings, Works, Land and Equipment including national airports (as determined by the Minister of Transport) and related facilities including authority, notwithstanding section 30 of the Financial Administration Act, to increase to \$37,800,000 the commitments for the current fiscal year for Airports and Other Ground Services	5,300,000	00
GENERAL		
73g Reimbursement of the Department of Transport Revolv-		
ing Fund for the value of stores which have become obsolete, unserviceable, lost or destroyed	215,700	00
B—Air Transport Board		
75g Salaries and Other Expenses	12,000	00
78g Subventions for Air Carriers as detailed in the Estimates	250,000	00
C—Board of Transport Commissioners for Canada	1	
80g Administration, Operation and Maintenance	35,000	00
82g Railway Grade Crossing Fund—To authorize, notwith- standing section 30 of the Financial Administration Act, an increase from \$34,967,000 to \$40,967,000 (in addition to any commitments in respect of which amounts are appropriated under this or any other Act) in the commitments that may be made in the current and subsequent fiscal years	1	00
D—Canadian Maritime Commission		
90g Steamship Subventions for Coastal Services, as detailed in the Estimates	2,081,919	00
E—National Harbours Board		
104g Payment to the National Harbours Board to be applied in payment of the balance of the deficit incurred in respect of the calendar year 1965 and the deficit expected to be incurred in the calendar year 1966 (exclusive of interest on advances authorized by Parliament and depreciation on capital structures) in the operation of the Jacques Cartier Bridge Montreel Harbour	483 000 (00

tion of the Jacques Cartier Bridge, Montreal Harbour

F-St. LAWRENCE SEAWAY AUTHORITY

105g Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence Seaway Authority with the approval of the Governor in Council and to authorize, notwithstanding the Financial Administration Act or any other Act, the disbursement by the Authority of revenues derived from the operation and management of such canals and works

549,000 00

10,150,000 00

LOANS, INVESTMENTS AND ADVANCES

TRANSPORT

200,000 00

771,757 00

1 00

TREASURY BOARD

ADMINISTRATION

GOVERNMENT ADMINISTRATION

19g To authorize the Governor in Council to amend from time to time Schedule A of the Public Service Superannuatin Act by deleting therefrom any board, commission or corporation named therein that has ceased to exist, and to deem, with effect from the 11th day of July, 1966, that persons in positions, as determined by the Governor in Council, in the whole or any portion of any board, commission or corporation which has its

own pension plan are not employed in the Public Service for the purposes of subsection (1) of section 4 of the Public Service Superannuation Act while such pension plan is in force	1 0
Superannuation Account and the Retirement Fund, as defined in the Public Service Superannuation Act, of the amount of all advances made pursuant to Finance Vote L100D of Appropriation Act No. 2, 1966, and L100E of Appropriation Act No. 4, 1966 to or in respect of persons described in those Votes who were required to make contributions under the Public Service Superannuation Act and the Canada Pension Plan or the Quebec Pension Plan in respect of remuneration received after December 31, 1965, and to provide that, notwithstanding the Public Service Superannuation Act, the contributions payable pursuant to that Act to the Superannuation Account or the Retirement Fund by any such person shall be reduced to the extent that the combined effect of that Act and the Canada Pension Plan or the Quebec Pension Plan result in a requirement to contribute in respect of that remuneration at rates in excess of 6.5% in the case of a male contributor and 5% in the case of a female contributor prior to his or her ceasing to be employed in the Public Service	1 0
25g To authorize the Treasury Board to delete from the accounts certain debts due, and claims by, Her Majesty, each of which is in excess of \$1,000, amounting in the aggregate to \$15,133,978.33	1 00
VETERANS AFFAIRS	
Welfare Services, Allowances and Other Benefits 6g To provide, notwithstanding the Children of War Dead (Education Assistance) Act, that Martin Merlihan, Mary Merlihan, Sheila Merlihan and Patricia Merlihan, children of the late Francis J. Merlihan who died on the 7th day of June, 1965, while under treatment for a pensionable disability, be deemed to be students	and the state of t
on and from the 8th day of June, 1965, within the meaning of the said Act	1 00
Pensions	
20g Administration	70,000 00
TREATMENT SERVICES	
30g Operation and Maintenance	900,000 00

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

210,000 00

LOANS, INVESTMENTS AND ADVANCES

VETERANS AFFAIRS

Treatment Services

5.000,000 00

Resolutions to be reported.

The said resolutions were reported and concurred in, and the Committee of Supply obtained leave to sit again later this day.

The House resolved itself again into Committee of Ways and Means.

(In the Committee)

The following resolution was adopted:

Resolved,—That towards making good the Supply to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st day of March, 1967, the sum of \$324,983,578 be granted out of the Consolidated Revenue Fund of Canada.

Resolution to be reported.

The said resolution was reported and concurred in, and the Committee of Ways and Means obtained leave to sit again later this day.

Mr. Benson, seconded by Mr. Pickersgill, by leave of the House, presented Bill C-282, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967, which was read the first time.

By unanimous consent, the said bill was read the second time, considered in Committee of the Whole, reported without amendment, read the third time and passed.

The House resolved itself again into Committee of Supply.

(In the Committee)

The following resolution was adopted:

INTERIM SUPPLY

Resolved,—That a sum not exceeding \$583,621,688.93, being the aggregate of—

- (a) one-twelfth of the total of all of the Items set forth in the Main Estimates for the fiscal year ending 31st March, 1968, laid before the House of Commons at the present session of Parliament, \$499,354,305.59;
- (b) an additional ten-twelfths of Loans, Investments and Advances Item L40 (Schedule A) of the said Main Estimates, \$16,666,666.67;
- (c) an additional four-twelfths of the total amounts of Atomic Energy Item 5, Energy, Mines and Resources Item 10, and National Research Council of Canada, including the Medical Research Council, Item 10 (Schedule B) of the said Main Estimates, \$23,778,000.00;
- (d) an additional three-twelfths of the total amounts of Energy, Mines and Resources Item 80 (Schedule C) of the said Main Estimates, \$2,543,000.00;
- (e) an additional two-twelfths of the total amounts of Energy, Mines and Resources Item 30, External Affairs Item 30, External Affairs Item 35, Loans, Investments and Advances Item L25 (Schedule D) of the said Main Estimates, \$27,544,166.67;
- (f) an additional one-twelfth of the total amounts of Industry Item 15, Legislation Item 20, National Revenue Item 5, Solicitor General Item 15, and Trade and Commerce Item 29, (Schedule E) of the said Main Estimates, \$13,735,550.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1968.

Resolution to be reported.

The said resolution was reported and concurred in and the Committee of Supply obtained leave to sit again at the next sitting of the House.

The House resolved itself again into Committee of Ways and Means.

(In the Committee)

The following resolution was adopted:

Resolved,—That towards making good the Supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st March, 1968, the sum of \$583,621,688.93 be granted out of the Consolidated Revenue Fund of Canada.

Resolution to be reported.

The said resolution was reported and concurred in, and the Committee of Ways and Means obtained leave to sit again at the next sitting of the House.

Mr. Benson, seconded by Mr. Pickersgill, by leave of the House, presented Bill C-283, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968, which was read the first time.

By unanimous consent, the said bill was read the second time, considered in Committee of the Whole, reported without amendment, read the third time and passed.

On motion of Mr. Pickersgill, seconded by Mr. Benson, it was ordered,—that, when this House adjourns at the end of this sitting, it shall stand adjourned until Monday, April 3, 1967, at 2.30 o'clock p.m., provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and,

That in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

A Message was received from the Senate informing this House that the Senate had passed the following bills, without amendment:

Bill C-222, An Act respecting Banks and Banking.

Bill C-223, An Act respecting Savings Banks in the Province of Quebec.

At 11.02 o'clock p.m., the sitting was suspended.

A Message was received from the Senate informing this House that the Senate had passed the following bills:

Bill C-282, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Bill C-283, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968.

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

22 March, 1967.

Sir,

I have the honour to inform you that the Honourable J. R. Cartwright, M.C., Puisne Judge of the Supreme Court of Canada, acting as Deputy to His

Excellency the Administrator, will proceed to the Senate Chamber today, the 22nd March, 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.

The Honourable,
The Speaker of the House of Commons.

A Message was received from the Honourable Mr. Justice Cartwright, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy to His Excellency the Administrator, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker with the House went to the Senate Chamber.

And being returned;

Mr. Speaker reported that, when the House did attend the Honourable the Deputy to His Excellency the Administrator in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

An Act to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration.

An Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses.

An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

An Act to amend the Bank of Canada Act.

An Act respecting Banks and Banking.

An Act respecting Savings Banks in the Province of Quebec.

Mr. Speaker also informed the House that he had addressed the Honourable the Deputy to His Excellency the Administrator as follows:

"MAY IT PLEASE YOUR HONOUR:

"The Commons of Canada have voted Supplies required to enable the government to defray certain expenses of the public service.

"In the name of the Commons, I present to Your Honour the following bills:

'An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March 1967'.

'An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1968'.

"To which bills I humbly request Your Honour's Assent."

Whereupon the Clerk of the Senate, by command of the Deputy to His Excellency the Administrator, did say:

"In Her Majesty's name, the Honourable the Deputy to His Excellency the Administrator thanks Her Loyal Subjects, accepts their benevolence, and assents to this bill."

(Returns and Reports Deposited with the Clerk of the House)

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Mr. Favreau, a Member of the Queen's Privy Council,—Copies of Statutory Orders and Regulations published in the Canada Gazette, Part II, of Wednesday, March 22, 1967, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Order of the House, dated March 15, 1967, for copies of all correspondence received by the Minister of Finance, the Superintendent of Insurance, the Superintendent of Bankruptcy or officials in their Departments, from William Gruber of Toronto, and replies sent by government officials to such letters, since January 1, 1964.—(Notice of Motion for the Production of Papers No. 199).

By Mr. McIlraith, a Member of the Queen's Privy Council,—Revised Capital Budget of the National Capital Commission for the year ending March 31, 1967, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

By Mr. Pepin, a Member of the Queen's Privy Council,—Capital Budgets of Eldorado Mining and Refining Limited, and Eldorado Aviation Limited, for the year ending December 31, 1967, pursuant to section 80 (2) of the Financial Administration Act, chapter 116, R.S.C., 1952, together with a copy of Order in Council P.C. 1967-324, dated February 23, 1967, approving same.

Pursuant to Special Order made this sitting at 12.54 o'clock a.m., Mr. Speaker adjourned the House without question put until 2.30 o'clock p.m., Monday, April 3.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On the next Monday's sitting

No. 2,805-Mr. Muir (Cape Breton North and Victoria)-March 22

- 1. What are the plans of the department concerned for the re-dredging of the inner mooring and the entrance channel at Bay St. Lawrence, Victoria County, Nova Scotia?
- 2. What is the depth of water at low tide in the entrance channel at Bay St. Lawrence at the present time?
 - 3. On what date is it intended to carry out dredging at this location?
- 4. Will this dredging be carried out by a departmental dredge or will tenders be called for this project?

No. 2,806-Mr. Schreyer-March 22

Of the total expenditure by the Department of Defence Production in the last fiscal year, what proportion of this amount was expended in (a) the three Prairie Provinces (b) British Columbia?

No. 2.807-Mr. Schreuer-March 22

- 1. Of the total expenditures by Air Canada in the last fiscal year, what proportion of that amount was spent in (a) the three Prairie Provinces (b) British Columbia?
- 2. Of the total Air Canada expenditures for maintenance and overhaul work in the last fiscal year, what proportion of this amount was spent in (a) the three Prairie Provinces (b) British Columbia?

No. 2,808-Mr. Herridge-March 22

Have there been any discussions between the Minister of Indian Affairs and Northern Development and Premier Manning of Alberta or any of their officials, with respect to the possible transfer of an area of Wood Buffalo Park to the provincial government in return for an appropriate area of provincial land to be used as a National Park?

No. 2,809-Mr. Barnett-March 22

- 1. To the knowledge of the government, is Random House (Canada) a subsidiary of Random House (U.S.A.)?
- 2. Is Random House (Canada) able to import for distribution in Canada books published in the U.S.A. without payment of tariffs or other taxes?

- 3. If so, what classes or kinds of books are importable without payment of tariffs or other taxes?
- 4. If not, what rates of tariffs or other taxes are collected on imported books?
- 5. Is there a price differential on books published in the U.S.A. when sold at the retail level between Random House (Canada) and Random House (U.S.A.)?
 - 6. If so, are prices higher or lower in Canada than in the U.S.A.?
- 7. What, in absolute or in percentage terms, is the average difference in price levels?

No. 2,810-Mr. Enns-March 22

- 1. Since the appointment of members to the National Welfare Council on December 23, 1964, how many meetings has this Council held and on what dates did the Council convene?
- 2. Have such meetings been at the call of the Minister or have members of the Council initiated meetings?

No. 2,811-Mr. Forrestall-March 22

- 1. Will there be a program of restoration work for the Halifax Citadel this year?
 - 2. If so, of what will this program consist?
 - 3. How many people will be employed?
 - 4. How much money will be spent?
- 5. How many persons are presently employed on Halifax Citadel and other related Halifax County projects in other than administrative jobs?

No. 2,812-Mr. MacLean (Queens)-March 22

- 1. Since April 1, 1964, has the C.B.C. on any occasion sent a radio and/or television team abroad to interview persons who had previously been refused entry into Canada?
 - 2. If so, on how many occasions was this done?
 - 3. What was the total cost involved?
- 4. Were any of these interviews broadcast and, if so, on what dates and on what programs?

Introduction of Bills-On the next Monday's sitting

March 22—Mr. Knowles—Bill intituled: "An Act to amend the Canada Labour (Standards) Code (Notice and Payment to Employees in case of Discharge or Lay-off)".

March 22—Mr. Knowles—Bill intituled: "An Act to amend the Canada Labour (Standards) Code (Provision for a Ninth General Holiday with Pay)".

No. 232

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, APRIL 3, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Harley, from the Special Committee on Drug Costs and Prices, presented the Second and Final Report of the said Committee, which is as follows:

CHAPTER I—TERMS OF REFERENCE

On February 15th, 1966 your Committee was constituted with the following Order of Reference:

"Resolved,—That a Special Committee be appointed to continue the inquiry into and to report upon costs of drugs, begun by Special Committee during the Twenty-Sixth Parliament;

That the Committee consist of 24 Members to be designated later by the House; and be empowered to sit while the House is sitting;

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;

That the Committee be empowered to send for persons, papers, and records, and to report from time to time, to print such papers and evidence from day to day as may be deemed advisable, and to engage the services of counsel, accountants, and such other technical and clerical personnel as may be deemed necessary;

That the Minutes of Proceedings and Evidence given before the Special Committees at the 26th Parliament be referred to the said Committee and be made part of the records thereof;

That the provisions of Standing Orders 66 and 67 (1) be suspended in relation to such Committee."

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On February 24, the following Members were appointed to the Committee: Messrs. Brand, Chatterton, Côté (Dorchester), Enns, Haidasz, Harley, Howe (Hamilton South), Howe (Wellington-Huron), Hymmen, Isabelle, Langlois (Chicoutimi), MacDonald (Prince), Mackasey, Macquarrie, Mitchell, O'Keefe, Orlikow, Pascoe, Patterson, Prud'homme, Roxburgh, Rynard, Tardif and Yanakis.

Messrs. Asselin (Richmond-Wolfe), Clancy, Whelan, Mrs. Rideout, Messrs. Scott (Danforth), Olson, MacLean (Queens), Johnston, Goyer, Noble, and Forrestall have also served on the Committee replacing some of the above members.

Dr. Harry C. Harley, M.D., Member for Halton, (Ont.) and Mr. Patrick Asselin, Member for Richmond-Wolfe, were respectively elected Chairman and Vice-Chairman on April 26.

In accordance with a resolution passed on the same date, the following Members were appointed by the Chairman to act with him on the steering subcommittee on agenda and procedure: The Vice-Chairman, Mr. Asselin, Dr. Rynard, M.D., Dr. Howe, M.D., (Hamilton South), and Mr. Patterson who was later replaced by Mr. Johnston; Dr. Isabelle, M.D., also served on this steering committee.

On May 12, 1966, in accordance with the Committee's authority, Mr. A. M. Laidlaw, Q.C. of Ottawa was appointed legal Counsel to the Committee and Mr. W. J. Blakely, C.A. of Kingston, Ontario, was appointed Accountant to the Committee.

Your Committee held 63 meetings during this Session and examined many firms, associations and private individuals who your Committee felt would be useful in assisting it in determining whether or not drug prices in Canada were in fact too high; and, if so considered, in making concrete proposals designed to lower drug prices to the Canadian consumer.

The witnesses appearing before the Committee are set out in Appendix "A" attached hereto; and the evidence at the hearings including the briefs will be tabled later.

CHAPTER II—BACKGROUND TO THE REPORT

1. The Basic Principles

Early in the hearings (Page 195 of the Minutes of Proceedings and Evidence) it was pointed out that perhaps the onus lay upon the drug industry to show cause why the various recommendations by previous investigators should not be implemented. This theme kept recurring throughout the hearings, although your Committee remained fully conscious that its responsibilities in fact exceed those of the 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. How such a balance between consumer interest in price and continued pharmaceutical research (one of the professed causes of high drug prices) may be maintained, and the resulting effect on the drug industry will be discussed as this Report proceeds.

2. Material Available

Your Committee, prior to receiving evidence, had before it the research studies and findings of three Canadian Commissions—The Royal Commission on Health Services (hereinafter referred to as the Hall Commission) which reported in 1964; the Report of the Restrictive Trade Practices Commission concerning the Manufacture, Distribution and Sale of Drugs, which was presented in 1963 and which was based on an enquiry undertaken by the Director of Investigation and Research under the Combines Investigation Act, (the basic material for the enquiry being summarized in a document described as the "Green Book" which was submitted to the Commission on February 28th, 1961); and the Royal Commission on Patents, Copyright and Industrial Designs, (hereinafter referred to as the Ilsley Commission) which reported in 1960 and in which Section 41 of the Patent Act, 1935, as amended, dealing with patents on foods and medicines was considered and recommendations made thereon.

For purpose of convenience your Committee has set the summaries of the recommendations of each of these Commissions in the form of Appendices to this Report as follows:

Recommendations of the Hall Commission as Appendix "B";

Recommendations of the Restrictive Trade Practices Commission as Appendix "C"; and

Recommendations of the Ilsley Commission dealing with Section 41 of the Patent Act as Appendix "D".

It should also be mentioned that your Committee has had access to other reports and texts dealing with drug costs and prices; and in the case of foreign reports and texts it has attempted, in the preparation of the recommendations that follow, to draw conclusions from these that would take into full consideration any discrepancies not peculiar to the Canadian situation. Perhaps the most important of these reports, apart from the reports from the three Commissions above-noted, is that of the United States Senate Subcommittee on Anti-Trust and Monopoly of the Committee on the Judiciary (referred to as the Kefauver Report) which in considerable detail investigated drug costs and pricing in the United States up to about 1960. There does not seem to be any reason to believe that facts and figures used in that Report have changed to any considerable extent since its publication. Nevertheless your Committee has been extremely cautious in accepting the figures of this Report which, of course, only apply fully to the situation in the United States. The international features of the drug industry, however, indicate that foreign studies and comments are not to be entirely ignored when Canadian aspects are in fact only those being investigated.

Other reports and material made available to the Committee include the final Report on the Cost of Prescribing (referred to as the Hinchliffe Report) published in the United Kingdom in 1959; a Report on the Retail Structure of Drug Prices in Manitoba issued in 1961 by a Joint Committee of the Manitoba Pharmaceutical Association and the Government of Manitoba; a Report on Survey of Dispensing Costs prepared in October 1965, on behalf of the Canadian Pharmaceutical Association of British Columbia; the Alberta Act of April 5th, 1962 which permitted druggists to substitute an equivalent generic drug for a brand name drug in any prescription unless substitution was specifically forbidden by the physician; the Report of the Select Committee of the Ontario Legislature on

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the Cost of Drugs which issued in 1963; and the Report prepared for the Hall Commission by the Research and Statistics Division of the Department of National Health and Welfare dealing with the Provision, Distribution, and Cost of Drugs in Canada which was published in 1964. The Committee considered the recommendations of the Boyd Committee and the Hilliard Committee who were appointed by the Department of National Health and Welfare to study some aspects of the drug industry.

It is apparent, therefore, that the wealth of material available, arising as it has from exhaustive studies based on evidence rendered by many parties under cross-examination, forms the background of this Report. Evidence given directly before the Committee in response to questions asked by members of the Committee and Counsel has been correlated with the prior background material to bring about your Committee's final conclusions and recommendations.

3. Introduction of Medicare and/or Other Health Services

Your Committee has been fully conscious throughout the proceedings of the importance of its task, not only because its recommendations, if carried out, might benefit the consumer of drugs, but eventually benefit the Canadian tax-payer. If any tax supported scheme be introduced to help ease the burden on the individual drug consumer, it is of paramount importance that the causes of high drug costs be identified and remedied now. This will ease the eventual charge on taxpayers generally.

CHAPTER III—THE DRUG INDUSTRY IN CANADA

1. Types of Industry

The drug industry in Canada comprises what is generally known as the medicinal and pharmaceutical preparation industry which, in turn, may be divided into four different groups: Chemical, Pharmaceutical, Biological and Proprietary, although these groups are not necessarily mutually exclusive. The manufacture of medicinal chemicals as such, i.e. chemicals which form the active ingredients as the basis of pharmaceutical preparations is not a large industry in Canada for the reason that Canada, economically, is not sufficiently populated to be able to support particular raw material plants of this type; and, in consequence, a large percentage of the active ingredients used in pharmaceutical preparations which appear in eventual solid or liquid dosage forms require importation from the United States, the United Kingdom and other countries. (Refer to page 208, Minutes of Proceedings and Evidence where it was stated that only 20 per cent of therapeutically active substances used in Canada are manufactured in this country).

It is the pharmaceutical industry in Canada which is the industry under investigation by your Committee. It is this industry which prepares and compounds the active ingredients obtained from fine chemical producers and which, through formulating, tabletting, capsuling, etc., provide therapeutic substances

for the eventual Canadian consumer. The term "manufacturing" as used by the Pharmaceutical Manufacturers' Association of Canada means the production of a pharmaceutical from its therapeutically active substance or substances. It is noteworthy that Canadian drug manufacturers by and large import the basic raw ingredients that form the basis of Canadian pharmaceuticals. However, the Committee is informed that there is a slight increase in the production of basic ingredients in Canada.

To a lesser extent the biological group comprises a segment of the pharmaceutical industry wherein these companies produce in dosage form drugs which finally appear as vaccines and the like. The final group, namely, the manufacturers of proprietary medicines are in a separate category, as patent medicines or well advertised household remedies which are manufactured by these companies are available to the public directly (without prescriptions required) through over-the-counter sales in drug stores or in other retail outlets. This report is not unduly concerned with the cost of such proprietary medicines as their sale, as in the sale of other goods, is subject to open competition. Home remedies are rarely prescribed by the physician and the buyer may "shop around" for this type of medicine or remedy.

It is reported that in 1963 there were some 173 establishments engaged chiefly in the manufacturing of pharmaceuticals and medicines almost all of whom are concentrated in Ontario and Quebec. Without actual statistics provided for later years it can be assumed that this number approximates those in existence in Canada today, although were there any change in these statistics our findings would not be influenced. The study also states that more than two-thirds of these plants are what might be considered multi-line pharmaceutical manufacturers and approximately three-quarters are multi-line proprietary manufacturers, i.e. which companies manufacture both pharmaceuticals and proprietary medicines. The balance of the number comprise small regional concerns which manufacture a few medicinals only and whose activities may be engaged more with wholesaling and retailing, packaging and the like.

2. Control of the Industry

The Committee feels it should point out at this stage the extent of foreign control over the Canadian drug industry At the time the Report of the Hall Commission was written the thirteen largest firms in the drug field in Canada, exclusive of Connaught Research Medical Laboratories, were all branches or subsidiaries in Canada of foreign firms with the exception of one Canadian company. It was reported that all these thirteen companies had annual sales in excess of \$4 million each and were the only drug firms in Canada having sales of that magnitude. Since that report was written the last large Canadian firm was purchased by an American corporation.

This overwhelming control of the drug industry in Canada by foreign firms leads to a number of consequences which have been studied by your Committee. International patent control enters the picture. Canadian subsidiaries pay patent royalties to their parent corporations. Dividends received by Canadian subsidiaries pass to their parents except for earnings retained for expansion of the Canadian industry. Foreign corporations charge their subsidiaries for "international" research costs. Most subsidiaries import pharmaceutically active ingredients from their parent corporations. The scientific research involved is lost

to this country. All these factors tend to obscure the workings of the industry and the resulting effect on the Canadian consumer; and your Committee has taken these factors into account in the preparation of its Report and the conclusions it has drawn.

3. Drug Manufacturers

Viewing the drug industry in Canada in another way (and not considering those manufacturers solely engaged in the preparation of proprietary medicines) the industry may be considered to be divided into three distinct groups: (a) the large manufacturing drug houses which include the well-established Canadian subsidiaries of foreign parent corporations, and which are largely represented by the Pharmaceutical Manufacturers' Association of Canada (referred to as PMAC). This Association has at present some 57 members who produce about 85 percent of the dollar volume of prescription drugs sold in Canada, under both brand and/or generic name.

The second largest group (b) in the drug manufacturing industry in Canada is a recently-formed association called "The Association of Canadian Drug Manufacturers" representing about 10 percent of the entire Canadian pharmaceutical industry. There are some fifteen members of this group. They consider themselves to be Canadian owned and operated as opposed to the large manufacturers which are, of course, Canadian also but whose parent corporations are situated in foreign countries. They are the so called "generic manufacturers" as opposed to "brand name manufacturers", but it should be pointed out immediately that some members of this group also market their products under "brand names" as well. They do little, if any, research in respect to the development of new drugs, as opposed to many but not all members of the PMAC group who carry out certain research activities in Canada. The PMAC group and the "Canadian Drug Manufacturers" are violently opposed in their views on certain aspects of drug manufacturing and pricing of drugs, and the expression of both views was repeatedly given before the Committee. The opposition stems from the issue—discussed later—that one group considers itself the "innovators" in the drug industry, the other being mere "copiers".

The third group (c) in the drug industry in this country represents not more than 5 percent of the industry. These are those who might be named the "Independents". Included in this group are drug manufacturers who sell their products under brand name and/or generic name, and who by choice do not wish to be members of the first two groups or who might not be permitted to be. Also, small importers of drugs fall into this category. None of these latter small importers appeared before the Committee. It can be safely assumed that the third group does not entertain in any way the views of PMAC.

In any event, all three groups are the suppliers for the Canadian drug market, whether the drugs are manufactured into dosage forms from largely imported bulk material or active ingredients, or whether manufacture consists of completing the procedure from imported semi-finished dosage forms or, indeed, whether the drugs are imported in finished marketable state. It is important to note that patent-protected drugs either in bulk material, semi-finished dosage or final dosage form cannot be imported except by the patentee, his assignee of licensee.

Insofar as the export market is concerned, unless the patent owner is Canadian, the international patent system can prevent, and does discourage further development of the drug industry in Canada. With most foreign owned patents, subsidiary companies of the parent patentees control the market within their own jurisdictions; and export activity must therefore be confined to world areas where patents are not taken out—areas which commercially are not too significant. On a question, for example, addressed to one Canadian subsidiary of a U.S. 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".

It should also be added that even if exports of drugs could be increased in certain areas, many domestic patent laws limit importing, requiring manufacturing to take place within their jurisdictions on pain of forfeiture of the patent.

All this is pointed out to indicate that increased production of drugs in Canada—which conceivably could lower prices—is not likely to incur through foreign sales.

As will be described later, one factor in influencing drug prices at the consumer level is the cost of producing drugs at the manufacturer's level, i.e. to that point where the manufacturer sells to the wholesaler or, in other cases, sells directly to the retail druggist, hospital or government department. There is, as mentioned, serious disagreement between those companies represented by PMAC and those other companies represented by groups (b) and (c). The PMAC members consider that their manufacturing and selling costs and pricing generally are "fair and reasonable" while their opposition claims that PMAC manufacturers' costs are excessive for reasons that will be dealt with later. As stated, PMAC alleges that its rival manufacturers are "copiers" as opposed to "innovators" which the PMAC claims to represent. The "copiers" apparently 'suffer' from two arguments advanced by PMAC, first, through the implication that generic named drugs (in the case of the generic drug manufacturers) do not possess the corresponding high qualities possessed by brand name products; and, secondly, that through its members' research program and high quality control in their drug production, better and safer drugs result—an argument violently opposed by the Association of Canadian Drug Manufacturers and the Independents. It might be well at this point to describe in more detail the distinction between generic and brand name products, as this distinction was of considerable importance in laying the basis for some of your Committee's recommendations.

4. Nomenclature in the Industry

As a prelude to the study of the drug industry it is necessary to be familiar with the nomenclature of drugs. Drugs constitute, of course, a group of fine chemicals (i.e. therapeutically active ingredients) which can be clearly defined by standard chemical names following standard chemical nomenclature. These follow the ordinary rules of chemistry which describe chemical compounds.

However, as the synthesis of chemicals grew in number, the chemical names attached to the new compounds became unwieldy; hence a consequent introduction of a peculiar pharmaceutical nomenclature became necessary to overcome this particular problem. The chemical name still remains the standard of reference for the particular identity of the drug but, because of the difficulties involved in expressing the true chemical name in a manner understandable by those less informed than organic chemists, a system of "recognized names" was developed. This new recognized name of a drug is selected when it is introduced by an official organization, or is designated as such in an official drug publication such as the British Pharmacopoeia, the United States Pharmacopoeia, etc. In Canada, the new name becomes the "proper" name or, in other jurisdictions, the "approved name" or even, inded, the "international non-proprietary name". In any event and regardless of whether the newly-named drug is referred to by any of the above designations, or such name is generally quoted as a "generic name" (in fact, a misnomer) it becomes the abbreviated scientific name to be used prescribing or identifying those particular drugs which have unwieldy chemical

It is the Committee's understanding that in most Schools of Pharmacy and Medicine the generic name of a drug is taught to students as the "recognized" or "proper" name of the particular drug. Certainly drugs ordered by hospitals or through government purchasing agencies are ordered by their generic names.

The Committee recommends

That all medical and pharmacy students be instructed during their studies in the generic nomenclature for drugs.

However, it became clear at an early date to drug manufacturers that considerable advantage might be attained if a still more simplified designation for drugs could be found; and accordingly a system developed whereby a manufacturer designated a particular drug under "a brand name" or a "proprietary name" which was registered as a trade mark in that country or countries where the drug was sold. The "brand name" designated the particular manufacturer, and the manufacturer through strenuous promotional activity was thereby able to introduce a system of marketing where drugs would be, and usually were, ordered by their "brand name" as a particular product of an identifiable manufacturer. The "brand name" chosen was, of course, one which generally had an euphonious sound usually involving few syllables and a name more easily retained in the physician's mind because of its simplicity. Each "brand name" continued to have, of course, its corresponding "generic name"; and it is still the "generic name" that is published in pharmacopoeia and formularies. Regardless of the wide use of the "brand name" by manufacturers, we find that the use of the generic name of a drug should by no means be disparaged.

We quote from the study relating to the Provision, Distribution, and Costs of Drugs in Canada prepared by the Research and Statistics Division of the Department of National Health and Welfare as follows:

"In Canada every effort is made to follow the nomenclature of the Expert Committee of the International Pharmacopoeia of the World Health Organization. Excellent co-operation exists between this organization and the official bodies in the United States and the United Kingdom to maintain uniformity throughout the world in pharmaceutical nomenclature. For practical purposes the names "proper name", "approved

name", "adopted name", "pharmacopoeial name", "international non-proprietary name" and "generic name" are used as synonyms in the trade." (page 8)

The "brand name" manufacturer of pharmaceuticals takes every possible step to protect its position by brand name advertising and promotion. It will do this, firstly, because it is in its peculiar interest to identify drug products with its own manufacture, knowing that use of the generic name is more likely to be forgotten or ill-remembered in repeat orders of quantities of such drugs. The "brand name" manufacturer knows that the physician or pharmacist is more likely, after repetitious promotional activity, whether through advertising or through detail men, to become indoctrinated to prescribe and dispense brand name drug products. It appears that most physicians and pharmacists have more confidence in drugs manufactured under a brand name. One of the interesting side lights of this is that the generic manufacturer, as soon as monies become available, tends to create his own form of brand name nomenclature and enters the ranks of those who have preceded him and to whom he was formerly opposed.

Secondly, the feud between the brand name manufacturers and their generic counterparts brings the subject into the realm of safety upon which the Report by your Committee to the previous Parliament was based. It is natural and good business that manufacturers of brand name drugs will, by any reputable means at their disposal, seek to inculcate into the minds of those who order prescription drugs that their products are "safe" because the identity of the manufacturer is clearly revealed by the brand name product. Unfortunately the brand name manufacturer often gives the impression that generic products are not safe. It is the opinion of your Committee, however, that this viewpoint is not necessarily valid, it not only having been challenged by the generic drug manufacturers but also by purchasing agents of some hospitals and government departments who have ordered, and continue to order, (see Minutes of Proceedings and Evidence, page 1497) drugs by their generic names. The Food and Drug Directorate made it clear that, in their opinion based on the testing they perform, generic named drugs and brand name drugs are equally "safe".

5. Profits in the Industry

This portion of the report is based on Appendix E: Profits of Drug Manufacturing Firms in Canada, prepared for the Committee by the Accountant, Mr. W. J. Blakely.

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. 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. As may be expected in our free enterprise economy, pharmaceutical

manufacturers must work for a profit. The Committee is not concerned primarily with reducing profit below a reasonable level but 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.

The financial experience of Canadian pharmaceutical manufacturing firms is shown in the appendix and does not reveal, as some have claimed, that the business risks are greater than in the general manufacturing industry.

6. Regulatory Control of the Industry

The regulatory control of the drug industry is administered by the Food and Drug Directorate of the Department of National Health and Welfare.

In keeping with other committees and commissions dealing with the Food and Drug Directorate, the Committee found it to be staffed with competent skilled personnel who worked very closely with the Committee to provide, as diligently as possible, all the information that was requested. The Directorate carries out its functions efficiently and competently, subject only to its limitations of staff. These have been detailed previously in the last Report of the Special Committee of the House of Commons on Food and Drugs and, though the situation has improved, more assistance is still required; and if the present recommendations of this Committee are carried out, then additional staff will be required.

The Food and Drug Directorate has two main functions that are based on criminal law in Canada and administered under the Food and Drugs Act. These functions are to protect the consumer against fraud and hazards to health in the sale of foods, drugs, cosmetics and medical devices.

When a company wishes to test a new drug clinically, it has to send in a "pre-clinical submission" to the Food and Drug Directorate. This is information on the new drug-composition, action, toxicity, side effects, dosage, etc. The Food and Drug Directorate then decides whether the drug should be tested on humans. If justified, the Directorate issues permission to the Company which then releases the drug to the clinical investigator. The clinical investigators (doctors who will use the drug on patients) are known to the Directorate. A careful check is kept by the company of the location of all new drugs so they can be recalled quickly, if necessary. This data on clinical use in the form of a new drug submission is forwarded to the Food and Drug Directorate and finally, it this submission shows the drug is useful and the risks from the drug within justifiable reason, the drug is allowed for sale on the market by issuance of a Notice of Compliance. It remains classified as a "new drug" at the discretion of the Food and Drug Directorate until is has been in use "for sufficient time and in sufficient quantity" to assure the Directorate that it is safe and effective. This time usually exceeds five years. Once it loses its "new drug" status, other companies may produce it (patents and compulsory licence will be discussed later) without further data on the drug for the Food and Drug Directorate other than meeting the requirements for all drug manufacturers. They must however notify the Food and Drug Directorate within thirty days that they have placed this drug on the market. Up to this time, as long as a drug is a "new drug", if other companies

wish to market it, they have to go through the same procedures for a "new drug" with the Food and Drug Directorate. Needless to say, companies other than the originator never have manufactured a drug during its "new drug" status, but wait until it loses that status. To do otherwise is expensive in time and money, and actually is a duplication of work done. This matter has been raised in the Hilliard Report.

It is the duty therefore of the Food and Drug Directorate to protect the public against unsafe drugs. The Committee is satisfied that the work done by the Directorate is of a high standard, but is hampered by its lack of sufficient staff and adequate facilities. Some of the recommendations of this Committee will increase the work and scope of the Directorate and will emphasize the necessity for more staff. You Committee therefore recommends

That the personnel and facilities of the Food and Drug Directorate be expanded to make possible the implementations of the recommendations of the Boyd Committee, the Hilliard Committee and this Committee.

7. The Hilliard Report and the Boyd Report

This Committee commends and supports the recommendations of the Boyd Report and the Hilliard Report. In the Hilliard Report particularly the Committee makes reference to the section on New Drugs and the Hilliard recommendation for amendment of the definition of "New Drug" to include old drugs in which new or serious or more frequent side effects develop. This was referred to in many committee meetings. The Justice Department has ruled that "the Governor-In-Council has no authority under the Food and Drugs Act to make a regulation to include in the definition of a new drug an old drug if previously unknown serious adverse reactions develop from its use."

It is understood that the Food and Drug Directorate can, under the present Act meet this problem of old drugs that produce unexpected reactions. The Directorate has authority to make regulations respecting the sale or condition of sale of drugs. At the present time the "new drug" regulations require a drug manufacturer to notify the Food and Drug Directorate of unexpected side effects, injury, toxicity or sensitivity reactions. This notification is to be made as soon as possible in every case—and no later than fifteen days—from the date the reaction is reported to the drug manufacturer. The problem of this type of reaction to a drug, not under "new drug" status, can be met by making the above regulation apply to all drugs.

CHAPTER IV—COST OF DRUGS TO THE CANADIAN CONSUMER

Representations to your Committee that drug prices are too high stems from a number of sources. First, the Canadian Pharmaceutical Association supplied the Committee with statistics indicating the number of prescriptions and the value of prescriptions made out in Canada over past years; and these figures indicate that the average price of a prescription in 1949 to the consumer was \$1.38 and the average price of a prescription in 1965 was \$3.32, an *increase* in the sixteen year period of some 140 percent. The comparable over-all cost of living index prepared by the Bureau of Statistics over the same period of time showed a general increase in consumer goods of only 40.8 percent. Although these percentages are not strictly comparable in view of the fact that many of the "new" drugs introduced during the fifties' and the early sixties' were much more

expensive and widely prescribed, nevertheless the figures are at least suggestive that drug prices are now too high, particularly when during that time the number of prescriptions per year in Canada increased sizably. Normally it could be expected that expanded sales would result in lower prices. Although the precise figures for the years mentioned above have not been made available to the Committee, it is interesting to note that in 1955 some 32,908,185 prescriptions were filled and only nine years later in 1964 some 51,635,671 were filled.

To be fair to the Canadian Pharmaceutical Association, however, it was stated in their supplementary brief (page 1934) to the Committee that statistics prepared by the Dominion Bureau of Statistics show "that prices in general increased some 36.8 percent between 1949 and 1964, while drugs increased by only 20.7 percent". The Bureau's statistics, it is understood, however, were obtained from a survey of some five drugs in the field of antibiotics, sedatives, hypnotics and ataractics; and the drugs used were not necessarily those of the more recent "wonder drug" variety. Two explanations for the discrepancy in the figures can therefore be made: prescriptions in recent years are being filled with more expensive drugs and the Bureau's figures do not reflect the change in medical prescribing over the period of time quoted.

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".

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. (Minutes of Proceedings and Evidence, page 1182-3). These figures likewise substantiated the conclusions of the Green Book.

Fourthly, PMAC also produced a table of international drug prices (Minutes of Proceedings and Evidence, page 353) in which, on the face of the statistics presented, it also appeared that Canadian drug prices, generally speaking, were among the highest of certain selected countries, although PMAC in an exhaustive argument on this point took the view that these statistics could be read in a manner more favourable to its own presentation. This argument will be dealt with later.

In any event, both the Restrictive Trade Practices Commission and the Hall Commission made findings as a result of their economic studies that dealt with ways and means of bringing drug prices down which fact in itself indicates both Commissions were of the view that drug prices in Canada were too high at the date of conclusion of their enquiries.

Your Committee, in order to assure itself, in the interval between the time both Commissions reported and the date of this enquiry, that the situation remained more or less unchanged, checked on its own behalf from reliable sources the cost of drugs at the retail level in Canada, the United States and six European countries. Twelve of the most commonly used and important drugs

were selected. The result, in Canadian dollars, appears as Appendix "F" to this Report.

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. In conclusion, and in order to discount any claim that these statements are exaggerated, it is well to bear in mind the comment made by the Director of Investigation and Research under the Combines Investigation Act that if drug prices were not too high "they were higher than they need be". (Minutes of Proceedings and Evidence, page 2183).

It is necessary, however, to deal with PMAC's lengthy presentation leading to the conclusion that comparative prices of drugs in foreign countries and in Canada do not by themselves present the whole picture and, in fact, are misleading. The Association's presentation related costs of drugs in various countries in terms of labour income. Wage rates were related to selected drugs resulting in comparisons of drug prices in terms of labour hours. "Labour Indices" were prepared which indicated that Canadians were able to buy their drugs with less labour than people in most other countries; and in fact the "Labour Indices" showed, for example, (Minutes of Proceedings and Evidence, page 292) that the "real" cost of drugs in the United Kingdom was still appreciably higher than in Canada although on actual tables showing comparable drug prices in terms of Canadian dollars this did not so appear.

Your Committee cannot accept this argument. If any Canadian price of any product was translated into labour income, one is undoubtedly going to find that it costs Canadians less to buy that product than it would cost most foreigners, the United States being possibly the only exception. In the ascertaining of the price of a product, whether at the manufacturers' level or at the retailers' level, it appears to the Committee that real cost should be looked at, namely, the cost of labour, raw materials, research and the capital required. This is the true comparison, together with demand, when explaining price differentials between one country and another. It is a question of total efficiency of an industry which must be looked at and your Committee will deal with this when regarding factors that affect drug costs and prices. The Consumers' Association of Canada discounted PMAC's submission in this respect, and the brief of the Province of Alberta also was critical of the economics of PMAC's argument.

CHAPTER V—THE ROLE OF THE PHYSICIAN, THE HOSPITAL AND THE GOVERNMENT IN DRUG USAGE

1. The Physician

The physician is the person who has most control over the purchase of drugs, in an indirect but absolute way. The doctor writes his prescription for the drug and the pharmacist has no choice but to fill this prescription as written (except in Alberta where substitution is allowed). In the hospital the doctor still has this role and in addition may play a large part as a member of the Pharmacy Committee in the purchase of drugs for hospital use. In addition to this, the rural practitioner whose practice is in a remote area, often serves as the pharmacist and is involved in the direct purchase and re-sale of drugs to his patient. Dental practitioners (who prescribe certain medications, particularly analgesics (pain killers) and antibiotics) are not dealt with in this report as the volume of medication is small and their attitudes are probably close to those of the medical practitioner.

The Committee feels that it is to the medical profession that a great portion of this report will be useful. The Committee also realizes the fact that few of the medical profession will actually read this report in full. The doctor's time is limited. While some of the material issued by drug companies is very useful, a great portion of the doctor's mail is never studied and the large volume of product advertisement is wasted as a shower of multi-coloured advertisements hits the wastepaper basket, unread. The "ads" in journals are often not read as the physician prefers more impartial reports in the body of the issue itself. The doctor sees the detail man, with one eye on his demonstrations and the other on his watch. As most detail men represent the large manufacturing firms he never hears actual presentations from the smaller firms. The doctor is concerned with the growing reports of diseases caused by the drugs he can prescribe and by the multiplicity of side effects they can produce. He prescribes those drugs he has heard of, has read of, and has some knowledge of-he is a cautious man and 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 there are cheaper "equivalents" on the market. Much of the physician's information is obtained from commercial and biased sources.

The Committee realizes that to ask the doctor to change his prescription habit is a 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 doctors should and, indeed, must have free access to a non-biased current report on drugs which would include the following data:

- (i) Generic name of the drug
- (ii) Names of all manufacturers of the drug, and brand names of the above drug
- (iii) Comparative costs and clinical equivalency of the above drugs
- (iv) Therapeutic action of drug
- (v) Side effects of drug, contra-indications and toxicity
- (vi) Last assay for each company's product, of content and availability of active ingredient, solubility and disintegration
- (vii) Any problems with any company's product—toxicity, impurity, seizures, court actions, failure to meet standards, etc.

The Committee feels that the Food and Drug Directorate has been keeping its activities from the medical profession. Its findings on drugs should be openly reported to the medical profession in a public document. If there are poor quality drugs on the market, then the medical profession should be told. The medical profession has to be convinced that the Food and Drug Directorate has full and accurate knowledge of the drug industry and to do this, the Food and Drug Directorate should report fully every aspect of the drug problem to the medical profession.

A major recommendation of the Committee 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.

This will require the Food and Drug Directorate to increase its staff and is a tremendous undertaking, but it will do a great deal to bring down the cost of

drugs if it can assure the medical profession that a less expensive drug may be used with safety. The Committee is confident that such a publication would be of tremendous value to the medical profession and would be used extensively. It would be sent *free* to every medical practitioner, dentist, and pharmacist in Canada. The Committee is satisfied the cost of publication and distribution would be more than met by resulting savings to the drug consumer.

2. The Hospital

The hospital is also purchasing large quantities of drugs, which are not subject to the federal sales tax. A good many hospitals now buy their drugs on the tendering system, which reduces the costs even more significantly than the absence of sales tax. In many hospitals this is directed by a Pharmacy Committee on which the medical staff plays a large part. Many hospitals use a type of drug formulary which allows bulk purchases, and which also lowers the cost. The formulary drugs are used by most of the medical staff but individual doctors who insist on certain brands of drugs are allowed to prescribe these as they wish. It seemed apparent to the Committee that doctors were using, in the hospital care of their patients, drugs manufactured by companies whose products they did not normally prescribe. This suggests that some medical practitioners may be willing to extend their use of a formulary to their office practice.

3. The Governments

(a) Federal

The Federal government purchases most of its drugs (which in a recent year amounted to approximately \$5 million) by the tender system. Most of the drugs purchased are from so-called "generic" houses. Only those companies who can meet the requirements of the Canadian Government Specifications Board—Standard for Manufacture Control and Distribution of Drugs (74 GP 1) are allowed to submit tenders. It is obvious that this competitive method of drug purchase lowers the price of drugs. The federal sales tax on drugs is not paid for drugs in hospital use, which lowers the price of drugs, but it was obvious from the evidence produced before the Committee that this difference did not account completely for the lower cost of drugs purchased by the government.

(b) Provincial

The provincial governments are also large purchasers of drugs. They also use the tendering system and some provinces have instituted their own inspection services to ensure quality. This is repetitious and expensive to the government involved and could be carried out by the Food and Drug Directorate.

CHAPTER VI

FACTORS AFFECTING DRUG COSTS AND PRICES

Your Committee realized from the outset of this investigation that there would be no simple nor single recommendation that would lead to the reduction of cost of drugs to the consumer. Lowering of drug prices, it was realized, could only be brought about through a variety of means; and for this reason the Committee has looked at factors affecting drug costs and prices at the manufac-

turer's level, the wholesale level, the retail level, and the effect of pharmaceutical patents or trade marks on drug prices generally.

1. At the Manufacturer's Level

(a) Anti-Dumping Duties and Tariffs

The Restrictive Trade Practices Commission in its Report expressed the view that "with respect to ethical drugs and more especially antibiotics and tranquillizers, the dumping duty rules may sometimes operate to increase the cost of some Canadian importers without giving any substantial protection to Canadian manufacturers". Although, as we have indicated, most pharmaceutical drugs used in the manufacture of antibiotics and tranquillizers are not in fact produced in Canada, nevertheless most pharmaceutical preparations containing these drugs are ruled by the Department of National Revenue to be of a class or kind made in Canada for purposes of dumping duty. In short, any drug not made in Canada but which falls within the same class of drugs made in this country is subject to dumping duty if imported at a price less than the "fair market value" of the equivalent drug sold in the exporting country. The Restrictive Trade Practices Commission considered that, for this reason, imported finished dosage forms of drugs might well be priced higher than would normally be the case, especially in those instances where the importer was a subsidiary of the parent exporting company.

The Hall Commission recommended that in the administration of anti-dumping regulations in respect to drugs, the Minister of National Revenue be given discretion to establish "market value" at lower levels than that resulting from present practice. The continuing threat of possible imposition of anti-dumping duties on drug imports apparently was of sufficient concern to be recognized by both the above named Commissions as one factor affecting basic drug costs. The parent exporter of the basic ingredient of a drug in finished dosage forms would be inclined, in its transactions with its related subsidiary, to set its price to its subsidiary higher than perhaps necessary in order to avoid such duty. In any event, it is clear that because "class or kind" has been given such a broad meaning to include different drugs that can be used for the same general purpose (e.g. antibiotics or tranquillizers) a wide variety of imported drugs are subject to possible imposition of this duty. A second reason why the import price of drugs (either the basic drug or in the semi-finished or finished form) may be too high is that there is no reliable guide to determine the "fair market value" of the drug in the foreign exporter's home market. To understand this it is necessary to appreciate the method used concerning custom valuation for imported drugs. The standard basis of valuation, used not only for drugs but used generally to determine whether or not dumping is taking place in Canada is, of course, the determination of "fair market value" in the country of export of the goods, i.e., the value or prices at which like goods are freely sold at the time and place of shipment to purchasers at the same or substantially the same trade level as the importer, and in the same or substantially the same quantities for consumption in the country of export in the ordinary course of trade. For finished pharmaceutical preparations in dosage form this is a relatively easy determination. For drugs exported to Canada which consist only of the basic active ingredient, however, or drugs exported in semi-finished form, this determination is not possible as the exporter is not selling in all likelihood that particular form of product in the foreign country in the precise condition as that exported to Canada.

The present practice of the Department of National Revenue, therefore, is to use ministerial discretion under the authority of Section 38 of the Customs Act to charge duty on basic drugs imported into Canada at manufacturing cost plus 50 percent when the drug requires further manufacture with other materials, and to charge manufacturing cost plus 75 percent for pharmaceutical preparations in bona fide bulk for packaging, etc. in Canada (less when the exporter's gross profit on home market sales of the finished product is less than the percentage advance). Undoubtedly, and in view of the extent to which the Canadian industry is made up of subsidiaires of foreign parent corporations, the "manufacturing cost" may indeed be fixed higher than necessary to avoid possible anti-dumping duties. Also, quite apart from the fact that transactions between parent firms and their subsidiaries do not involve "arm's length" transactions there is no comparable customer in the foreign country to which reference can be made and a "manufacturer's cost" accurately determined. The only guide to a "fair market value" may indeed be the price to a wholesaler in the foreign country. Consequently it may mean that the Canadian company may be charged that price, equivalent to the price paid by a wholesaler in the foreign country, if dumping duties are to be avoided.

Your Committee is therefore concerned for the reasons advanced above that a tendency exists for Canadian importers to pay more, or be required to pay more, for the imported drugs regardless whether the drug is imported as a basic ingredient, a semi-manufactured drug or a drug in final dosage form.

Your Committee therefore recommends:

That present ministerial authority as provided in Section 38 of the Customs Act be amended insofar 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.).

It would be desirable to fix some maximum allowance. It was suggested before this Committee in the presentation made by the Province of Alberta (refer to page 2533, Minutes of Proceedings and Evidence) that perhaps an appropriate study would indicate that a 10 percent allowance for gross profit might be adopted for drugs; and if this were done the motivation for foreign parents to charge high prices to Canadian subsidiaries to avoid anti-dumping duty would be removed.

As already mentioned, pharmaceutical preparations are by and large held to be of a class or kind made in Canada for purposes of dumping duty. It is understood from a statement by the Minister of National Revenue (Minutes of Proceedings and Evidence, page 29) that "basic to the Department's attitude is the assumption that, of necessity, most imported pharmaceutical drugs must be used in the manufacture of preparations in Canada"; and the Minister went on to express the Department's view (page 30) "that it was thought necessary to classify all broadly competitive or substitutable preparations as of one "class or kind" if any protection is to be afforded the Canadian producers". However, your Committee feels that if dumping duties were limited only to affect those drugs of a kind made in Canada, the undesirable effect of inflating prices of drugs not actually manufactured in Canada could be eliminated while at the same time Canadian production, both existing and future, would be protected. Your Committee therefore makes this recommendation:

That the Customs Act 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.

In making this recommendation your Committee is aware of the difficulties expressed by the Minister of National Revenue in his presentation in applying the "kind" concept to pharmaceutical preparations and the fact that competitors might import substitutes for a Canadian drug product which, although used for the same purpose, would technically be of a kind not made in Canada and consequently free of dumping duty. On balance, however, your Committee considers the consumer's interest to be paramount.

The Hall Commission also proposed that the Tariff Board be requested to review tariffs on drugs with a view to establishing which tariff should be reduced or abolished covering imported drugs included in its proposed National Formulary. Your Committee recommends:

That the federal government instruct the Tariff Board to review the drug tariff structure.

(b) Marketing and Promotional Expenses

PMAC provided the Committee with its annual statistical survey for 1964 which set out in considerable detail, among other things, marketing expenses of 41 of its member companies (Minutes of Proceedings and Evidence, page 350). Marketing expenses include field selling, general advertising and promotional expenses, and administrative costs of departments charged with promotion. Advertising and promotional expenses incurred by the industry include costs for medical exhibits, advertising in medical and pharmaceutical journals, direct mail advertising, the supply of promotional samples to physicians and additional miscellaneous expenses. For easy reference and to study the break-down of the total of \$32,977,561 that was spent by the above-named 41 companies in 1964 alone (and these companies do not represent the entire drug industry), Appendix "G" is attached hereto.

Approximately 23 percent of the manufacturer's sales dollar goes for the provision of physicians' information through detail men, literature and samples, while other marketing expenses primarily directed to the pharmacists account for 6.6 percent of the manufacturer's sales dollar. The net result is that these manufacturers' marketing expenses amount to approximately 11 percent of the prescription dollar; or, to put it another way, it represents 30 percent of the manufacturer's dollar (Minutes of Proceedings and Evidence, pages 286 and 302).

It is interesting to note that the Chairman of the Canadian Drug Manufacturers considered that promotional expense averaged out by members of his Association was about 20 percent, about one-third lower than the expense incurred by the PMAC membership. This would indicate that once a drug company leaves the manufacture of generic named drugs to enter the brand name drug field it becomes entrapped by its chosen method of expansion and incurs automatically increased promotional costs (Minutes of Proceedings and Evidence, page 475). One of the "independent" Canadian drug manufacturers (promoting brand name drugs only) on questioning by the Committee indicated that 20 percent or more of its manufacturing dollar was also devoted to marketing expense.

Your Committee is completely in agreement that the funds expended on promotional activity by the industry is excessive, particularly when it is noted that only an equal amount of the manufacturer's dollar is expended in materials, labour and plant costs; and only 7 percent of the manufacturer's dollar is spent on research and development (Your Committee later received figures indicating that the percentage spent on research and development in 1965 by 37 of 58 members of PMAC amounted to 7.6 percent of sales. The 1965 break-down of the manufacturer's dollar is not provided as these figures were not available).

No one disputes the fact that money spent on marketing by the drug industry far exceeds money spent for similar purposes by other industries. However, it is clear that the drug industry differs uniquely from other industries and that merely a comparison of these costs, without understanding the reason therefor, would be quite unfair. The consumer of drugs has no choice of purchase. It is the physician who chooses the drug, makes out the prescription and it is the pharmacist who fills out the prescription as ordered. Generally speaking, the consumer does not know the name of the drug he is taking, and the labels on the bottles containing his prescription do not inform him. Promotional activities by the drug industry are not directed to the final consumer, as is the case with all other industries, but are directed in the main to the physician and, also to a certain extent, to the pharmacist. The third category, which receives the attention of the drug industry includes the purchasing agents of hospitals and government departments. The Committee was told, and it believes, that under the present system—assuming it will be continued—marketing expenses of the drug industry will not decrease. The intense competition between the drug companies in pushing their own brand name products apparently requires this high marketing expense. The Chairman of PMAC was asked whether it would be possible for members of the Association to exercise voluntary restraint, for example, cut marketing costs in half with the result that if all members abided by the rules the competition between members could remain the same and the consumer would be the beneficiary (Minutes of Proceedings and Evidence, page 246). PMAC took the view that such a voluntary undertaking by the members might be an offence under the Combines Investigation Act although the Committee's Counsel and the Director of Investigation and Research under the Combines Investigation Act were not of this opinion (Minutes of Proceedings and Evidence page 2230). Your Committee, taking the above into consideration and the evidence that a great deal of drug promotion to the physician is wasted, recommends:

That drug manufacturers revise their promotional practices on a voluntary basis, as considerable savings could be made and passed on to the consumer.

However, if voluntary restraint of promotional advertising is not successful in lowering costs, other more definitive action may have to be undertaken.

Your Committee feels that the detail man has a definite role to perform in the exchange of information between doctor and manufacturer. The Committee is only concerned with that portion of his role relative to his promotional activities for a particular company and a particular drug. As previously outlined, the Committee has recommended the publication of a drug bulletin by the Food and Drug Directorate; your Committee expects that the publication of the above bulletin will significantly alter the function of the detail man.

Certain drug company representatives are paid salaries and commissions, some receiving commissions on sales alone. The Committee feels that payment by commission leads to unnecessary and repetitive activity on the part of detail men, especially in the marketing of similar drugs under different brand names. Under the commission system, the detail man is more likely to be interested in the sale, rather than in providing information to the physician. On the other hand, a salaried representative, having no personal interest in the volume of sales, would be more likely to act in a more professional capacity. With full

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realization of the difficulties involved, your Committee feels it worthwhile to recommend to the pharmaceutical industry:

That the pharmaceutical industry take steps to ensure that all representatives of the drug industry engaged in field selling be paid by salary and not by commission.

Your Committee realizes that the Federal Government has no power to implement this recommendation.

The Hall Commission likewise came to the conclusion that marketing expenses in the drug industry were too high, and recommended a compulsory method whereby this expense might be lowered, namely, "that in the application of the provisions of the Corporation Income Tax Act to the manufacturers, importers and distributors of drugs, consideration should be given to establishing a maximum of 15 percent of total sales as the allowable deductible expense for advertising, sales promotion, 'detail men', and other similar items'.

Your Committee repeatedly asked witnesses for their views with respect to this recommendation of the Hall Commission; but most witnesses, whether members of the PMAC, the Canadian Drug Manufacturers Association or others, considered that promotional expenses, although high, could not easily be reduced and, even if attempts were made to reduce these by income tax amendments, promotional expenses would continue to be incurred in the same amounts with such expenses eventually passed on to the consumer. Further, it was considered that such an approach would amount to direct interference with business practice which should not be entertained in a free enterprise system. And thirdly, such a proposal would react against smaller manufacturers rather than against those who perhaps could afford to reduce their promotional activities.

There are other reasons against the Hall Commission's proposal. Drug costs, i.e. the manufacturer's sale price to the wholesaler or, indeed, to the retailer are one thing; price to the consumer is quite another. The latter can be reduced by open competition; but reduction of the former by disallowing promotional expenditure, which otherwise would be an allowable deductible item of expense, is something else. There is no guarantee that the Hall recommendation, even if the Companies automatically lowered their budgets on marketing costs, would result in savings passed on to the consumer. More than likely the monies budgeted for and remaining unspent would pass to the shareholders. Yet again, regardless of the savings hopefully expected as a result of the recommendation, it might well be that the drug companies would, regardless of increased taxes, press their promotional activity to meet the continued competition of their rivals—which might easily result in higher costs at the manufacturers' level, and then higher drug costs to the consumer.

The answer appears to lie in increased competition (See Chapter 6, item 6). The greater the competition, the greater the pressure against high prices. As prices drop, inefficiency is bound to decline, and a cut-back in promotion and marketing costs is almost bound to ensue. Your Committee, is not prepared to recommend this proposal of the Hall Commission relating to maximum tax allowable promotional expenditures.

(c) Brand Names

There is not doubt that the use of brand or proprietary names in the drug industry is a factor contributing to the high price of drugs. As we have seen, the use of brand names invokes extreme and expensive competition within the

industry through massive promotion of drugs which actually may be identical or very similar to others already on the pharmaceutical market. Incidentally, it is worthy of note that the supporters of brand names for drug products press the fact that there are no two "identical" drugs, and that even drugs containing the same active ingredient do not necessarily yield the same therapeutic results.

The well-established brand-name firms contend that, quite apart from the active ingredient present in the product, there exist many variables such as stability, disintegration time, solubility, sterility, etc., and because of these factors the generic products are not identical to the brand name products. Your Committee recognizes the truth contained in this statement. The marketing of products sold under generic labels that set out potency values, etc., would have prevented high cost promotional competition without undue risk to the consumer; and indeed, might have once been the proper basis on which to build when the drug industry was in its infancy and when regulations forbidding the sale of drugs under brand names could have been made mandatory without business disruption. However, it seems clear that any regulations that could now be imposed that would prevent the use of brand names in the marketing and sale of drugs would be out of character with present day commercial practice. The problem, indeed, seems to be one of education rather than prohibition.

Having come to this conclusion, however, your Committee further considered the advisability, as recommended by the Hall Commission, "that provincial governments consider legislation enabling pharmacists in the dispensing of prescriptions to use a drug or a drug combination that is a non-proprietary name equivalent of that named in the prescription unless the physician specifically indicates otherwise". At the moment, legislation to this effect is in existence in Alberta (Statutes of Alberta, 1962, Ch. 61). Your Committee does not consider that such legislation, even if adopted by all the provinces, would bring down prices to the consumer to any measurable extent. If, for example, the pharmacist had a choice of using a brand name product prescribed by the physician, or a generic name product of the same drug of equal potency and pharmacological activity, he would still be more likely to fill out the prescription with the brand name product; and the well-intended purpose of the legislation would be of little avail to the consumer. The Committee's opinion is strengthened in this by surveys reported by the Hall Commission that physicians prescribe brand names over generic names in the proportion of 15 to 1. Also, evidence presented to the Committee by the Province of Alberta indicated disappointment with the results obtained under the above Statute.

(d) Research and Development

In the evidence presented to this Committee, much was made of the fact by leading Canadian drug manufacturers that research and development led to higher costs; and because of the necessity for continuing research in a "research oriented" industry, this was a factor that did affect the end price to the consumer. Your Committee is fully cognizant of the necessity for continued and increased research in Canada, not only generally but also in the drug field; and it is hoped and expected that none of the recommendations of this Committee will in any way impair the quality or volume of future scientific research in medical or

related spheres. The Committee, therefore, found it necessary to examine in close detail the claims of the Canadian drug companies with respect to research carried on by them in Canada to ascertain the effect of this research, and to determine the effect research has with respect to drug prices to the consumers; and, in general, to ascertain whether or not these claims to research and its resulting benefit to Canadians are valid and worthy of approbation.

As mentioned, your Committee has had before it from the outset the Report of the Hall Commission published in 1964 which, in respect of drugs, was based largely on the earlier report of the Restrictive Trade Practices Commission. The evidence presented before this Committee has merely brought these findings up to date. The Hall Commission found that "in the light of what has already been said, we do not think that there can be any real dispute about the fact that the research conducted in Canada attributable to the commercial drug firms has been modest" (Hall Report, p. 668-669). Your Committee, in the questioning of witnesses appearing before it, was well aware of this earlier situation; and it is glad to confirm that since the Hall Commission Report was published there appears to be increased activity by Canadian drug manufacturers relating to research generally. As explained later, part of this activity has been generated by governmental assistance through tax concessions.

Before pursuing this subject further, however, it is important to know just what the meaning of the words "research and development" is, as it seemed to your Committee that the use of these words may give rise to different interpretations. Although in some instances it is difficult to be precise and nomenclature may vary, your committee considers that, firstly, there is "basic" or "pure" research, which is that research carried out solely in the hope of attaining "breakthroughs" in scientific knowledge. The solving of a particular problem, for example, is not the main consideration. Such research is expensive and generally carried out by governments, universities and the like. This type of research is also carried out to a much lesser extent by the drug industry, but only in specific centres situated, except in one or two Canadian instances, in foreign countries. Secondly, there is applied research which entails that research necessary to bring into production those products desired by, and of benefit to, the ultimate consumer. It is this form of research that forms the basis of much of secondary industry and is protected by the patent system. And thirdly, there is product development that involves, among other things, clinical research requiring continual testing of a product to ensure high quality and safety both before and after marketing.

It has been difficult to obtain an accurate breakdown of what the Canadian drug companies contribute in respect to basic research that might eventually lead to entirely new drugs likely to score successes by providing remedies for illnesses not combatted by drugs presently known. In making this statement the Committee has in mind, for example, earlier departures made through the discoveries of insulin and the broad range of antibiotics. In any event, basic research of this type is negligible in the Canadian drug industry; and, as mentioned, is extremely costly.

The Committee believes it was to both basic and applied research to which the Hall Commission was referring when dealing with the question of whether the patent system could be defended on the usual grounds that it is necessary to provide incentive for research, they stated: "It appears that Canada, a small country where most of the significant pharmaceutical research is done by other than the drug companies, has copied an institutional arrangement which can only be appropriate to a country like the United States where the higher prices which the patent system permits in fact supports research by the industry on a substantial scale" (Hall Report p. 670).

Much of the research that is in fact carried out by the Canadian drug companies has been generated for two reasons: (a) to satisfy the Food and Drug Directorate of the Department of National Health and Welfare in respect to the introduction of new drugs and substantial clinical testing, with respect to these and other matters pertaining to product development; and (b) to take advantage of Tax concessions granted to Canadian corporations generally for promotion of research. A third reason for heavy expenditures being made for research involves the "working around" of patents issued to others (referred to in the industry as "molecular manipulations") i.e. by replacing specific atoms or molecules in chain or cyclical organic chemical compounds to produce new drugs with perhaps sufficient or even partial pharmaceutical differences to justify active market promotion. This latter type of research activity is apparently not carried out in Canada to any great degree.

Your Committee has been conscious throughout, as already mentioned, that continuing research in the drug industry in Canada should not be inhibited by any recommendations made in this Report; and, for this reason, it is necessary initially to appreciate the fact that basic and applied research as performed in Canada, apart from very few Canadian companies, is relatively modest because of the unique character of the drug industry which has developed on an international basis, not only for historical reasons but for economical reasons as well. It was natural that the important research in the drug industry was begun and carried out in those countries which initially had the most substantial resources; this refers in particular to the United States. With resources available to almost an unlimited extent, with a large consumer population and aided by a strong patent system, American research in the drug industry has clearly dominated the international scene—at least from the Canadian viewpoint. The same situation exists, of course, in other more industrially developed countries such as the United Kingdom, France, Germany, Japan, Switzerland, etc. It seems clear that Canada was a "late starter"; and, because of this, the true international aspects of the drug industry must be studied with full realization that any approach to the promotion of further research in the Canadian aspect of that industry should be thoroughly examined before any hasty recommendations are made. For example, any further tax concessions that might be conferred on the Canadian drug industry should be considered in the light of what benefits are likely attainable from the total package of research and development undertaken, or benefits derived solely from basic and applied research. Indeed, if this distinction is not made, it is conceivable that the taxpayer will be asked to pay for clinical research and testing (which are normal expenditures in any industry) and the manufacturer will reap the benefit at the expense of the taxpayer.

The drug industry naturally does not approach the problem of research on the above "dissection" approach. Research of all kinds is considered to "flow together" regardless of its form or type. For example, one of the key witnesses for PMAC stated early in the proceedings (Minutes of Proceedings and Evidence, page 198) that he considered the Committee's Counsel was grading research into first class, second class and third class types. Then he went on to

say: "Let me state right from the beginning that each of them are essential before a drug can be introduced, and clinical testing is as essential a form of research as synthesizing a new compound". However, your Committee is more concerned with prices to the consumer without harming basic and applied research in Canada.

Turning now to specific figures that have been brought before this Committee, evidence has been given by PMAC (Minutes of Proceedings and Evidence, page 295) that *international* expenditures on pharmaceutical research now exceed \$400 million a year; that specific projects on which such research is carried out are by no means all successful, it being estimated that only 1 in every 3,000 compounds tested yields a drug of sufficient value to justify its introduction. With this in mind the Canadian situation was examined.

PMAC in its survey of 37 of its member companies received information to the effect that the total research and development spent in Canada (i.e. meaning all forms of research) amounted in 1964th to \$5,504,323 (\$8,144,870). In addition, there was charged to the Canadian companies by related companies outside of Canada the sum of \$1,579,140 (\$1,380,622); and there was paid to non-related organizations located outside of Canada by these Canadian companies \$8,703 (\$28,987), making a total in all of \$7,920,166 (\$9,544,479). The "reasonable estimate" of the cost of research and development performed on behalf of these 37 companies by related companies but for which no charge was made was \$5,439,303 (\$6,389,086) making a total claimed expenditure, either paid by the companies or considered a possible charge against them by related companies (although no such financial payments were made), of \$12,531,469 (\$15,933,565) (Minutes of Proceedings and Evidence, page 351 and page 2200). Under questioning by members of the Committee it was indicated by PMAC (Minutes of Proceedings and Evidence, page 200) that Canada "benefited" in 1964 to the extent of almost \$5,500,000 from international research whereas its contribution to international research by payment to related companies or others was only approximately \$1,500,000. In 1965, the "benefit" to Canada from international drug research was almost \$6,400,000 while that same year the Canadian firms contributed to the international picture approximately \$1,400,000. Canada, it was claimed, received tremendous advantages from work performed in foreign countries. The differential "favouring" Canada was \$4 million in 1964 and \$5 million in 1965. This, of course, lends credence to the theory that all countries, whether research oriented or not, benefit equally from research activity regardless of where it is performed, although this is not altogether true as countries carrying out basic and applied research to a great extent benefit from the peripheral blessings created by research, especially the attracting of scientists to those countries and the impetus thereby created to primary and secondary industry.

It is interesting to note that total research and development expenses, either spent in Canada or charged to Canadian companies, (represented by 41 companies in 1964 and 37 companies in 1965) is also capable of being broken down to indicate that laboratory expenses counted for \$4,820,833 (6,924,713) whereas

¹ Later the Committee received PMAC's annual statistical survey for 1965 pertaining to research and development and these figures are given in brackets.

clinical investigation (including medical departments) cost \$1,917,169 (\$2,204,-825) the balance representing research and development grants and unreported break-down. Clinical investigation costs, then, accounted for some 27 percent of the dollar spent on "research" in 1964 and some 23.2 percent in 1965. The statistics clearly indicate that expenditures made by the reporting companies on applied research and product development are increasing; but it should perhaps also be remembered that, at the same time, total sales of packaged human pharmaceuticals by the reporting companies also increased from \$110,465,396 in 1964 to \$125,054,386 in 1965.

These figures, encouraging as they may seem, must, however, be looked at in a different way to comprehend fully the actual cost of human pharmaceuticals to the consumer who in the long run must bear the cost of research and development. In terms of the manufacturer's dollar, 7 per cent was spent for research and development of all kinds as reported by 41 PMAC companies in 1964. This figure would be somewhat higher for 1965, possibly relating to increased tax concessions for Canadian research. If it can be assumed that the manufacturer receives only 50 percent of the pharmacists' price to the consumer and the suggested list price for a specific drug was \$5.00, then the consumer's contribution to research and development as a result of that particular purchase would be $17\frac{1}{2}\phi$ —in any event, a fairly insignificant sum.

It should also be borne in mind when considering these research figures that most companies outside the PMAC group do not attempt research of any kind, although one or two small but growing independent companies apparently are considering expending money on research.

Your Committee has come to the conclusion that the drug industry in Canada will continue in the foreseeable future to remain largely within the international framework; that the larger Canadian companies will remain subsidiaries of foreign corporations; and that any further noticeable increase in research in Canada by these subsidiaries will in all likelohood not take place, unless stimulated by government policy.

Your Committee has three recommendations to make regarding research and development in the Canadian drug industry. Your Committee recommends:

That the federal government should make a substantial increase in grants to the Medical Research Council, for the promotion of basic pharmaceutical research.

The results of this basic research whether patentable or not, would belong to the public. Your Committee further recommends:

That the pharmaceutical manufacturing industry take full advantage of the federal incentive program for research.

Another concern of your Committee is that insufficient research is presently being carried out with respect to the manufacture of the active ingredients of drugs which, to a large extent, are now being imported. Further and proper development of the drug industry in Canada cannot be expected if research is confined to experimental clinical testing or mere product development that does not involve making Canada more self-sufficient in this secondary industry. The Committee realizes that a balance must be struck between the cost of importation and the cost of manufacture and that normal economic considerations must

apply; however, it is conceivable that the drug industry up to now has failed in Canada to direct maximum attention to basic product manufacture.

An interesting suggestion was raised in Committee concerning possible stimulation of research by increasing royalty payments to patentees subject to compulsory licensing (see item 4 of this chapter), provided the patentees affected could prove that research carried out in Canada by them exceeded a basic minimum. Such a recommendation would appear to have considerable merit, particularly if the end result would be to stimulate research in Canada. However, any percentage increase in royalty should, in the opinion of the Committee, be related to research of drugs discovered and initially developed in Canada. The increased royalty would not add significantly to the cost of the drug to the consumer.

Your Committee therefore recommends:

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.

(e) Maintenance of Special Drugs for Special Purposes

In the PMAC brief (Minutes of Proceedings and Evidence, page 301) it was called to the Committee's attention that the research laboratories of the international pharmaceutical companies have developed many products, often lifesaving, that are available for rare illnesses and conditions. A survey of PMAC membership showed that 18 companies listed 84 products of this type and that such products are made available frequently to physicians either free of charge or at factory cost. Few, if any, of these products are in fact manufactured in Canada; most of these are made available to Canadian subsidiaries by parent corporations. They constitute drugs for which there is no great demand.

It was suggested that the cost of these products cannot easily be determined but their value was inestimable. Your Committee considers that their continued availability for Canadian use is a matter of importance and, in this respect, the large drug companies deserve commendation. However, insofar as drug costs and prices are concerned your Committee considers that retention of these items and their availability to physicians is not a factor that significantly affects prices to the consumer.

(f) Drug Safety and Quality Control

In the manufacture of drugs, the safety factor is usually referred to as quality control. Until recent years the provision of quality control measures was not obligatory under the Food and Drug regulations. Due to fairly recent changes in the regulations, quality control is now a necessary part of the manufacturing process.

The Committee feels that all the cost of quality control cannot be easily segregated from usual manufacturing costs, as it is often an integral part of the usual manufacturing process in any industry, whether pharmaceutical or other. In any event the Committee feels that safety must be assured and that any cost of quality control is a necessary part of the cost of manufacture. No recommendation of this Committee will be made in any way that would tend to reduce

monies spent on quality control. Safety must be placed above cost. It is realized actually that the cost of quality control although small is essential.

The Special Committee on Food and Drugs' Report to the House of Commons of December 1964 found the dangers from the use of drugs small in proportion to their value. The present Committee in its thorough study of cost has again been deeply interested in the related matter of safety. The Committee notes that the incidence of significant hazards to health is relatively rare in Canada. This does not mean that side reactions to drugs are unimportant, and indeed this aspect of the problem is a worrisome and growing problem to all those concerned with drugs—manufacturer, doctor, druggist and patient and, of course, the Food and Drug Directorate.

Many of the recommendations of the Committee on the safety of drugs have been implemented. The Committee is pleased that the Notification Program for all drug manufacturers, recommended by the Special Committee on Food and Drugs dealing with the safety of drugs, has been implemented by the Food and Drug Directorate.

The Committee feels that the medical profession does not appear to have full awareness of the Adverse Drug Reaction program and therefore recommends:

That the Food and Drug Directorate publicize the Adverse Drug Reaction program in co-operation with the Canadian Medical Association.

(g) The Federal Sales Tax

Federal sales tax applies at the regular rate of 12 per cent on all drug preparations, whether the drug is manufactured in Canada or whether it is imported, except Adrenocorticotrophin (ACTH), Cortisone, Insulin, Radium, liver extract for use exclusively in the treatment of anaemia, vaccine for use in the prevention of poliomyelitis, and material used exclusively in its manufacture. In addition, exemptions are afforded bona fide charitable institutions and hospitals.

Thus, the consumer who receives his drugs as a patient in a public hospital receives them sales tax exempt. But following discharge, he is compelled to pay for his drugs at prices that include sales tax. Thus an anomaly exists in the present situation. When the Committee commended its deliberations the rate was 11 per cent. This was subsequently raised to 12 per cent. All submissions to the Committee with respect to federal sales taxes have been on the basis of the 11 per cent rate.

Considerable discussion of the effect of the sales tax took place before the Committee, the following being perhaps one of the most cogent statements:

"Because of the nature of demand for prescription drugs, a tax at the manufacturer's level can be pyramided through the various stages of distribution and passed on to the consumer in magnified form." (Province of Alberta). In the same brief we read, "In industries where price competition is largely inactive, and distributors' markups chiefly a matter of tradition or convention, the tax will be dependably and automatically pyramided as the sellers attempt to shift the tax forward to the final

consumer by adding their traditional markups to the tax-included prices which they pay".

Accordingly, the price of drugs to the consumer is increased not only by the sales tax paid but also by the margins added on the tax by the wholesaler and the retailer.

The impact of sales tax upon the price to the consumer will vary depending upon the particular pricing method used at the retail level. The evidence before the committee suggests that there are three basic methods in use: (1) list price, (2) list price plus a dispensing fee and (3) cost plus a professional fee. The Committee understands that the second method is the one most commonly used although the third method is gaining in popularity.

In the "list price" method, the traditional markups above cost are 20 per cent by the wholesaler and $66\frac{2}{3}$ per cent by the retailer. In this case the impact of the tax is to increase the final consumer's price by eleven percent over that which it would otherwise be if sales tax did not apply. This increase represents 9.87 per cent of the final consumer price.

The Committee received many and varied calculations of the effect of sales tax upon the price of drugs to the consumer. The basic reasons for these differences in calculations are:

- 1. Interpretation—Some were dealing with the amount of tax paid only; others were dealing not only with the amount of sales tax paid but also with the result of the application of pricing policies at the wholesale and retail levels.
- 2. Variable factors—There are variations in the pricing methods in use at the retail level as well as in the amount of the "fee" that is often charged by the pharmacist.

The Committee's accountant has calculated the impact of sales tax upon the average price to the consumer under each of the three basic pricing methods. In these calculations, he used the average prescription prices of \$3.43 and \$3.67 for the "list plus dispensing fee" and "cost plus professional fee" methods respectively as reported on behalf of the Canadian Pharmaceutical Association and included in the association's brief to this Committee (Appendix to brief: "Prescription Pricing Patterns in Canadian Pharmacies in 1964", page V). The traditional markups above cost were used for the "List price" method. The following results were obtained:

	Per Cent of Price to Consumer		
	List Price	List price plus dispensing fee	Cost plus professional fee
Sales tax	4.96%	4.1%	4.4%
Wholesaler's margin added to sales tax	0.99%	0.9%	0.8%
Retailer's margin added to sales tax	3.92%	3.4%	8000 - USO
Total	9.87%	8.4%	5.2%

From these figures one might be inclined to conclude that elimination of sales tax could result in an average reduction of 5 to 10 per cent in the price of drugs to the consumer, depending upon the particular pricing method in use. However, reduction in prices is not ensured simply by the elimination of the sales tax. This point was emphasized by many who made representations to the Committee. It was pointed out that the elimination of the federal sales tax should be taken as part of a program to reduce drug prices and that this can be better assured by introducing competition into the drug market. Evidence, for example, has been shown that tariff reductions have not always been accompanied by a corresponding decrease in the price of drugs although the cost to the manufacturer was lower.

Both the drug manufacturers and retail pharmacists offered the opinion before the Committee that the benefits of a reduction in sales tax would be passed along to the consumer. However, the Committee concludes that, without more effective operation of competitive forces than presently exists in the drug industry in Canada, the only certain result from removal of the tax would be a reduction in costs to the manufacturers. The consumer must also understand that the removal of the 12 percent federal sales tax on drugs will not, (however much drug manufacturers and retail pharmacists honestly co-operate), lower the price of drugs 12 percent for the reasons already discussed in this section.

One other suggestion concerning the federal sales tax on drugs should be mentioned. It was suggested by the Canadian Drug Manufacturers that the tax should continue to be collected and that the revenue obtained should be kept aside and used by the federal government to create a new agency (non-profit) "The Drug Research Institute". This was originally proposed to the committee by Empire Laboratories and endorsed by the Canadian Drug Manufacturers; for details of this proposal see Chapter VII, Item 6 of this report.

Many people have claimed it is unjust to tax the sick, who are often those least able to meet added expenses. In proportion to the total revenue of the government the amount of tax collected on prescription drugs is small, amounting to approximately \$20 million last year. It is felt by the Committee that the loss of revenue that would be suffered by the government if the tax were removed, is more than justified if its removal reduces the cost of drugs to the sick who are, in many cases, the needy.

Your Committee is also conscious of the fact that large stockpiles of drugs already exist on which federal sales tax has already been paid. Some time will be required to elapse before warehouses, manufacturers' depots and drug outlets have emptied their shelves of these tax-paid drugs. The public must be aware, therefore, that the removal of the Federal Sales Tax may not mean an instantaneous drop in the price of drugs.

Taking all these aspects of this matter into consideration your Committee recommends:

That the federal sales tax be removed from the sale of prescription drugs.

2. At the Wholesale Level.

After consideration of the submission of the Canadian Wholesale Drug Association which, it is understood, represents virtually every major full service drug wholesaler in Canada, the Committee has come to the conclusion that net operating profits of the drug wholesalers are not high. According to this Asso-

ciation's 1965 operating survey, net profit after taxes of 10 wholesale drug firms, representing 28 members, was 0.59 percent of net sales while for 1964 net profit after taxes for 15 members was 0.60 percent. Net sales aggregated over \$127 million for 1965 as opposed to over \$113 million in 1964. The Association was frank to admit that there exists a paucity of information with respect to Canada's wholesale drug industry, and that the surveys provided insufficient statistical data. Nevertheless, present evidence indicates profits in the wholesale drug industry are not high.

It is interesting to note that a number of pharmaceutical manufacturers carry out their own distribution, acting as direct sellers, and do not channel their products through wholesale houses. These manufacturers generally sell at 40 percent off suggested retail price directly to the pharmacist who is supplied from the manufacturers' depots. Most pharmaceutical manufacturers who make extensive use of drug wholesalers allow a discount of $16\frac{2}{3}$ percent with perhaps an extra allowance of 1 or 2 percent for cash (Minutes of Proceedings and Evidence, page 1620).

In any event, it would appear that of all businesses engaged in the chain, making up the pharmaceutical industry, the wholesaler operates in the most competitive area. The submission of the Province of Alberta (Page 74) puts this succinctly: "Drug manufacturers have their markets protected by patents, trade marks, tariffs and dumping duties, sales promotion practices; fewness of numbers and large average size. Druggists have a protective market because of the institution of brand name prescribing and other prescription regulations which put the consumer at a unique disadvantage, plus the advantages associated with being a closed profession regulated by semi-autonomous professional associations which may be able to limit entry. But the wholesaler has no comparably strong bargaining position. If unsatisfied with the performance of wholesalers, drug manufacturers can integrate forward and sell directly to retailers. Similarly, groups of retailers, or even larger retailers, can integrate backward, as it were, and buy directly from the manufacturers. Hence the wholesaler must provide suitable services, reasonably priced, or find himself out of business." Your Committee agrees with this conclusion and makes no recommendation along the lines of the representation of the Canadian Wholesale Drug Association that manufacturers should distribute through wholesale druggists on the ground that there would be a decrease in manpower and related costs (i.e. wholesale houses would replace manufacturers' depots) without diminution of services. Your Committee does not agree with this latter conclusion.

The Committee feels as outlined above, that the wholesaler provides a service for the drug retailer and in doing so does not contribute to the cost of drugs significantly. Your Committee considered the possibilities of the wholesaler purchasing his total drug needs for a certain period of time in bulk form and re-packaging the drugs in quantities as required by the retail pharmacist, in appropriately sized containers. This of course would require the services of a pharmacist. Your Committee wondered whether considerable savings might be made in this maner and passed on to the consumer. This re-packaging was done in some volume in the past but is done to a small extent now.

Control drugs or narcotics are potentially dangerous drugs and are under rigid federal regulation. Manufacturers are required to have a federal licence for the manufacture and distribution of control and narcotic drugs. Distributors are required to have a federal licence which permits the distribution only of control and narcotic drugs and this licence forbids them to re-package and does not allow them to change in any way the form in which it is received from the manufacturer. Approximately 160 narcotic dealers are licensed (including manufacturers) and approximately 300 control drug dealers (including manufacturers) are licensed. Each depot of a manufacturer is licensed separately.

No licence for distribution is required for drugs that are not narcotics and are not control drugs. Any individual or firm may distribute these drugs without a federal licence. If this same individual or firm decides to re-package them (and therefore re-label them) and distribute them, then by definition under the Food and Drugs Act this individual or firm becomes subject to all the regulations laid down under the said Act. This practice, if it were done to any extent, would greatly increase the work of the Food and Drug Directorate, and the savings would have to be considerable to justify this added work and expense. If many small distributors were to begin business as above, the problems of policing them could be tremendous. With the manufacturer (who is already under Food and Drug Directorate inspection) doing a good portion of the distribution and some of the remaining distribution (dealing with control and narcotic drugs) under federal licence, there seems to be little justification for changing the system when the savings are unknown and questionable.

Another problem in any re-packaging process is that the lot number may be lost and the possibilities of drug recall are gone. To re-package and retain records of lots etc. will add to the cost in the form of more and more documentation.

Most distributors do not have the trained staff or the facilities or equipment to re-package the many varieties of drugs on the Canadian market and to do this in fact might add appreciably to the cost of the wholesaler, and therefore to the cost of the drug.

Your Committee is aware that some retailers group together to get large volume purchase discounts and may to some minor extent do re-packaging, but this is uncommon. It is understood that the pharmaceutical associations discourage for safety reasons this re-packaging at the group retailer level.

Taking all these factors into consideration your Committee is satisfied that changing the present system of drug distribution in Canada would not reduce the cost of drugs to the consumer.

3. At the Retail Level

It became clearly evident during the course of the hearings that one of the major factors affecting drug prices was at the retail level; and it was at this level that probably most difficulties would be encountered in any endeavour to introduce competition which could result in lower prices of drugs to the consumer. This became evident from the evidence provided by the Canadian Pharmaceutical Association Incorporated which is representative of the provincial statutory pharmacy organizations in Canada and their over 8,000 registered

pharmacists, excepting those of the Collège des Pharmaciens de la Province de Québec, which withdrew from the Association at an earlier date. Membership in the Association comprises pharmacists in all fields of pharmaceutical endeavour in Canada without exception. (Minutes of Proceedings and Evidence, page 54).

The provincial pharmaceutical associations appear to exercise great control over their pharmacist members through their regulations and "standards of ethics"; and in considering what might be accomplished in reducing prices at the drugstore level your Committee kept well in mind the division of powers between the federal and provincial governments. Basic to the problem is the fact, as previously pointed out, that the physician is the purchasing agent for the buyer, only the agent knows the product to be purchased and the buyer pays the price. Generally speaking, the physician is motivated primarily to order from the pharmacist for his patient that drug most suitable for him, regardless of price; and the pharmacist is required to fill out exactly that prescription (except in Alberta, as previously mentioned). The pharmacist may suggest to the doctor a less expensive alternative but this is not common practice. The retail drug buyer is at a complete disadvantage. In all likelihood he does not know the name of the drug product he is purchasing, he is hesitant to "shop around", and he feels heipless in the hands of the pharmacist.

Your Committee recommends

That the drug consumer be made aware that in fact drug prices do vary from pharmacy to pharmacy and it is his right to compare prescription prices before purchase, and that neither the pharmacist nor the physician should deny this right.

In the submission of the Canadian Pharmaceutical Association Incorporated (Minutes of Proceedings and Evidence, page 57) it was stated that in 1964 there were on the average 3,854 customers per pharmacy, each of these procuring 2.68 prescriptions at an average price of \$3.31; and that preliminary figures for 1965 indicated a utilization rate of 3.0 prescriptions per person averaging \$3.32 each. Further, it was stated that in 1964 an "average" pharmacy dispensed some 30 prescriptions in each day of the year, the sales from which represented only 27.4 percent of the gross sales of the pharmacy.

It was also stated (Minutes of Proceedings and Evidence, page 1936) that the "average" pharmacy, open to the public for 67 hours per week, derived 28.7 percent of its gross income from prescriptions. These statistics, and others which were represented to us, clearly indicate that the average pharmacist in an average community could not hope to survive unless he operated his pharmacy also as a small goods retail outlet. Less than a third of his income is derived from the sale of prescription drugs. Also, statistics indicate that serious inefficiency exists as a result of too many drug stores serving too few people, and inefficiency leads to higher prices. European practices exist whereby new pharmacies cannot be established unless there exists proof that a sufficient number of customers require services not provided by existing establishments. In Canada, however, there are many small communities requiring a pharmacist and a drug store, and any methods of governmental control over their number as related to population would not be practicable except possibly in large urban centres.

Another factor enters the picture, and that relates to the profession of pharmacy itself. The pharmacist is a highly qualified professional who requires four years of university training before he is eligible to practice his profession. The knowledge of pharmacology is absolutely essential for many persons en-

gaged in drug research, clinical testing of drugs and employed in hospital laboratories, etc. To a lesser extent this is also true in the average drug store but there the role of the professional has changed. By and large the pharmacist now is only required to issue drugs as tablets, capsules, ampules, etc. in their final dosage forms. Often it is only a case of handing across the counter a specific package or bottle as prepared by the manufacturer, or to make up packages for the consumer from larger containers the pharmacist carries in stock. The pharmacist's role is indeed changing from a compounder of medicines to a merchandizer of drugs and other manufactured products. There is no doubt in the Committee's view that his function will change even more in this direction. Your Committee cannot of course make recommendations for legislation in this respect, but does wish to suggest that provincial governments and provincial pharmaceutical associations consider seriously the future role of the pharmacist in the economy and the non-competitive position he finds himself in vis-à-vis the consumer. By retaining the existing non-competitive position, inefficiency results, drug sales are reduced, unnecessarily high prices maintained, and the pharmacist himself harmed. It may well be that pharmacy associations will have to re-think through their professional activities, e.g. provide in the future for two groups of professionals: one group of thoroughly trained pharmacists and another group (with less training) from which the dispensing druggists would be chosen.

It was also brought to the attention of the Committee that a practice exists where pharmacists "code" filled prescriptions so that if a customer asks for a repeat order at a different retail outlet the other druggist will know what the patient paid for the drug on his first purchase and will in all likelihood charge the same on the repeat order. It is the understanding of the Committee that the practice has been discouraged by the pharmaceutical associations on ethical grounds. The practice, however, does indicate the lengths some may go to prevent competition at the retail level.

Ordinarily there are two ways by which the druggist charges for a prescription. The first is by a mark-up over the cost of drug products delivered by the manufacturer or the wholesaler, plus a dispensing fee. The second method is the charging of a professional fee which is usually fixed (for example, \$2.00) over and above the cost to him. The second method of establishing the price to the consumer appears to be gaining favour with the provincial pharmaceutical associations and the druggists themselves. This second system will lower the cost of the more expensive drugs and will increase the cost of the less expensive drugs. Either method results in the same approximate income over a period of time.

It is apparent that if the pharmacist adds a fixed percentage as his mark-up for the consumer price, then the higher the cost, the higher his profit in dollars and cents. This could be a factor in the pharmacist suggesting, if he has the option, a higher rather than lower cost drug. If this mark-up also includes mark-up on the federal sales tax, then this again aggravates the problem of cost. Your Committee therefore recommends (but realizes it has no power to implement)

That pharmacists use the "cost price plus professional fee" method for determining drug prices to the consumer.

This recommendation is not to be construed as any proposed arrangement which might be an offence under the Combines Act.

The method of filling prescriptions by cost to the druggist plus a "professional" fee has a distinct financial advantage to the consumer particularly if

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physicians prescribe drugs for their patients by generic names. A pharmacist could fill such a prescription by the lowest price high quality drug consistent with that prescription whether it be a generic or brand name product. Pharmacists would make reasonable profits at savings to their customers. However, prescription by generic name would, at the present, be resisted by many physicians, all of whom are quite properly safety minded but who have more confidence in brand name products. The Committee feels this is a matter of continuing education or experience; and the Committee's recommendation concerning a non-biased drug publication will in the course of time enable physicians to prescribe reliable and safe drugs without recourse to advertising and marketing techniques undertaken by pharmaceutical manufacturers.

The pharmacist is in many ways the servant of the doctor rather than the public. He most often buys his drugs direct from the manufacturer, or from a wholesale drug distributor. A pharmacist's role has changed tremendously over the past twenty years—he now rarely compounds medicines but now buys these already compounded and ready for "instant use", however his professional training is still necessary under the present system of prescribing. His paper work has increased with various government regulations, forms, narcotic prescriptions, drug schedules, etc.

There is no question that drug prices in various pharmacies, of the same drug from the same company, in same dosage form, vary widely. This is of course true of most commodities available in Canada and is not specific for drugs. Some pharmacies appear able to sell a drug much cheaper than others and this is true whether it is a so-called generic or brand drug. It is also true whether they are bought in large or small amounts, although large volume buying does result in lower prices.

A suggestion has also been made that, to create more competition at the retail level, it might be advisable for pharmacists to label all prescription drugs sold to customers with the generic and/or trade name as ordered by the physician so that the contents of the prescription is indicated and the customer patient will know his precise medication.

One of the problems is the risk that patients might associate a particular drug with a particular illness, either accurately or mistakenly. In most cases this would not be a concern but in certain cases this could be highly undesirable from both a medical and psychological viewpoint. It should be pointed out that if the doctor wishes the name of the drug prescribed on the label at the present time, he has only to indicate this to the pharmacist.

It has also been suggested to the Committee that one factor that might affect drug prices might be pharmacies established by physicians and pharmacists acting in partnership. Your Committee is pleased to report that no evidence has come before it to justify this suggestion.

A further suggestion was put forward to this Committee that the particular regulation under the Food and Drugs Act relating to advertising of prescription drugs should be rescinded in order to allow their advertisement through publicity media by name only. It was considered that by the use of such advertising the patients might be made aware of where to shop and purchase their prescription drugs, that competition between drug stores would thus be enhanced and prices to the consumer would accordingly drop. All pharmaceutical associations are extremely sensitive on this point and have even gone to Court to exercise their very wide powers of restraint contained in their regulations and applicable to their large membership. Advertising cut-rate prices by druggists is considered

unethical by the Pharmaceutical Association as being unprofessional. Our Committee makes no firm decision on this point except to wonder how a pharmacist whose sales of prescription goods amount to only 25 to 30 percent of his total sales can consider himself "professional" on the one hand yet on the other, can advertise cut-rate prices on the majority of goods he has in stock to sell. There is no question that general advertising has benefited an occasional large retail pharmacy, but this has proceeded in considerable defiance of the Provincial Pharmaceutical Association. It is claimed that this can be done successfully anywhere in Canada, particularly in the large urban centers, and this type of drug supermarket would in the opinion of the Committee be one effective method of reducing the price of drugs. However, as stated earlier, this is a matter under the control of the provincial governments under whom the Provincial Pharmaceutical Associations are permitted to operate.

"Mail order pharmacies" are being established successfully in Canada and apparently are helpful in reducing the price of drugs especially in local areas for beyond the reach of retail pharmacies. They cannot supply the full drug needs of any community.

It is possible that advertisement of drugs could bring active competition into the cost of drugs at the retail (drug store) level, but advertising does have disadvantages. It could produce in the consumer's mind the conviction that he should or should not use a particular drug for his particular illness or condition, based on price considerations alone. He might therefore suggest to his doctor that he should use a certain drug, and the doctor would be placed in the unenviable position of justifying his particular prescription. The patient would not usually have the background to discuss this matter on therapeutic grounds, which would be the main consideration of the doctor, rather than cost itself.

In keeping with the many factors dealt with in this section, your Committee recommends:

That the Canadian Pharmaceutical Association and all Provincial Pharmaceutical Associations, Faculties of Pharmacy 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 merchandizing, and the role of discount and mail order houses;
- 2. Qualifications and training necessary for dispensing pharmacists;
- 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;
- Ownership of pharmacies by non-pharmacists.
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Your Committee expresses the hope that provincial governments and provincial pharmaceutical associations will take whatever steps are necessary, in the light of changing circumstances to ensure that sufficient competition can be engendered in the retail drug business to lower prescription drug prices.

4. Drug Patents and Compulsory Licensing

When reference is made to drugs or pharmaceuticals in this section of the Report, it means only those products whose active ingredients are patented or the processes by which they are produced are patented.

In the consideration of this subject, it is important to appreciate the background of patents, especially pharmaceutical patents, as they affect the Canadian economy. Not only are the patent laws in each country at variance but patent ownership in each country may be either in domestic hands, or under foreign control or both. In the United States, for example, by far the greatest number of pharmaceutical patents are held by Americans whereas in Canada virtually no such patents are issued to Canadian inventors. The vast majority are issued to foreigners; the large Canadian pharmaceutical manufacturers operate, in the main, under patents assigned or licensed to them from their parent corporations. Although no breakdown is given with respect to pharmaceutical patents issued in Canada, the latest report of the Commissioner of Patents indicates that from the period 1st of April 1965 to the 31 March 1966, 92.33 percent of all Canadian patents issued in 1965 went to foreigners. The pharmaceutical patent situation would show even a more adverse trend, the reason being that the industry apparently is not geared to research in comparison to other more populated countries and more research oriented economies.

Were drug patents issued in Canada to be absolute and unconditional for the normal seventeen year term, as is the case in the United States, monopoly domination of the Canadian drug market would rest almost entirely in the hands of foreign corporations through their subsidiaries. But monopoly domination in the drug industry, through legislation, has not been permitted in Canada since 1923 nor in the United Kingdom for some years prior to that date. The Canadian legislation is based upon the United Kingdom legislation. The erosion of absolute monopoly was introduced into patent legislation under a licensing system, known as compulsory licensing, which permitted a third party under certain conditions to manufacture a drug product by the patentee's process upon payment to the patentee of a royalty. Regardless of the real reason for the introduction of the compulsory licensing system into the United Kingsom, and which was later adapted to Canadian law, the fact is that this sytem has prevented absolute monopoly control in the drug industry for over forty years.

The Committee found that up to 1949 no application for compulsory licences had been made in Canada (Minutes of Proceedings and Evidence, Page 1425). The reason for this appears to be that up to that date there were no drug "winners", i.e. drugs which were "breakthroughs" in the industry and which forecast volume sales with record profits. Normally, of course, no manufacturer is going to the expense of obtaining a compulsory licence until he is certain of a lucrative market; and the various compulsory licences granted since 1949 clearly indicate this. 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. As of September 1966, which was the date these statistics were made available to the Committee, negotiations by the parties concerned towards settlement of the pending applications were taking place in respect of four cases. All the drugs which formed the subject matter of compulsory licensing applications

were no longer under new drug status and had a large well established market. In summary, there seems no doubt that the present compulsory licensing provisions of the Patent Act, insofar as the more expensive and newer drugs are concerned, have assisted greatly in the lowering of prices of the particular drugs involved; and this is borne out by statistics which have been presented in evidence before this Committee.

There is no doubt whatsever 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. There is no doubt also that the introducer of the drug has need of recouping research expenses not incurred by his licensee competitor. What length of time a patentee should be allowed to retain his monopoly is arbitrary. The Committee had considered a length of time dating from the time of application for the patent of the particular drug involved, or a term of years following the date the patent issues. In either case, difficulties can be anticipated from artifical delays that may be introduced by the patentee during the course of prosecution of the application which could lengthen enormously the period between date of application and the date the patent issues. The monetary rewards to a patentee as a result of delaying a compulsory licence application can be substantial.

After full consideration, your Committee is of the opinion that under the present system, 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 4 to 5 years for the drug to lose its "new drug" status as determined by the Food and Drug Directorate. As explained earlier it is most unlikely that a compulsory licence will be sought prior to the date that the drug loses its status as a "new drug". (See Ch. III, Item 6).

Serious representations made to the Committee by the PMAC, certain large drug manufacturing corporations and the Patent and Trademark Institute of Canada suggested that the compulsory licensing system in Canada insofar as foods and medicines were concerned should be abolished. They feel that these products should be treated in the same way as all other products are treated under the general provisions of the Patent Act. It would be natural in the interests of the companies that this step be urged. It is also natural for the Patent and Trademark Institute to take the same position, for such an association concerns itself with maintenance of the patent system for the encouragement of research. They refer disparagingly to the "copiers who ride on the coattails of others" which, although true is a sense, does not take into consideration the

⁽²⁾ This is not entirely true in the case of the Patent and Trademark Institute of Canada. Although recommendations were made to abolish S.41 in its entirety, it was felt that S.41(3) be replaced by a provision defining objectively the obligations of the public to the holder of a drug patent, and the basis upon which such drug patent holder is to be remunerated for the use of his invention upon grant of a compulsory licence.

paramount importance of the public interest that has long permitted encroachments on monopoly positions where foods and medecines are concerned.

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. Indeed, your Committee has four recommendations regarding compulsory licensing

- (1) Applicant for compulsory licence to have Food and Drug Directorate approval;
- (2) Extension of compulsory licensing to imports;
- (3) Payment of Food and Drug Directorate Inspection services outside Canada; and
- (4) Licences of right in cases of undue delay; all of which will now be elaborated upon.

The controversial section relating to compulsory licensing of foods and medicines is subsection (3) of Section 41 of the Patent Act, R.S.C. 1952, c. 203 as amended, which reads as follows:

41. (3) In the case of any patent for an invention intended for or capable of being used for the preparation or production of food or medicine, the Commissioner shall, unless he sees good reason to the contrary, grant to any person applying for the same, a licence limited to the use of the invention for the purposes of the preparation or production of food or medicine but not otherwise; and, in settling the terms of such licence and fixing the amount of royalty or other consideration payable the Commissioner shall have 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."

A number of Court decisions have taken place with respect to the interpretation of various clauses and possible ambiguities in this section. Under the terms of the Section, the Commissioner has the sole discretion to grant the licence. Further, he may grant the licence forthwith and, at a later time, determine the amount of royalty. Again, further, the Commissioner need only have regard to the desirability of making the medicine available to the public at the lowest possible price; and in this determination it is of interest to note that the royalties fixed must be consistent with giving to the inventor, not the patentee, due reward for the research that leads to the invention. (3) Naturally the decisions have been somewhat disturbing to the patentees and their assignees. Realizing, perhaps, that the compulsory licensing feature of the Canadian patent law might not be changed after some forty-four years, the PMAC considered that certain alleviation might be given "innovators", at least to the extent of recouping their research costs, by making provision to allow higher royalties to patentees who came under compulsion to grant licences. It was claimed that present royalty as determined by the Commissioner of Patents and paid under the Section amounted to a "pittance".

As stated, your Committee considers that any changes suggested along these lines would be inadvisable in view of the lengthy period of time the section has

⁽⁸⁾ Refer to Committee recommendation concerning royalties, Chapter VI Item 1 (d).

been in existence; and further, because the section has been of undoubted benefit to the drug consumer in a number of important cases. Although the drug licensors would have benefited more had larger royalties been allowed, nevertheless there is no indication that the companies concerned have suffered to any appreciable or unfair extent.

The first recommendation in the proposed amendments to subsection (3) of Section 41 of the Patent Act deals with safety. During the hearings, much concern was expressed with respect to the safety of new drugs introduced in the market by manufacturers working under compulsory licences. The PMAC attempted through correspondence with the Food and Drug Directorate to have an old drug under compulsory licence reinstated as a "new drug", in order to compel the licensee to repeat the many requirements called for by the Food and Drug Directorate after the drug had first passed its pre-clinical tests. The Justice Department ruled that the Regulations under the Food and Drugs Act could not be interpreted to permit such a change in the definition of "new drug" (See Chapter III, Section 7).

The Hilliard Committee in its report to Parliament tabled on the 12th day of May, 1966, considered that the Food and Drug Directorate should collaborate closely with the Commissioner of Patents in all applications for compulsory licences. However, because of the Commissioner's sole statutory prerogative with respect to the issuing of such licences, the Hilliard Report was not implemented in this respect. Instead, and to cooperate with the intent of the Report, the Commissioner of Patents requested the voluntary cooperation of the Food and Drug Directorate in all future compulsory licence applications. This was readily granted; and, at the moment, the Food and Drug Directorate advises the Commissioner whether or not, from the viewpoint of the Food and Drug Directorate, a licence should be granted from the standpoint of safety. This arrangement has been working well.

The question remains whether or not subsection (3) of Section 41 should be amended to make statutory that what is now being done informally. There seems to be only one argument why this formality should not be carried out, and this is the question of whether or not further delays would be encountered in the granting of compulsory licences by the addition of a second official body in the handling of such licences. The Committee has been informed that the time necessary to process an application by the Commissioner varies considerably with different cases. According to the established practice of the Patent Office, it would take six months provided there were no delays. However, many delays are encountered and of the fourteen compulsory licence applications mentioned earlier, the shortest period of time for the licence to issue was 5½ months, with the longest taking 2½ years. The Ilsley Commission was also concerned by the possibility of delays: "In view of the possibility of large profits on some patented foods and medicines, particularly drugs, the field is such that a substantial delay may be of great financial advantage to the patentee" (Report on Patents of Invention, page 96). The Ilsley Commission went on to recommend stringent rules for the minimizing of delays in compulsory licence applications. On balance, however, your Committee considers 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, basing its views also on the fact that no delays of any consequence can be expected to originate with the Food and Drug Directorate, particularly when such applications are few and far During the hearings, it was suggested that a triumvirate consisting of the Commissioner, a representative of the Food and Drug Directorate and an economist comprise a tribunal to decide on the terms of a compulsory licence—the economist to decide upon the appropriate royalty to be awarded the patentee. Your Committee has concluded, however, that this would present an additional complication not in the public interest. The fact that decisions respecting royalty payments are arbitrary in any event detracts from such a proposal.

Your Committee therefore recommends

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.

The Second amendment to Subsection (3) of Section 41 which your Committee is prepared to recommend deals with the proposal put forward by the Hall Commission which was heavily endorsed in the submission of the Province of Alberta. This is the awarding of compulsory licences to import, but again only with the approval of the Food and Drug Directorate. As seen earlier, approximately 80 percent of all the active ingredients in drug manufacture are now being imported in bulk form. In addition, nonpatentable drug items are being imported in bulk, semi-finished dosage forms, the imports being subject to inspection by officials of the Food and Drug Directorate. However, drugs manufactured in Canada under patents are not now imported as the importers of these almost certainly would immediately become subject to patent infringement actions; and hence Canadians are automatically prevented from being able to buy such foreign drugs, regardless of their quality, at any price. There is no doubt that some drugs being manufactured in foreign countries are safe and inexpensive.

To date, there has been a natural reluctance to amend the law to allow the grant of import licences respecting patented drugs in the belief that Canada would gain more by having drugs produced domestically than by being able to import drugs more cheaply, even if of the highest quality. No one questions the fact that if compulsory licenses to import are granted, the large drug manufacturers would find themselves in open competition with Canadian importers purchasing like drugs, perhaps with identical trade names (see next item 5), from foreign sources. The proposed injection of this open type of competition into the drug industry naturally causes certain perturbation which was feelingly expressed from time to time by the witnesses representing the larger segments of the drug industry to whom such suggestions were put. However, the Committee does not consider that if this recommendation were to be adopted into legislation, the result would be dire or catastrophic as feared.

The section in the United Kingdom legislation of 1949 corresponding to our Section 41(3) (but not identical thereto) authorizes compulsory licences for imports, and this fact does not seem to have militated against the British drug companies to any great extent. In the representations of Hoffmann-La Roche Limited (Minutes of Proceedings and Evidence, pages 802, 809) two unreported decisions under the corresponding United Kingdom Patents Act, 1949, were brought to the Committee's attention which dealt with applications for compulsory licences to import. Both cases held that under the specific United Kingdom section such licences could be granted and exercised solely through importation,

although the Comptroller under that Act felt that he ought not, in the circumstances of the particular cases involved, to exercise the power which he had under the particular section unless he was satisfied that the balance of public interest demanded it. In other words, power to grant compulsory licenses to import was available, but considered by the licencing authority in the circumstances not to be used carelessly or automatically. Your Committee appreciates and recognizes this view, i.e., that the Commissioner, although in ordinary cases of compulsory license applications, shall grant the licenses "unless he sees good reason to the contrary"; in the case of compulsory licences to import he should only grant the licence in his discretion if it is in the public interest so to do. The "public interest" would be, the Committee feels, that need of bringing lower drug prices to the consumer weighed against the effect of such import licence on the Canadian producer(s) of that drug in question.

The differentiation between the two types of compulsory licensing should be carefully observed. "Unless he sees good reason to the contrary" involves only simple discretion on the part of the Commissioner wherein the "public interest" may or may not be included. In the determination of the question involving a compulsory licence to import, however, the "public interest" is the sole consideration.

Your Committee feels that safety must be paramount. The compulsory license 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.

Your Committee recommends

That Subsection (3) of section 41 of the Patent Act be amended to include applications for compulsory licenses 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.

The Committee feels that the cost of such inspection services outside of Canada should be borne by the importer and therefore recommends

That the importer of drugs under compulsory licence pay the cost of Food and Drug Directorate services outside of Canada.

It should be stated immediately that in the determination of "public interest" or, indeed, in any determination relating to Section 41(3) of the Patent Act, the Committee is most conscious of the serious responsibility placed upon the Commissioner of Patents. The Ilsley Commission also recognized this problem and considered that such determinations be taken by a higher authority. The recommendations of the Ilsley Commission have not as yet been studied for implementation or otherwise; but when this is done, your Committee emphasizes its concern in like manner to that expressed by the Ilsley Commission.

Another recommendation of your Committee is that Subsection (3) of Section 41 be amended so that if the granting of a compulsory licence takes longer than 12 months, the Commissioner 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.

The question of duration of term of patent protection for drugs and medicines also was raised before the Committee. The suggested term ranged from no term at all, i.e. complete abolition of patent protection on drugs and medicines, as proposed by the Restrictive Trade Practices Commission in its Report, to leaving the term precisely as it now is and no shorter than the 17-year protection afforded any other types of inventions. Should any term between zero and seventeen years be taken as the appropriate length of time for patent protection on pharmaceutical substances and processes, such a figure would naturally be purely arbitrary as is the present term which is only historical. The Committee, however, was impressed with the argument that there is a high degree of obsolescence in the drug industry, and that many medicinal substances rapidly outlive their usefulness and are replaced by more active drugs with increased therapeutic value within a few years after the patents issue. Also, in those instances where a "wonder drug" continues to remain so and stays in demand throughout the entire length of the patent term, this situation is or can be cured, insofar as high prices to the consumer are concerned, by the compulsory licensing system. Therefore, your Committee has no recommendation to make with respect to limiting the present term of patent protection on pharmaceutical products.

The Patent and Trademark Institute of Canada recommended the abolition of Subsection (2) Section 41 of the Patent Act. The subsection reads as follows:

"41(2) In an action for infringement of a patent where the invention relates to the production of a new substance, any substance of the same chemical composition and constitution shall, in the absence of proof to the contrary, be deemed to have been produced by the patented process."

The Committee considered also the recommendation contained in the submission of the province of Alberta that the patent law should be amended to put the burden of proof in infringement suits on the plaintiff. As can be seen from the present subsection, the burden of proof lies on the defendant to show that he has not produced the substance of the same composition and constitution by the patented process. In the opinion of the Committee there would be no advantage to changing the burden of proof inherent in Section 41(2) particularly considering this Committee's recommendations regarding compulsory licences and the difficulties that may be encountered in patent infringement suits. The Committee therefore does not recommend any change to this section.

Before leaving the conclusions it has reached regarding Section 41 of the Patent Act, the Committee would like to comment on subsection (1) of that Section.

Subsection 41(1) reads as follows:

"In the case of inventions relating to substances prepared or produced by chemical processes and intended for food or medicine, the specification shall not include claims for the substance itself, except when pre-

pared or produced by the methods or processes of manufacture particularly described and claimed or by their obvious chemical equivalents."

Both the IIsley Commission and the Patent and Trademark Institute of Canada (the latter in evidence before the Committee) recommended the repeal of this section, noting in each instance that the corresponding provision in the United Kingdom patent law was repealed in 1949. The effect of repealing this section would be to allow patents on the drug itself as well as the process by which the drug is made. This would strengthen the patent system. The present section tends to encourage discovery of new processes which are patentable, for drugs already marketed. The effect of repealing this section would, in the Committee's opinion, be negligible, while leaving it alone may encourage research into new processes; therefore your Committee makes no recommendation in this regard.

In its report the Hall Commission recommended that Section 19 of the Patent Act be expanded to include governments of the Provinces. Section 19 reads as follows:

"19. The Government of Canada may, at any time, use any patented invention, paying to the patentee such sum as the Commissioner reports to be a reasonable compensation for the use thereof, and any decision of the Commissioner under this section is subject to appeal to the Exchequer Court."

Although your Committee has been advised that this section has not been used insofar as drug patents or drug processes are concerned,—probably because government agencies, whether Federal or Provincial, meet their drug requirements through tendering—nevertheless there does exist the possibility that use may sometime be required of such a section in the interests of the consumer. Your Committee feels however that this should remain a federal responsibility, and not be extended to the provinces. Patents and drugs are under federal control and the Committee feels that no change should be made that would give this authority to the provinces.

Certain evidence also suggested that Section 67 of the Patent Act (which sets out the circumstances under which exclusive rights under a patent shall be deemed to be abused, such as non-working, or production being prevented by the importation from abroad of the patented products by the patentee, or if the demand for the patented article was not being met on reasonable terms and to an adequate extent, etc.,) was in itself sufficient to correct those circumstances wherein the patentee was not properly using his monopoly privilege; and, if that were not enough, then Section 30 of the Combines Investigation Act R.S.C. 1952 Ch. 314, might well be used to remedy situations where prices were being fixed and patent rights were being misused. However, your Committee considers that, although these Sections of these Acts may be helpful overall in dissuading a patentee from acting in a manner harmful to consumers, nevertheless they appear to lack teeth sufficiently sharp to correct easily and readily all monopoly abuses.

5. Trade Marks

Earlier your Committee considered that regulations could not now be imposed that would prevent the use of brand names in the marketing and sale of

drugs, as this could be out of character with present day commercial practice. Nevertheless, trade marks have an inhibiting influence on free and open competition in the pharmaceutical industry; and for this reason the Hall Commission recommended that the Trade Marks Act be amended to allow the importation of trade-marked drugs which have been produced by a company related to he Company owning or possessing the same Canadian trade mark, recognizing that trademark law can influence the level of drug prices directly and indirectly. Under present law the Canadian subsidiary of a foreign parent company can prevent the importation of drugs into Canada if these bear trademarks identical to those owned and used by it. This, of course, eliminates entirely any possibility of legally importing brand name drugs which may be selling at lower prices outside Canada and which, in fact, may in many instances be identical to those drugs manufactured by the subsidiary from bulk active ingredients imported from the parent corporation.

Prior to 1953 a trademark could not be assigned or transferred to another corporation, even a subsidiary corporation, without at the same time transferring the goodwill of the business. Under the Trade Marks Act, 1953, this situation was reversed and subsidiaries (or licencees) were permitted to become legally entitled to use the trademarks of their parent corporations 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 trademarks of the parent. This also included the right to bring infringement actions against third parties who might attempt to use the trademarks in association with similar wares that were imported from companies related to the Canadian subsidiary. The Patent and Trademark Institute of Canada considered that if the Canadian company does not own the Canadian registration but merely uses the mark as a "registered user" thereof, the trademark being actually owned by the foreign related company, such sale of the trademark wares imported from the foreign related company would not constitute an infringement of the registration (Minutes of Proceedings and Evidence, page 1369). In the Institute submission it was further stated (at page 1368) that a trademark is a badge, for the wares on which it appears, of their origin, their character or quality and the conditions of their manufacture. A "registered user" guarantees under the trademark law character or quality and the conditions of the manufacture of the product through the registered agreement between the trademark owner and the user; but it is not precisely true to say that these trademarks necessarily function as a badge of origin—not only with regard to the plant of manufacture but with regard to the country of manufacture. The "badge of origin" feature of trademarks can, therefore, be misleading in that it is true to say that a particular pharmaceutical product can be manufactured in several countries of the world under the same terms of quality and manufacture and yet bear the same trademark.

Be that as it may the Patent and Trademark Institute doubted the need for any new or special provisions in the Trade Marks Act in respect of drugs in view of the special remedies provided in Section 30 of the Combines Investigation Act where the Exchequer Court of Canada could decide, for example, that the registration of a trademark be expunged in any case where the privileges conferred by a trademark are misused as to unduly prevent or lessen competition in the manufacture of any particular article or commodity. Your Committee, however, agrees with the submission of the Province of Alberta that the expense,

delay and general cumbersomeness and uncertainties of such proceedings make this remedy in every sense of the phrase a last resort. (Minutes of Proceedings and Evidence, page 2578).

The Institute (again at page 1369) puts its finger directly on the problem by stating that, "if the public interest in the expected lowering of the price of some trademark drugs by forcing Canadian companies to compete in the Canadian market with their foreign related companies under identical trademarks is considered to be paramount and greater even than the public interest in the integrity of trademarks, then it will require a very carefully drafted provision affecting the whole scheme of the Trade Marks Act and not merely Section 20 as suggested in the Hall Report". Your Committee, in attempting to determine whether or not Canadian trademark law should be "watered down" in respect of trademarks as applied to drugs, is conscious of the fact that the Institute agrees that it is not qualified to deal with the economics of the patent system or trademark system as it affects competition in the drug market; the Institute, by its very nature, is primarily directed to the maintenance and, if possible, the enhancement of these laws insofar as they encourage research, stimulate invention, prevent secrecy and bring due reward to inventors for their contribution to the art. The ascertainment of the "balance of the public interest" is not necessarily the purpose of this professional association.

Your Committee has carefully considered both sides of this dilemma and recommends that it is in the public interest to adopt the recommendation of the Hall Commission, namely,

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.

If this recommendation is found acceptable, your Committee directs the attention of the drafting authorities, however, to the cautions expressed by the Patent and Trademark Institute.

It was suggested that if this recommendation found acceptance it would be of little avail in reducing drug costs because if any Canadian company was being injured by importation of identically trademarked wares from related companies abroad, it would change the trademark concerned. This is perhaps true but the Canadian company, if it followed such a course, would lose the goodwill associated with the probably widely known advertised brand name; and to change the trade name to another might well be short-sighted from a marketing view-point.

Your Committee considers that if such a recommendation were adopted little, if any, harm would actually be incurred by the more well established and well known owners or "registered users" of the trademarks concerned. Certainly, importation of identically trademarked drugs from abroad at lower prices would introduce open competition in the Canadian market with resulting benefit to the Canadian consumer.

6. The necessity for Price Competition

From the factors set out in this chapter that affect drug costs and prices, it becomes immediately obvious that the introduction of increased and open competition at all levels of the drug industry is the obvious essential element in reducing the costs of drugs to the consumer. A variety of recommendations are therefore required, and these have been set out following discussion of each phase or aspect studied. It is price competition, not product competition, that will lower prices. Product competition breeds increased expenditures at the manufacturer's level. Price competition at all levels promotes lower costs through increased efficiency and cuts through extravagant promotional activity.

Very recently Drug News Weekly, in its edition of 20th February, 1967, at page 13, made specific reference to the effect of competitive factors as being "partially the cause of price cuts" on Parke Davis & Company's Chloromycetin (chloramphenicol). As a result of the expiration of Parke, Davis' basic patent on this drug some two months earlier, "other manufacturers began bringing out low price chloramphenicol capsules—generically and under brand names." The news report went on to say that "Parke Davis' price cut had been widely expected by trade observers as a result of the chloramphenicol competition that started developing in January. Right after the company's basic patent expired, other manufacturers requested approval from the United States Food and Drug Administration to market their own. Their product did not begin appearing on the market until early January. Most of the chloromycetin competitors are generics..."

It is interesting to note that this competition developed in the United States after the principal patent expired. There is no compulsory licensing system in the United States as in Canada. Had there existed such a system doubtless a price reduction would have occurred long before.

CHAPTER VII—OTHER PROPOSALS MADE AND CONSIDERED

1. A National Drug Formulary

An important recommendation of the Hall Commission was "that the Food and Drug Directorate, with the assistance of the Advisory Committee, (i.e. that Committee responsible for advising the Department of National Health and Welfare), prepare and issue a National Drug Formulary which would be maintained on a current basis. This Formulary would include only those drugs which meet the specification of the Directorate, and would be identified as such, and therefore eligible for inclusion in the Prescription Drug Benefit within the proposed Health Services Programme, one of the objects being to minimize the cost of prescribed drugs. There should be established an appeals procedure for dealing with rejected applications, and an information service which would issue periodic bulletins providing the latest information on drugs and drug therapy to physicians, pharmacists, and hospitals."

Your Committee did consider a National Formulary. It was suggested that drugs would be placed on it which met the requirements of the Food and Drug Directorate. These would be purchased by the retail druggist (individually or collectively) on the tendering system. Physicians could prescribe by generic name and the druggist would dispense the drug that he had in stock. (He might

stock only one brand of each generic drug). This would eliminate large drugstore stocks of various brands of the same generic drug, saving on inventory and space. It has been suggested this would eliminate the need for promotional advertising to the doctor. This could however merely shift this promotional activity from the doctor to the pharmacist. Your Committee feels that this represents a major change in medical and pharmaceutical practice which at this point would be unacceptable to these professions, and actual implementation would be very difficult. It should be pointed out that a great many hospitals now use a drug formulary which their staff apparently find satisfactory. As the experience grows with this hospital formulary, it may be possible that the use of the drug formulary will gradually extend outside the hospital.

Your Committee has already recommended a Food and Drug Directorate bulletin on drugs, which would be current and non-biased. It would contain (as discussed earlier) much of the information that a National Drug Formulary would supply to the medical and pharmaceutical professions.

2. Appeals from the Decisions of the Food and Drug Directorate

Representation was made to the Committee that some decisions of the Food and Drug Directorate are final and binding and that no appeal is possible. In many instances, the decision is actually made in a court of law when a manufacturer is charged by the Directorate with an offence under the Act. This decision is appealable of course to a higher court.

At the present time, under the Food and Drug regulation (C.08.009) an appeal procedure is laid down concerning decisions affecting the notice of compliance (date of placing drug on sale). If a manufacturer does not agree with the decision of the Directorate in this matter, a "new drug" committee is set up. One member is nominated by the manufacturer, one is nominated by the Minister of National Health and Welfare (he cannot be an employee of the Directorate), and the third member, who is Chairman, is chosen by the other two members. If the other two members cannot agree on a choice for chairman, then the Minister of National Health and Welfare may appoint him.

It is understood that the only other area of complaint concerning appeals involves the decision of the Directorate as to whether a drug should retain or lose its "new drug" status. The Committee feels that an appeal in this matter would be reasonable and therefore recommends

That the Food and Drug Regulation C.08.009 be amended to extend appeals to the decision as to "new drug" status.

3. Insurance Plans for Drug Prescriptions

The Committee heard interesting testimony from Prescription Services Incorporated, authors of the "Green Shield Plan", a voluntary prepaid plan where Prescription Services Inc. acts as fiscal agent for group subscribers from the public and for pharmacy members of the Corporation. The Plan provides group insurance to cover drug costs incurred by their subscribers. Premiums under the plan appear normal and moderate; and there is no doubt that membership in the plan can relieve anxiety on the part of those to whom the price of drugs, if required, would undoubtedly be excessive. Much was made of the fact

that the problem of high drug prices was no problem at all if Canadians were insured against possible drug costs under this or similar plans. Prescription Services Incorporated was not itself apparently concerned with methods that might bring down the price of drugs to the consumer. Higher drug prices would only affect premiums, and increases in premiums would probably be minimal or, at least, bearable.

This attitude, of course, begs the whole question. Insurance plans can be devised to protect any person from any eventuality. Your Committee, although acknowledging the merit of pre-paid drug plans, and their great benefit to subscribers considers it irrelevant to this inquiry. The presence of such plans should not affect recommendations primarily directed towards lowering drug costs for the unprotected consumer.

4. Abolition of "Suggested List" Prices by Manufacturers

Since the Canadian law was changed to make retail price maintenance an offence under the Criminal Code, it has been the common practice of manufacturers, including pharmaceutical manufacturers, to "suggest" list prices to retailers for retail sale by marking the suggested list price on the containers of their products or in their sales listings. In most instances, therefore, the suggested list price becomes in fact the "fixed" price charged to which is added the dispensing fee with the corresponding result that competition on this basis in the open market in fact ceases to exist. This practice, it should be noted, is changing in those cases where the pharmacist charges a professional fee over and above actual cost to him.

With this growing interest shown in the professional fee, it would seem advisable, as an additional link in the chain of promoting increased open competition at all levels within the industry, to conclude that "suggested list" prices be abolished. It could be expected that a careful shopper for prescription drugs will soon learn the amount of the professional fee charged by the pharmacist in his Province; and with that information will ascertain the cost of prescription drugs as delivered to the drug store of his choice. The pharmacist, in his turn, will have opened up to him the possibility of studying the retailing pricing of colleagues in the same area.

Although it cannot be said without actual experience whether such a recommendation may be helpful in lowering drug prices to the consumer, nevertheless your Committee makes this recommendation, namely,

That the pharmaceutical industry abolish suggested list prices.

5. Drug Price Restraint Programme

The Hall Commission recommended "that the Government of Canada, assisted by the Drug Advisory Committee, sponsor jointly with the drug industry and such provincial governments as wish to participate, a study of the feasibility of a voluntary drug price restraint programme for Canada, for implementation on a trial basis."

Such a voluntary price regulation scheme now exists in the United Kingdom and has been operating for over eight years. Under the U.K. programme, representatives of government and industry settle by common agreement the prices charged for drugs in the National Health Service. Apparently only one-third of the pharmaceutical output is sold to the state, but the state pays for three-quarters of the pharmaceuticals that the industry sells in the home market. With the state politically concerned with accusations that drugs of possible benefit to patients might be held off the market, and with the industry concerned with representations that it was making large profits out of health-sustaining and curative products, a state of compromise or give-and-take is presumably reached to permit such a voluntary scheme to work with comparative success.

Your Committee considers, however, that a corresponding programme of voluntary drug price restraint would be neither necessary nor of help in Canada. Firstly, the tendering system in operation between government agencies, hospitals and the industry minimizes excessive profits in public purchases; and secondly, the British industry can perhaps be more flexible with self-imposed domestic monetary discipline because of its large export drug market—a factor not of consequence in the Canadian industry.

6. A Drug Institute for Canada

An interesting submission put forward by Empire Laboratories Limited received the attention of your Committee. This proposal suggested the establishment of a Drug Institute in Canada to be administered by a Council drawn from the professions of medicine, pharmacy, pharmacology and chemistry. It was considered that the significance of drugs in the practice of medicine had changed remarkably in the last generation; and to prevent the situation from getting "out of hand", all matters relating to drugs must and should be brought back entirely under professional supervision (Minutes of Proceedings and Evidence, pages 1115-6), presumably as opposed to present commercial instigation and control. The functions suggested for the new Drug Institute were as follows:

- (1) To examine the areas of therapy in which new drugs may or may not be needed:
 - (2) To regulate some pre-clinical and all clinical trials of a new drug;
- (3) To solicit, receive and correlate all reports of side effects, contraindications and alternative uses of drugs, new and old;
 - (4) To solicit and correlate all reports about efficacy of drugs;
 - (5) To establish the official (generic) name of a new drug;
- (6) To participate in multiple screening tests for discovery of new drugs;
- (7) To accomplish fundamental research in pharmacology and medicine;
- (8) To promote the development of preventive medicine in Canada. V 232-4

Your Committee can see many benefits that might accrue to Canadians through the creation of such a Drug Institute. It was made very plain that such an establishment would initially have to be subsidized by government (although charges for services rendered to profit-making organizations would be made) and that it must operate entirely outside the jurisdiction of federal or provincial government. It would supplement the present activities of the Department of National Health and Welfare.

It was proposed that one means for providing the funds necessary for the creation and subsidization of the Drug Institute would be an allocation to it of a portion of the monies normally netted by the federal government through sales tax revenues derived from sales of pharmaceuticals. The latter suggestion was seemingly based on the assumption that if the Committee saw fit to recommend the abolition of sales tax with respect to pharmaceuticals, and this recommendation was found acceptable, in all likelihood the savings effected on sales tax would not be entirely passed on by the manufacturer; and hence the public should derive some additional benefit as a result of an almost certain loss of revenue to the federal government. All the taxpayers would benefit from such a plan which however would be financed only by the sick. If such a plan were to be implemented it should be influenced by general taxation.

After careful consideration, your Committee has come to the conclusion that this proposal also does not fall within its terms of reference. Because of the possible merits of the scheme, however, it was decided to set out the suggestion in some detail for consideration by others at a future time.

7. Ten-Year Moratorium on Drug Patents

A ten-year moratorium on drug patents was recommended to the Committee. This proposal was considered when the question of patent term was under review; and in the light of its recommendations concerning compulsory licences on patented processes in drug manufacturing, your Committee has no such recommendation to make.

8. Triple Damages in Patent Actions

It was suggested that a defendant in patent litigation, if successful in an action for patent impeachment, should be awarded triple damages based on actual out-of-pocket costs. This proposal was advanced on the theory that such a recommendation would of itself make a patentee hesitate before instituting an expensive action against an "infringer" and would discourage or prevent harassment against innocent parties. Your Committee does not consider that drug patents should be singled out from any other patents involved in patent cases and that punitive action of this type is neither necessary nor desirable.

9. Patent Actions and the Exchequer Court

It was suggested patent actions should be confined to the Exchequer Court of Canada. The Exchequer Court of Canada receives its jurisdiction on patents under Section 91 of the British North America Act. However, patents are also included under Property and Civil Rights, and are also subject to provincial laws under Section 92 of that Act. Therefore, this proposal cannot be considered although it does possess merit in that it would confine all patent actions to one court and give uniformity in legal decisions.

10. Circumvention of Food and Drug Directorate

Another proposal was that governmental agencies be permitted to use "alternative sources" for "new drugs" on their own responsibility without interference from the Food and Drug Directorate, as these could be used under the supervision of qualified professionals and would not be available for general distribution. Your Committee does not consider that any proposal which encroaches upon or lessens the present responsibility of the Food and Drug Directorate of the Department of National Health and Welfare should be accepted. There must be a final authority dealing with drug safety.

11. Other Recommendations of the Hall Commission

The Hall Commission made other recommendations relating to educational programmes regarding drugs, centralization by the federal government of all its drug purchases, encouragement of the provinces to adopt bulk purchasing and methods of tendering, expansion of research grants, continuing cost price analyses of drugs, etc. which have have not been considered by this Committee as not being precisely related to its terms of reference. By not considering these various recommendations of the Hall Commission, however, your Committee does not wish it to be assumed that these should not be acted upon.

CHAPTER VIII—CONCLUSIONS

Your Committee has therefore come to the following conclusions:

- (1) That the price of drugs in Canada is at least higher than it need be;
- (2) That no significant change has taken place in the drug-cost structure since the recommendations of the Hall Commission which were primarily based on the recommendations of the Restrictive Trade Practices Commission:
- (3) That there exists no single method nor simple approach which can be taken to reduce the price of drugs to the consumer, and it is therefore necessary to present a series of recommendations to effect this purpose;
- (4) That since Canadians are paying a significant portion of the cost of international pharmaceutical research, more of this research should be done in Canada by the pharmaceutical industry;
- (5) That the medical profession is responsible for the prescribing of most drugs, and for these Committee recommendations to be fully effective, the medical profession must be fully assured of the safety of all durgs by the Food and Drug Directorate:
- (6) That the implementation of the recommendations could lessen marketing and promotional expenses and reduce excessive profits;
- (7) That the implementation of the recommendations could alter in some respects the form of the drug industry as it exists today, removing inefficiencies in the industry and increasing competition;
- (8) That in anticipation of national and provincial welfare programmes or the further development of other forms of health services, it is of paramount importance that legislation be introduced at the earliest practical date to implement the recommendations of this Committee.

SUMMARY OF RECOMMENDATIONS

These recommendations are listed in order of their presentation in the report and not necessarily in order of their importance.

- 1. That all medical and pharmacy students be instructed during their studies in the generic nomenclature for drugs;
- 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;
- 3. 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;
- 4. That present ministerial authority as provided in Section 38 of the Customs Act be amended insofar 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.);
- 5. That the Customs Act 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;
- 6. That the federal government instruct the Tariff Board to review the drug tariff structure;
- 7. That drug manufacturers revise their promotional practices on a voluntary basis, as considerable savings could be made and passed on to the consumer;
- 8. That the pharmaceutical industry take steps to ensure that all representatives of the drug industry engaged in field selling be paid by salary and not by commission;
- 9. That the federal government should make a substantial increase in grants to the Medical Research Council for the promotion of basic pharmaceutical research:
- 10. That the pharmaceutical manufacturing industry take full advantage of the federal incentive program for research;
- 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;
- 12. That the Food and Drug Directorate publicize the Adverse Drug Reaction program in co-operation with the Canadian Medical Association;
- 13. That the federal sales tax be removed from the sale of prescription drugs;

- 14. That the drug consumer be made aware that drug prices do vary from pharmacy to pharmacy and it is his right to compare prescription prices before purchase and that neither the pharmacist nor the physician should deny this right;
- 15. That pharmacists use the "cost price plus professional fee" method for determining drug prices to the consumer;
- 16. That the Canadian Pharmaceutical Association and all Provincial Pharmaceutical Associations, Faculties of Pharmacy 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 merchandizing, 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;
- 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;

- 22. That the Food and Drug Regulation C.08.009 be amended to extend appeals to the decision as to "new drug" status;
 - 23. That the pharmaceutical industry abolish suggested list prices.

Your Committee would like to thank all those organizations, industries and individuals who appeared before the Committee or submitted material for consideration. In addition, your Committee would like to thank in particular its legal counsel Mr. A. M. Laidlaw, Q.C., and its accountant Mr. W. J. Blakely, C.A., who participated actively in the hearings and whose assistance was of particular value in the preparation of this report. The Committee commends the Committees and Private Legislation Branch of the House of Commons for its efficient assistance and in particular thanks the Clerk of the Committee, Miss Gabrielle Savard, for her tireless work on the Committee's behalf.

A copy of the Minutes of Proceedings and Evidence (Issues Nos. 1-34 inclusive) will be tabled later.

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APPENDIX A

WITNESSES HEARD

(Listed in order of appearance before the Committee)

The Hon. Allan J. MacEachen, Minister of National Health and Welfare

Dr. R. A. Chapman, Director-General, Food and Drug Directorate, Department of National Health and Welfare

The Hon. Edgar J. Benson, Minister of National Revenue

Mr. A. R. Hind, Assistant Deputy Minister, Customs

The Canadian Pharmaceutical Association, Inc.

Mr. D. A. Denholm, B.S.A., President

Mr. J. C. Turnbull,, B.S.P., Executive Director

Mr. J. K. Lawton, Ph.C.

Mr. R. E. Wilton, Phm.B.

Mr. D. M. Cameron, B.Sc. Pharm., Register of the Alberta Pharmaceutical Association

The Pharmaceutical Manufacturers Association of Canada

Dr. Wm. W. Wigle, President

Mr. Robert F. Daily, Chairman of the Board of Directors PMAC, and Vice President and General Manager, Smith Kline and French Inter-American Corporation

Mr. E. Glyde Gregory, Vice-Chairman of the Board PMAC and President, Ayerst Laboratories

Mr. Harry D. Cook, Immediate past Chairman of the Board PMAC and President Abbott Laboratories Ltd.

Dr. Peter C. Briant, Vice Dean and Director, School of Commerce, McGill University

Mr. Gordon F. Henderson, Q.C., Patent Attorney

Mr. Peter Howsam, Vice-President and General Manager, Warner-Chilcott Laboratories

Mr. Fred R. Hume, Q.C., Legal Counsel, PMAC

Mr. Roger Larose, Vice-President, CIBA Company Limited

Dr. Brian Stewart, Director, Pharma-Research Canada Limited

Mr. Guy Beauchemin, Executive Secretary PMAC

The Canadian Medical Association

Dr. Ramsay Gunton, M.D., Chairman of CMA Committee on Pharmacy Professor of Therapeutics, University of Toronto

Dr. Fred Fallis, M.D., Member of CMA Committee on Pharmacy, General Practitioner of Toronto

Dr. Arthur Peart, M.D., General Secretary

Dr. Donald Aitken, M.D., Assistant Secretary

The Canadian Drug Manufacturers

Mr. Leslie L. Dan, B.Sc. Phm., M.B.A., Chairman

Dr. George F. Wright, Ph.D., Research Consultant, CDM and Professor of Chemistry, University of Toronto

Mr. Lawrence Wilson, Member of a firm of Consulting Biologists

Cyanamid of Canada Limited

Mr. S. R. Stovel, President

Mr. F. W. Pope, Executive Vice-President

Dr. Claude Gendron, M.D., Medical Director

Mr. J. A. Bertrand, Manager Medical Products Department

Hoffman-La Roche Limited

Mr. John S. Fralich, President

Mr. Robert Hunter, C.A., Director of Roche-England

Mr. C. A. Nowotny, Assistant Secretary

Mr. R. G. McClenahan, Solicitor

Ayerst, McKenna and Harrison Limited

Mr. E. Glyde Gregory, President

Mr. John A. Walker, Executive Vice-President

Dr. H. L. Smith, Vice-President

Dr. Donald A. Buyske, Director of Research

Mr. James Robb, Legal Adviser

Smith Kline and French, Montreal

Mr. Robert F. Daily, Vice-President and General Manager

Mr. Ross F. Bethel, Technical Manager

Mr. Alban J. Dalby, Director of Marketing

Mr. John C. Martin, Director of Administration and Finance

Dr. Andrew J. Moriarity, M.D., Director of Research and Development

Mr. Michael Sheldon, Assistant to the General Manager

Mr. Russell A. Fraser, Senior Hospital Representative

Charles E. Frosst and Co.

Mr. James E. Frosst, President

Dr. R. S. Stuart, Director of Research

Mr. A. F. Coffin, Vice-President-Sales

Mr. J. M. Blanch, Vice-President-Finance

Parke, Davis and Company, Ltd.

Mr. Clifford A. Rogers, Vice-President and Manager

Mr. John M. Godfrey, Q.C., Legal Counsel

Empire Laboratories Ltd.

Dr. George F. Wright, Ph.D., President

The Consumers' Association of Canada

Miss Glenora Pearce, National President

Dr. M. Pernarowski, Vice-President, CAC, Associate Professor, Faculty of Pharmacy, University of British Columbia

Dr. H. G. English, Executive Vice-President CAC, Economist, Head of the School of Commerce of Carleton University

Mrs. A. F. W. Plumptre, Past President

Dr. Alan S. Davidson, M.D. (Director of a Clinical Research Unit for the Alcoholism and Drug Addiction Research Foundation of Ontario)

The Medical Post

Mr. Charles E. Wilson, Publication Manager Mr. R. W. Robertson, Executive Officer

London Drugs Limited

Mr. S. S. Bass, Proprietor, Vancouver

Patent and Trademark Institute of Canada

Mr. William L. Havhurst, Q.C., President

Mr. Russel S. Smart. Councillor

Canadian Society of Hospital Pharmacists

Miss Mary Gannon, Executive Secretary

Mr. D. J. Stewart, Past President

Mr. Nathan Fox, Council Delegate, Quebec Branch

Department of Defence Production

Mr. D. M. Erskine, Director of General Purchasing Branch

Department of Industry

Dr. H. A. Showalter, Chairman, Inter-Departmental Advisory Board on Standards for Pharmaceutical Manufacturers, Distributors and Agents

Department of National Defence

Mr. H. H. Poyntz, Director, General Requirements

Major A. R. Friesen

Department of National Health and Welfare

Mr. M. G. Allmark, Assistant Director General—Drugs, Food and Drug Directorate

Mr. I. C. Ellis, Pharmacist and Chief, Materiel Services Division

Department of Veterans Affairs

Dr. K. S. Ritchie, Assistant Deputy Minister

Mr. B. J. Larocque, Pharmacist

Canadian Wholesale Drug Association

Mr. C. M. Peel, President

Mr. Geoffrey C. Pitcher, Vice-President

Mr. Douglas R. Weston, Secretary Manager

Canadian Cystic Fibrosis Foundation

Mr. Callum MacIver, First Vice-President

Dr. J. M. Park, M.B., Ch.B., Member of the Medical Advisory Board

Mr. W. Mac McKenzie, National Executive Director

Jules R. Gilbert, Ltd.

Mr. Jules R. Gilbert, Ph.G., B.S.Chm.E.

Micro Chemicals Limited, Gryphon Laboratories Limited and Paul Maney Laboratories Canada Limited

Mr. J. M. Cook, President of M.C.L.

Mr. William S. Miller, President of P.M.L. Canada Limited

Hon. Joseph T. Thorson, P.C., Legal Counsel

Prescription Services Inc.

Mr. W. A. Wilkinson, President

Mr. Richard R. Walker, Q.C., Legal Counsel

Food and Drug Directorate, Department of National Health and Welfare

Dr. R. A. Chapman, Director-General, Food and Drugs

Mr. M. G. Allmark, Assistant Director-General, Drugs

Dr. A. C. Hardman, Director, Bureau of Scientific Advisory Services

Mr. A. Hollett, Director, Bureau of Operations

Dr. L. Levi, Chief, Pharmaceutical Chemistry Division

Dr. Jeffrey Bishop, Chief, Medicine and Pharmacology Division

Mr. K. M. Render, Chief, Field Programmes Division

Dr. R. C. B. Graham, Division of Medicine and Pharmacology

Dr. Irwin Hilliard, M.D., F.R.C.P. (C), (Physician-in-Chief, Toronto Western Hospital)

Department of the Registrar General

Mr. David H. W. Henry, Q.C., Director of Investigation and Research (Combines Investigation Act)

Mr. F. N. McLeod, Senior Combines Officer, Combines Branch

Mr. R. M. Davidson, Officer in Charge, Merger and Monopoly Section

Government of the Province of Alberta

The Hon. J. Donovan Ross, M.D., Minister of Health

Dr. P. B. Rose, M.D., Deputy Minister of Health

Mr. J. J. Frawley, Q.C., Special Counsel

Dr. Henry B. Steele, Ph.D., Associate Professor of Economics, University of Houston, (Texas)

APPENDIX B

(As extracted from the Report of the Hall Commission: Recommendations with respect to Drugs).

The Commission recommends:

- 58. That the Federal Government contribute grants to the province (50 per cent of the cost of the programme) for the purpose of introducing a Prescription Drug Benefit within the Health Services Programme.
- 59. That in the provision of the drug benefit, there should be required a \$1.00 contributory payment by the purchaser for each prescription, subject to such discount as the retailer may offer. This charge should not be applied to drugs required for long-term therapy.
- 60. That the programme should cover such quantities of drugs for each prescription as are required by good medical practice taking into account the need for flexibility to assure an adequate but not wasteful supply. Further, prescribing practices should be reviewed periodically to ascertain whether and to what extent any over-prescribing of pharmaceuticals takes place, followed by appropriate changes in the regulations covering quantities of drugs paid for under the programme.
- 61. That the functions of the Drug Advisory Committee which is responsible for advising the Department of National Health and Welfare be expanded, and its membership enlarged to include representatives of the Canadian Medical Association, l'Association des médecins de langue française du Canada, the Canadian Pharmaceutical Association, the Canadian Hospital Association, the provincial Schools of Pharmacy, the provincial Colleges of Pharmacists, and the provincial Departments of Health.
- 62. That the Food and Drug Directorate, with the assistance of the Advisory Committee, prepare and issue a National Drug Formulary which would be maintained on a current basis. This Formulary would include only those drugs which meet the specifications of the Directorate, and would be identified as such, and therefor eligible for inclusion in the Prescription Drug Benefit, one of the objects being to minimize the cost of prescribed drugs. There should be established an appeals procedure for dealing with rejected applications, and an Information Service which would issue periodic bulletins providing the latest information on drugs and drug therapy to the physicians, pharmacists, and hospitals.
- 63. That the budget of the Food and Drug Directorate of the Department of National Health and Welfare be increased to enable it to recruit and train the personnel necessary to fulfil the additional functions and responsibilities that it is essential for it to assume.
- 64. That in the application of the provisions of the Corporation Income Tax Act to manufacturers, importers, and distributors of drugs, consideration should be given to establishing a maximum of 15 per cent of total sales as the allowable deductible expense for advertising sales promotion, "detail men", and other similar items.

- 65. That the federal sales tax be removed from all drugs listed in the Formulary.
- 66. That Section 19 of the Patent Act extending the right of the Crown in the name of the Government of Canada to use patented inventions "paying to the patentee such sum as the Commissioner reports to be a reasonable compensation for the use thereof" be expanded to include provincial governments and their agencies.
- 67. That Section 41 (3) of the Patent Act be amended to extend compulsory licensing to include the licensing of imports. The quality of such imported drugs should be assured by:
 - (a) requiring examination to ensure that they meet the specification of the Food and Drug Directorate, and
 - (b) continuous checks of quantities imported.
- 68. That the Federal Government consider delaying for five years a decision to implement the recommendation of the Restrictive Trade Practices Commission that patents on drugs be abolished, in order to ascertain whether the alternatives recommended above achieve the same results.
- 69. That provisions and administration of procedures with respect to granting of compulsory licences by the Commissioner of Patents be revised to remove unnecessary delays with respect to a decision to grant. Provision should be made to establish a standard royalty payment comprising a fixed fee on application and a percentage of sales over the period of the licence to speed up proceedings and to encourage responsible applicants.
- 70. That the Trade-marks Act should be amended (Section 20) to make clear that no infringement can be claimed where imported drugs are manufactured by a "related" company.
- 71. That the Canadian Tariff Board be requested to review tariffs on drugs with a view to establishing which tariff should be reduced or abolished covering imported drugs included in the National Formulary.
- 72. That in the administration of "anti-dumping" regulations in respect to drugs, the Minister of National Revenue be given discretion to establish "market value" at lower levels than that resulting from present practice to contribute to a reduction of drug prices.
- 73. That the Government of Canada, assisted by the Drug Advisory Committee, sponsor jointly with the drug industry and such provincial governments as wish to participate, a study of the feasibility of a voluntary drug price restraint programme for Canada, for implementation on a trial basis for a period of five years.
- 74. That provincial governments consider legislation enabling pharmacists in the dispensing of prescriptions to use a drug or drug combination that is the non-proprietary name equivalent of that named in the prescription unless the physician specifically indicates otherwise.
- 75. That educational programmes be conducted by the Food and Drug Directorate, the medical and pharmaceutical professions, and the provincial health service agencies to create greater understanding and co-operation between practitioners and pharmacists concerning the cost of drugs, and their prescription by proper names whenever possible.

- 76. That universities through their faculties of medicine and pharmacy strengthen their courses in pharmacology taken by medical students by providing instruction in the economics of prescribing, including examination of comparative costs of drugs with similar therapeutic quality and efficacy; by short refresher courses dealing with pharmacology for physicians; and by extension work with medical practitioners in such fields as evaluation and therapeutics.
- 77. That the Federal Government centralize all its drug purchases in one agency.
- 78. That provinces be encouraged to adopt bulk-purchasing of drugs for all hospitals and public agencies, and that all tenders for drugs should be based, whenever possible, on specifications of the ingredients of the pharmaceutical.
- 79. That hospital pharmacies under the direction of a licensed pharmacist be permitted to provide narcotics and control drugs on prescription under the Food and Drug Act and the Narcotics Control Act.
- 80. That the Federal Government expand considerably research grants by the Health Sciences Research Council to universities and non-professionl institutions to encourage the development of new drugs and/or improvement of existing drugs in Canada. In case of patentable discoveries these should be vested in the Crown.
- 81. That the Research and Statistics Division of the Department of National Health and Welfare undertake continuing cost-price analyses of drugs and periodically publish the results. Such studies would:
 - (a) assist in the compulsory licensing under the Patent Act of drugs to be manufactured in Canada.
 - (c) assist in the compulsory licensing of drugs to be imported into Canada,
 - (c) assist in the review of tariff items on drugs, undertaken by the Canadian Tariff Board.
 - (d) assist the Director of Investigation and Research under the Combines Act.
 - (e) assist public agencies at the federal and provincial level in calling for tenders for drugs.
 - (f) assist the Federal and Provincial Governments in formulating fiscal and procurement policies concerning drugs,
 - (g) assist drug manufacturers and drug distributors in examining their relative cost position and facilitate increasing competition where appropriate.
 - (h) assist the general public in acquiring an understanding of the various factors entering into drug costs and drug prices.
- 82. That the Research and Statistics Division of the Department of National Health and Welfare and the Dominion Bureau of Statitics co-operate in developing more comprehensive and up-to-date statistics relating to the supply costs of, and expenditures on, drugs covering both prescribed and non-prescribed pharmaceuticals.

APPENDIX C

Summary of Recommendations of the Restrictive Trade Practices Commission

- 1. There should be more stringent regulations under the Food and Drugs Act with respect to the manufacture, promotion and introduction of drugs, in order to give reasonable assurance that all prescription drugs offered for sale in Canada are safe to use and of good quality.
- 2. The staff of the Food and Drug Directorate should be enlarged considerably to ensure thorough enforcement of the regulations.
- 3. In the opinion of the Commission, the following changes should be made in the Food and Drug Regulations:
 - (a) All premises in which drugs are manufactured should be subject to inspection by the Food and Drug Directorate.
 - (b) Requirements in connection with new drug submissions should be extended to include detailed reports of the tests made to establish the therapeutic effectiveness of the drug as well as the present requirement of reports of tests to establish the safety of the drug. Such a change would make mandatory a joint evaluation of toxicity and efficacy before a new drug is put on sale.
 - (c) The Food and Drug Directorate should be given the duty of inspecting and assaying samples from a sufficiently large number of batches of every prescription drug manufactured in Canada or imported from abroad to make it reasonably certain that it meets minimum standards of purity and therapeutic efficacy.
 - (d) All labels, advertisements or other descriptive material relating to single drugs and official compounds should be required to carry the proper name prominently and in type at least as large as that used for the brand name. A study should be made to ascertain if and to what extent a similar requirement would be feasible in respect of compound ethical drugs.
- 4. Consideration should be given to the advisability of bringing under the supervision of the Food and Drug Directorate all advertising and promotion activities related to drugs, including the distribution of samples and the content of advertising literature.
- 5. Consideration should be given to the establishment, under the auspices of the federal government, of an authoritative publication giving all necessary particulars concerning new drugs.
- 6. The compulsory licence provision of the Patent Act with respect to drugs has been used infrequently and in the opinion of the Commission cannot be relied upon to achieve the purpose intended by Parliament of ensuring that medicines should be available to the public at the lowest possible price consistent with giving to the inventor due reward for the research leading to the invention. The Commission has considered whether such an objective would be assured if compulsory licences under section 41(3) of the Patent Act were made issuable as of right and has concluded that such a change would make no appreciable

difference in the present situation. As the Commission believes that close control exercised by patents has made it possible to maintain prices of certain drugs at levels higher than would have obtained otherwise and that such patent control has produced no benefits to the public of Canada which would outweigh the disadvantages of the monopoly, the Commission recommends that patents with respect to drugs be abolished. In the opinion of the Commission this is the only effective remedy to reduce the price of drugs in Canada.

7. The retail pharmacists' practice of coding prescriptions to indicate the price charged or quoted should be abandoned and consideration should be given by pharmaceutical associations to removing from their rules any provisions in any way related to the practice.

APPENDIX D

S. 41 of U. K. Patents Act, 1949

(As recommended by the Ilsley Commission to replace

S. 41 of the Canadian Patent Act)

- "41.-(1) Without prejudice to the foregoing provisions of this Act, where a patent is in force in respect of—
 - (a) a substance capable of being used as food or medicine or in the production of food or medicine; or
 - (b) a process for producing such a substance as aforesaid; or
 - (c) any invention capable of being used as or as part of a surgical or curative device,

the comptroller shall, on application made to him by any person interested, order the grant to the applicant of a licence under the patent on such terms as he thinks fit, unless it appears to him that there are good reasons for refusing the application.

- (2) In settling the terms of licences under this section the comptroller shall endeavour to secure that food, medicines and surgical and curative devices shall be available to the public at the lowest prices consistent with the patentees' deriving a reasonable advantage from their patent rights.
- (3) A licence granted under this section shall entitle the Licensee to make, use, exercise and vend the invention as a food or medicine, or for the purposes of the production of food or medicine or as part of a surgical or curative device, but for no other purposes.

APPENDIX E

PROFITS OF DRUG MANUFACTURING FIRMS IN CANADA

Prepared by W. J. Blakely, C.A., Accountant for the Committee

A review of the profits earned by Canadian drug manufacturers is pertinent for the purpose of ascertaining whether or not the industry is realizing excess profits. This point was made in the testimony of Hoffmann-La Roche Limited.

"I think you can find in every debate, in every discussion of this problem, people really judge the industry, not as it says on its prices, but really, from Kefauver onward, they are asking, are the profits too high? And so far as I know that is the only test that one can ever realistically make of drug prices—are the drug manufacturers earning too much money to cover their legitimate current costs including research, to enable them to go on, to finance expansion, and so forth." (Minutes of Proceedings and Evidence, page 722).

This naturally leads to a judgment of what represents a fair profit. An appropriate definition may be found in Cyanamid's statement of objective for the conduct of its pharmaceutical business: "a rate of return consistent with the resources committed and the risks involved". The definition is much more easily arrived at than the determination of the rate, however. In attempting to reach a judgment on the question, it is helpful to compare the return and risks to the pharmaceutical industry with those of manufacturing industries in general as well as other specific industries.

Rate of Return on Sales

In the report of the Restrictive Trade Practices Commission, a comparison of the profitability of the pharmaceutical industry with that of all manufacturing was made on the basis of profits in relation to sales (report, pages 373-375). In this study, the rates of return on sales for the years 1953-1960 were calculated. These rates are reproduced in Table 1 together with corresponding rates for the years 1961 to 1964.

It is apparent from Table 1, 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 twelve-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. It is also noted that the rate of return on sales was declining for manufacturing in general but remained relatively stable in pharmaceuticals. The

rate for all manufacturers appears to have levelled off at $5-5\frac{1}{2}$ per cent of sales; the rate for drug manufacturers seems to run between $8-10\frac{1}{2}$ per cent of sales.

A similar relationship is shown by the rates of return for profit companies only. Over the twelve-year period, the average rate for profit companies in the pharmaceutical industry was about 57 per cent higher than the average rate for all manufacturing (11.22 per cent as compared to 7.15 per cent). Again, it is noted that the rate of return in all manufacturing generally declined during this period, whereas in pharmaceuticals it has increased. In pharmaceuticals it rose substantially from 1953 to 1957, and, while declining in the four years thereafter, to the low point of the period in 1961, rose again in 1962 and 1963, and in 1964 was the second highest rate of the twelve-year period.

It should be noted that the above-mentioned rates pertain to the total operations of the drug industry. It is reasonable to expect that the rate of return on sales of packaged human pharmaceuticals only would be somewhat higher. Supporting this conclusion, the Pharmaceutical Manufacturers' Association of Canada, in its brief to this Committee, reported an average rate of return (before taxes) of 10.8 per cent of sales for the total operations of the 41 companies replying to its 1964 survey (brief, page 3.5). The rate of return on sales of packaged human pharmaceuticals only was estimated at 15.0 per cent (brief, page 2.3). Six individual members of the association, in their submissions to the Committee, reported the following rates:

Company	Total Operations	Human Pharmaceuticals
A Secretary and a second secon	17.7%	25.7%
B	21.5%	oni affinant tadile
C	10.9%	
D	15.4%	17.2%
E	18.2%	come an appropri
F	The state of the s	16.0%

From the foregoing it is concluded that, as a percentage of sales, profits in the pharmaceutical manufacturing industry are significantly higher than those of all manufacturing industries combined and, further, that during the period 1953-1964, the pharmaceutical industry effectively resisted or was immune to the influences which caused a decline in the rate of return to manufacturing in general.

Return on Investment

The Consumers' Association of Canada criticized use of the rate of return on sales as a basis of comparison:

"I would certainly admit that this is a common proportionate measure of profit often employed, but, again as an economist, I must argue that it is not a very meaningful measure, because, after all, people who earn profits are those who have invested their capital, and the meaningful

judgment on profit is the level of profit per dollar of investment, not per dollar of sales" (Minutes of Proceedings and Evidence, page 1136).

A similar opinion was expressed in the brief of the Pharmaceutical Manufacturers Association of Canada:

"Return on sales is one indication of the profitability on an industry, but it is an unsatisfactory indicator of economic effectiveness because it fails to relate earnings to the resources employed." (brief, page 3.5).

Although these views are considered valid, it is noted that the rate of return on sales is useful for the purpose of indicating the potential scope for unit price reductions, other than through reduction of costs. Generally speaking, the higher the rate of return on sales, the greater the scope for reduction in unit prices, assuming a satisfactory rate of return on capital employed.

A comparison of the return on investment in pharmaceutical manufacturing with that in all manufacturing for the years 1953-1960 was made by the Restrictive Trade Practices Commission. The Commission's calculations of the rates of return on capital invested are reproduced in Table 2 as well as the corresponding rates for the years 1961 to 1964.

In general, the same characteristics and trends shown in Table 1 are apparent in Table 2. The main difference is that Table 2 makes the pharmaceutical manufacturing industry appear even more profitable relative to all manufacturing. The average rate of return on investment over the twelve-year period was 20.0 per cent for all drug manufacturers (profit and loss companies) as compared to 10.30 per cent for all manufacturing, or approximately 96 per cent higher. During this period, the return on investment to the pharmaceutical industry tended to increase (from 16.62 per cent in 1953 to 23.22 per cent in 1964) although there was a decline in 1961 and 1962. However, there was a significent recovery in 1963 and, in 1964, the highest rate of return of the twelve-year period was experienced. At the same time the return on investment for all manufacturing showed a substantial decline, going from 15.03 per cent in 1953 to 9.20 per cent in 1964. Manufacturing in general showed a levelling off in 1957 and from 1957 to 1964 the average rate of return on investment was 8.97 per cent. During the same period, it was 20.65 per cent for pharmaceuticals.

A rather similar situation is shown by the rates for profit companies only. Over the twelve-year period, the average rate of return of the pharmaceutical companies was approximately 79 per cent higher than for all manufacturing (23.49 per cent as compared to 13.15 per cent). Again, while the rate of return of all manufacturing declined by 31.6 per cent, that of the pharmaceutical manufacturing firms increased by 43.4 per cent over the twelve years.

The Pharmaceutical Manufacturers' Association of Canada, in its submission to the Committee, suggested a different method for calculating return on investment. It suggested that earnings be related to the resources (assets) employed. It reported 15.6 per cent as the rate of return (before taxes) on resources employed

in the total operations of the 41 companies included in its 1964 survey (brief, page 3.5). From figures appearing in its brief, the corresponding rate for packaged human pharmaceuticals only was calculated at 21.1 per cent.

The rates of return on resources employed were calculated for the entire pharmaceutical industry and for all manufacturing from material shown in Taxation Statistics, published by the Department of National Revenue. These rates appear in Table 3. It will be noted that the rate of 15.6 per cent quoted above is comparable to the average rate for profit and loss companies in the pharmaceutical industry as shown in Table 3. The above rate for human pharmaceuticals only (21.1 per cent) is much higher, however.

It will be noted that Table 3 supports the observations made above in the discussion relating to Tables 1 and 2. For all pharmaceutical manufacturing companies, the average rate of return on resources employed is 14.50 per cent for the period 1953-1964. This is 65.1 per cent higher than the average rate of 8.78 per cent, which was experienced by all manufacturing companies in the same period. Also, while the rate of return of all manufacturing declined by 31.3 per cent, that of the pharmaceutical manufacturing companies increased by 11.7 per cent over the twelve years.

With respect to profit companies only, it is noted that an average return of 17.14 per cent was realized by pharmaceutical manufacturers, whereas the average rate for all manufacturing was 10.92 per cent. The average rate for pharmaceuticals is 56.7 per cent higher than the rate for all manufacturing.

An indication of the profitability of the pharmaceutical industry relative to other classifications in the manufacturing industry is shown by Table 4 which summarizes the seven highest rates of return (profit before taxes) on resources employed for manufacturing companies in 1963. These rates are taken from the fourth edition of "Ten Significant Ratios for Canadian Manufacturers" as prepared from Taxation Statistics by the Canadian Manufacturers' Association. It will be observed that the pharmaceutical industry is listed as seventh out of a total of 63 industrial classifications. Out of 178 companies included in pharmaceutical preparations, 71 of them had an above average return on total assets. The average rate for these 71 companies was 26.7 per cent. The average rate for the remaining 107 companies was 8.6 per cent which is only slightly less than the average rate of 9.2 per cent for companies in all classifications.

Individual members of the Pharmaceutical Manufacturers' Association of Canada reported to the Committee a variety of calculations for rate of return on investment. Because of this, it is difficult to generalize but they appear to be comparable to the average rates reported by the association in its brief.

It should be remembered that the rates shown for pharmaceuticals in Tables 2, 3 and 4 relate to the total operations of the companies involved. Evidence presented by the PMAC indicates that the corresponding rates for operations relating only to packaged human pharmaceuticals would be higher.

From the above analysis of the return on investment, it is concluded that the rate of return for drug manufacturers is significantly higher than for all manu-

facturing. For packaged human pharmaceuticals only, the rate appears to be at least twice as high as the average for all manufacturing. Moreover, during the period of 1953 to 1964, the pharmaceutical manufacturing industry effectively resisted or was immune to the influences which caused a decline in rate of return on investment for manufacturing in general.

Risk

Several of the manufacturers' briefs contained statements attempting to justify the rates of profit experienced by the drug manufacturers in terms of the risks run by those companies. The following are typical of these statements:

"Profits in the pharmaceutical industry are consistent with the risks involved. This is a research-based industry in which progress results from vigorous and sustained competition. Companies must maintain substantial expenditures on research, both in Canada and internationally, without any guarantee that specific projects will yield results even after years of investigation and development. On this depends the availability of new and better drugs" (PMAC brief, pages 3.4 and 3.5).

"Our rate of profit reflects the cost of doing business in a limited market such as Canada, the kind of industry we are in, which involves high risks of many kinds including product obsolescence, and our relatively heavy long-term commitment to research" (brief, Charles E. Frosst & Co., page 14).

On the question of product obsolescence, the Province of Alberta (page 62 of brief) had this to say:

"Drug firms complain of the high rate of obsolescence of drugs, and argue that such risks justify high profit rates. The argument is not irrelevant under present circumstances, but the risks of obsolescence are not inherent but result from the way in which drugs are developed and promoted. High risks do not justify high profits in this instance because the risks and profits are both symptoms of the same disease: sales promotion rivalry substituting for price competition."

In testimony on the above brief before the Committee, it was stated:

"The fact that a new drug which is developed in one particular market may be superseded a few months later by a more reputable rival is definitely a risk-increasing circumstance but you cannot say very well that the industry is a high risk." (Minutes of Proceedings, page 2327)

In the same brief, page 22, with respect to the "substantial expenditures on research", the following statement appears:

"...the share of total research and development outlays in the sales dollar of the Canadian drug firm is not as great as the industry would like to have us believe."

In the submission of the Pharmaceutical Manufacturers' Association of Canada, research and development costs for 1964 were said to represent 7 per cent of the sales dollar (brief, page 2.3). This is small by comparison to marketing costs which were identified as 30 per cent of the sales dollar (brief, page 2.3). Moreover, it is noted that the practice in the industry is to amortize research and development costs as incurred and thus charge them against current revenue. Further, from the evidence before this Committee, it appears that the particular firms which incur these costs not only recover them in full but realize profits in addition. While industry spokesmen have maintained that expenditures on research are "substantial" or "relatively heavy" and that there is a significant financial risk involved as a result of them, it appears that all of the research and marketing costs are being adequately compensated.

On the other hand, analysis of the negative rates of return for loss companies as shown by Tables 1 and 3 reveal that losses in the pharmaceutical industry, when incurred, tend to be higher and vary more widely than for manufacturing in general. The rate of loss on sales for drug manufacturers averaged 9.22 per cent over the period 1953-64 as compared to 4.71 per cent for all manufacturers. For pharmaceuticals, the rate of loss varied from 3.18 per cent to 16.18 per cent; for manufacturing in general, this ranged from 3.66 per cent to 6.15 per cent. Similarly, from Table 3 it is observed that the average rate of loss on resources employed by drug manufacturers was higher than that for all manufacturers: 7.18 per cent as compared to 2.52 per cent. Also, there was greater variability in these rates for drug manufacturers than there was for all manufacturers.

It should be pointed out, perhaps, that the ratios for loss companies as shown in Table 2 have not been analysed because it is felt that many of the figures used in the calculation of these negative rates of return are not truly representative of the pharmaceutical industry. For example, in 1964 the amount of capital invested in loss companies was \$2.6 million. This represents only 2.4 per cent of the total capital invested in the pharmaceutical industry. Also, it financed only about 12 per cent of the total assets of the loss companies whereas, for profit companies, the capital investment of \$105.8 million financed approximately 65 per cent of the total assets. Obviously, the loss companies in this year were, by comparison, greatly under-capitalized, a situation which can be shown to exist in other years as well. The lack of adequate capital is probably a significant factor in the incurrence of the losses.

As noted above, it is apparent that when losses are incurred they tend to be higher in the pharmaceutical manufacturing industry than in all manufacturing. However, it is significant to note, from Table 5, that losses do not involve a higher proportion of the total pharmaceutical companies than they do of all manufacturing companies. In fact, the proportion of companies incurring losses is about the same for each group. Also the pharmaceutical loss companies represent a much smaller segment of the total industry than is the case for all manufacturers when measured both in terms of total assets and total sales (see Table 6). On average, over the period 1953-1964 the loss companies in all man-

ufacturing represent 16.40 per cent of total assets and 11.57 per cent of total sales; the loss companies in the pharmaceutical manufacturing industry represent only 10.92 per cent and 8.42 per cent respectively.

Risk is inherent in any enterprise. In the circumstances, the question is whether the risks for pharmaceutical manufacturers vary significantly from those for all manufacturing. The above analysis and review of the evidence before this Committee seems to indicate that, in comparison to manufacturing in general, the effect of losses on the pharmaceutical firms as a group does not indicate the presence of greater risk. In fact the rates of return on investment demonstrate that, over the period 1953–1964, the pharmaceutical industry in Canada has been increasingly less risky as compared with manufacturing in general. The rate of return for the pharmaceutical manufacturing industry has been consistently higher and, relative to the rate of return for all manufacturing, it has been increasing in this period.

Other Considerations

The Royal Commission on Health Services suggested that:

"....the earnings of the Canadian drug industry are not a satisfactory test of the over-all pricing policies of the industry because they are understated". (Report, page 679)

This statement appears to recognize the possibility that prices paid to a foreign parent company by a Canadian subsidiary for raw materials purchased from the parent may result in some profit being diverted to the parent which is more properly attributable to the operations of the Canadian subsidiary. It would also appear to be in reference to what may be somewhat arbitrary charges by the parent to the Canadian subsidiary for research and management services performed by the parent company.

With respect to the prices paid for raw materials purchased from parent companies, there is little before this Committee to indicate what degree of diversion of profits may take place and therefore it is not possible to estimate what this "understatement of profit" may amount to for the Canadian drug manufacturing industry. However, one is inclined to believe that it probably occurs due to the lack of operation of free market conditions in dealings between parent and subsidiary.

With respect to payments by Canadian subsidiaries for foreign royalties and management services, some indication of the significance of this was given in the brief of the Pharmaceutical Manufacturers' Association of Canada. From the detail in this brief, it is estimated that, in 1964, the rate of net profit (before taxes, royalties and management fees) on total resources employed was 18.2 per cent for total operations and 24.5 per cent for human pharmaceuticals only. In the calculation of these rates an assumption made by Dr. Briant of the Pharmaceutical Manufacturers' Association of Canada was accepted and used (Minutes of Proceedings, page 574). This assumption may or may not be correct. If the assumption is in error the rates would be even higher: 20.4 per cent for total operations and 27.4 per cent for human pharmaceuticals only. These rates are significantly higher than those shown in Table 3.

SUMMARY

Based upon the foregoing analysis and the evidence available to the Committee, it is concluded that the financial experience of the Canadian pharmaceutical manufacturing industry in the period reviewed does not indicate that the business risks to it are greater than to manufacturing in general. On the contrary, there is evidence that it has been less risky by comparison.

In fact, the Canadian pharmaceutical manufacturing industry has enjoyed consistently higher returns than manufacturing in general. For packaged human pharmaceuticals, the profits appear to be running at approximately twice the level of the manufacturing industry as a whole. This leads to the belief that the factors which permit this situation to exist may also and at the same time appear to permit uneconomic practices and costs.

TABLE 1

RATE OF RETURN ON SALES

	Profit Companies		Loss Companies		Profit and Lo	Profit and Loss Companies	
Year	Pharma- ceuticals	All Manufacturing	Pharma- ceuticals	All Manufacturing	Pharma- ceuticals	All Manufacturing	
	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	
1953 1954 1955 1956 1957 1958	9.91 10.40 11.65 12.19 12.67 11.79	8.62 7.73 8.07 6.97 6.90 6.61	$\begin{array}{c} -13.33 \\ -8.64 \\ -13.33 \\ -16.18 \\ -11.54 \\ -6.22 \end{array}$	$\begin{array}{c} -4.15 \\ -5.07 \\ -4.59 \\ -5.37 \\ -6.15 \\ -5.28 \end{array}$	9.25 9.08 9.96 10.90 10.59 9.88	7.48 6.13 7.59 6.10 5.40 5.09	
1959 1960 1961 1962 1963	11.68 10.62 8.87 10.77 11.88	7.06 6.73 6.86 7.00 6.87	- 7.28 - 3.18 - 7.48 - 8.39 - 7.99	-4.73 -4.39 -3.89 -4.77 -4.47	10.42 9.24 7.81 7.93 10.05	5.53 5.28 5.19 5.47 5.53	
Average	11.13	7.22	- 9.42	-4.81	9.56	5.89	

Source:

1953-1960 reprinted from page 374 of Report of the Restrictive Trade Practices Commission. Percentages were calculated from Department of National Revenue, *Taxation Statistics*.

1961-1963 calculated from Department of National Revenue, *Taxation Statistics*.

DEFINITION:

Return—net profit before taxes and bond and mortgage interest, excluding investment income and other revenue.

TABLE 2

RATE OF RETURN ON CAPITAL INVESTED

201441-162	Profit C	ompanies	Loss Co	ompanies	Profit and Lo	ss Companie
Year	Pharma- ceuticals	All Manufacturing	Pharma- ceuticals	All Manufacturing	Pharma- ceuticals	All Manufacturing
	(per cent.	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)
1953 1954 1955 1956 1957 1958	18.32 19.95 21.58 25.58 25.03 23.85	17.42 14.44 15.61 13.38 13.41 11.85	$\begin{array}{c} -10.72 \\ -19.90 \\ -31.58 \\ -17.19 \\ -18.18 \\ -10.53 \end{array}$	$\begin{array}{c} -7.89 \\ -9.32 \\ -7.55 \\ -10.00 \\ -6.42 \\ -5.23 \end{array}$	16.62 17.63 18.73 21.93 20.47 19.59	15.03 11.42 13.69 11.68 9.54 8.26
1959 1960 1961 1962 1963	27.25 26.85 21.23 21.87 24.15	12.90 11.30 11.45 11.93 12.20	$\begin{array}{r} -9.32 \\ -3.40 \\ -16.43 \\ -47.26 \\ -60.71 \end{array}$	- 5.07 - 6.63 - 4.57 - 7.37 - 6.15	23.05 20.55 18.57 17.79 21.92	9.25 8.74 8.11 9.20 9.49
Average	23.24	13.26	-22.29	- 6.93	19.71	10.40

Source:

1953-1960 reprinted from page 376 of the Report of the Restrictive Trade Practices Commission. Percentages were calculated from Department of National Revenue, *Taxation Statistics*.

1961-1963 calculated from Department of National Revenue, *Taxation Statistics*.

DEFINITIONS:

Return—net profit before taxes and bond and mortgage interest, excluding investment income and other revenue.

Capital Invested—sum of amounts for "due to shareholders", "mortgage debt", "other funded debt", "common stock", "preferred stock", and "surplus" less "deficit".

TABLE 3

RATE OF RETURN ON RESOURCES EMPLOYED

	Profit Companies		Loss C	Companies	Profit and Loss Companies	
Year	Pharma- ceuticals	All Manufacturing	Pharma- ceuticals	All Manufacturing	Pharma- ceuticals	All Manufacturing
	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)
1958. 1959. 1960.	17.82 18.16 17.02	10.09 10.91 9.44	-5.88 -2.76 -1.24	$ \begin{array}{r} -2.28 \\ -1.93 \\ -3.11 \end{array} $	14.28 15.87 14.28	7.38 8.28 7.33
1961 1962 1963	14.08 15.77 16.34	9.14 9.52 9.63	$ \begin{array}{r} -9.01 \\ -7.48 \\ -9.39 \end{array} $	$ \begin{array}{c} -2.22 \\ -3.43 \\ -2.43 \end{array} $	12.44 11.99 13.77	6.66 7.38 7.51
Average	16.53	9.79	-5.96	-2.57	13.77	7.42

Source: Department of National Revenue, Taxation Statistics.

DEFINITIONS:

Return—net profit before income taxes and bond and mortgage interest expense. Resources employed—total assets less accumulated depreciation.

TABLE 4
SEVEN HIGHEST RATES OF RETURN ON RESOURCES EMPLOYED: 1963

Manual San Day (1987)		Compan	ies with:	
Toward Courses Courses Victorial Victorial Victorial	Above average return on assets		retu	average rn on sets
And the second s	No.	%	No.	%
Distilleries and Wineries	9	41.3	22	14.0
2. Motor Vehicles	4	40.2	39) All
3. Other Petroleum and Coal Products	5	35.8	13	less
. Motor Vehicle Parts and Accessories	40	31.0	89	than
. Wire and Wire Products	36	28.5	78	8.6
6. Office and Store Machinery	16	27.2	39	9.1
7. Pharmaceutical Preparations	71	26.7	107	8.6

Source:

Fourth Edition of "Ten Significant Ratios for Canadian Manufacturers", published by The Canadian Manufacturers' Association, percentages calculated from Department of National Revenue, Taxation Statistics.

DEFINITION: Return—net profit before income taxes.

TABLE 5

Loss Companies as Percentages of all Companies

	Pharmaceuticals	All Manufacturin
	(per cent)	(per cent)
953	25.65	27.65
954	27.54	31.94
955	26.05	26.95
956	18.35	24.33
957	30.64	26.69
0.40	32.24	28.27
	26.32	25.94
	23.91	31.28
	22.73	32.85
200	42.86	29.89
	22.28	27.12
963	22.28	21.12
Average	27.14	28.45

Source:

1953-1960 reprinted from page 372 of Report of The Restrictive Trade Practices Commission. Percentages were calculated from Department of National Revenue, *Taxation Statistics*.

1961-1963 calculated from Department of National Revenue, *Taxation Statistics*.

TABLE 6

	as a percent	loss companies tage of total l companies	Total sales of loss companies as a percentage of total sales of all companies	
Year	Pharma- ceuticals	All Manu- facturing	Pharma- ceuticals	All Manufacturing
文片的 47 47 48 10 4	(per cent)	(per cent)	(per cent)	(per cent)
1958. 1959. 1960.	15.07 10.92 15.02	21.93 20.47 16.78	10.60 6.64 10.01	12.83 13.00 13.03
961	7.08 16.28 9.97	21.91 16.54 17.54	6.52 14.82 9.19	15.61 12.97 11.83
Average	12.39	19.19	9.63	13.21

Source: Department of National Revenue, Taxation Statistics.

APPENDIX F

TABLE SHOWING COMPARATIVE PRICES TO THE RETAILER OF TWELVE OF THE MOST COMMONLY USED DRUGS IN DIFFERENT COUNTRIES

LONDON

Foreign Canadian Price Equivalent	3.14.2 3.5.2 16.0 4.13.8 10.0 1	1 Pound=\$3.02 Cdn. December 1966	Foreign Canadian Price Equivalent	2.81 not sold not sold 15.70 3.42 8.40 not sold 1.76 4.25 not sold not sold not sold not sold not sold not sold	1 Franc=\$0.21 Cdn. December 1966
Original Size	100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 50 tabs 100		Original Size	100 tabs 100 tabs 20 tabs 100 tabs 40 tabs 50 tabs 100 tabs 50 tabs 100 tabs 100 tabs 100 tabs 100 tabs	
Manufacturer	Parke Davis Co. Lederle (Cyanamid) Hoffmann-La Roche Squibb. Merck Sharp & Dohme. Hoffmann-La Roche Wyeth & Co. Saarle Geigy. Horner. Frosst Ayerst, McKenna & Harrison.	S agiliant	Manufacturer	Parke Davis Co. Lederle (Cyanamid). Hoffmann-La Roche. Squibb. Merck Sharp & Dohme. Hoffmann-La Roche. Wyeth & Co. Searle. Geigy. Horner. Frosst.	
Strength	250 mgm. 250 mgm. 0.5 Gm. 600,000 units 0.75 mgm. 10 mgm. 5 mgm. 100 mgm. 100 mgm.	PARIS	Strength	250 mgm. 250 mgm. 0.5 Gm. 0.50 mgm. 0.50 mgm. 10 mgm. 100 mgm. 1.25 mgm.	
Generic Name	Chloramphenicol Tetracycline Sulfisoxazole Sulfisoxazole Penicillin G potassium. Dexamethasone (methylprednisolone) Chlordiazopoxide Meprobamate Northynodrol with Mestranol. Phenylbutazone Tolbutamide Acterylsalicylic acid phenacetin, caffeine & codeine phosphate gr. \$\frac{1}{2}\$. (Estrogenic substances).	ot sold. 100's not sold	Generic Name	Chloramphenicol Tetracycline Sulfisoxazole Sulfisoxazole Penicillin G potassium Dexamethasone (methylprednisolone). Chlordiazopoxide Neprobamate Norethynodrol with Mestranol. Phenylbutazone Tolbutamide Tolbutamide GAectylsalicylic acid phenacetin caffeine & codeine phosphate gr. \$). (Estrogenic substances).	d in 100's, ot sold.
Trade Name	1. Chloromycetin. 2. Achromycin. 3. Gantrisin. 4. Pentids. 5. Decadron. 6. Librium. 7. Equanil. 8. Enovid. 9. Butazolidin. 10. Mobenol. 11. "222".	¹ Enovid, 5 mgm. 100's not sold. ² Butazolidin, 100 mgm. 100's not sol	Trade Name	1. Chloromycetin 2. Achromycin 3. Gantrisin .03 per pill 4. Pentids 5. Decadron 6. Librium 7. Equanil 8. Enovid 9. Butazolidin 14 per pill 10. Mobenol 11. "222"	¹ Listed products not sold in 100's. ² Decadron, 0.75 mgm. not sold.

BERNE

dian alent	8. 23 8. 25 17. 27 17. 27 8. 35 8. 28 8. 28 8. 28 8. 28	Odn.	dian	1.08 3.12 0.75 0.75 1.59 1.03 1.02 3.84 0.66	lan
S Canadian Equivalent	22.22.22.22.22.22.22.22.22.22.22.22.22.	1 Franc=\$0.25 Cdn.	\$ Canadian Equivalent	1	7 Canad 6
Foreign Price	39.45 89.60 8.70 17.50 10.95 51.50 20.35 14.00 not	1 Fran	Foreign Price	6.40 18.40 4.45 5.85 9.36 6.10 6.00 22.62 3.90 not	1 Lira=\$0.0017 Canadian December 1966
Original Size	100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 250 tabs 60 tabs 150 tabs 100 tab		Original Size	10 tabs 16 tabs 16 tabs 12 tabs 10 tabs 25 caps 24 tabs 20 tabs 100 tabs 100 tabs 20 t	
Manufacturer	Parke Davis Co. Lederle (Cyanamid) Hoffmann-La Roche Squibb Merck Sharp & Dohme Hoffmann-La Roche Wyeth & Co. Searle Geigy Horner Frosst. Frosst.		Manufacturer	Parke Davis Co. Lederle (Cyanamid) Hoffman-La Roche Squibb. Merek Sharp & Dohme Hoffmann-La Roche Wyeth & Co. Searle Geigy Horner Frosst.	
Strength	250 mgm. 250 mgm. 0.5 Gm. 0.50 mgm. 10 mgm. 400 mgm. 100 mgm. 100 mgm. 11.25 mgm.	Rome	Strength	250 mgm. 0.5 Gm. 0.75 mgm. 10 mgm. 10 mgm. 5 mgm. 5 mgm. 10 mgm. 5 mgm. 10.5 mgm. 11.25 mgm.	nundreds.
Generic Name	Chloramphenicol. Tetracycline. Sulfisoxazole. Penicilin G potassium. Devamethasone (methylprednisolone). Chlordiazopoxide. Meprobamate Norethynodrol with Mestranol. Phenylbutazone. Tolbutamide. (Acetylsalicylic acid phenacetin caffeine and codeine phosphate gr. \$). (Estrogenic substances).	t sold. , and in 250's. nd in 60's.	Generic Name	Chloramphenicol Tetracycline Sulfasoxacole Sulfasoxacole Penicillin G potassium. Decamethasone (methylprednisolone) Chlordiazopoxide Meprobamate Norethynodrol with Mestranol. Phenylbutazone Tolbutamide Acetylsalicylic acid phenacetin, caffeine and codeline phosphate gr. \$\frac{1}{8}\$) (Estrogenic substances).	1 The only sizes available are those listed, "Original Sizes" are not hundreds. Italian name is Penchim and only strength available is 200,000 units. I Italian names is Quanil. Butazalidin 100 mg is not sold.
Trade Name	1. Chloromycetin 2. Achromycin 3. Gantrisin 5. Gantrisin 6. Librium 6. Librium 7. Equanil 3 8. Enovid 4. 9. Butazolidin 10. Mobenol 11. "222"	1 Gantrisin, 100's not sold. 2 Decadron, 0.75 mgm. not sold. 8 Equanil sold as Guname, and in 250's. 4 Enovid sold as Enavid and in 60's. 8 Butazolidin sold in 150's.	Trade Name	1. Chloromycetin. 2. Achromycin. 3. Gantrisin. 5. Gantrisin. 6. Librium. 6. Librium. 7. Equanil ³ 8. Enovid. 10. Mobenol. 11. "222". 12. Premarin.	The only sizes available are the Tralian name is Penchim and contralian names is Quanil.

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	Trade Name	Generic Name	Strength	Manufacturer	Original Size	Foreign Price	S Canadian Equivalent
1.9%4.7%9.001. 21	Chloramycetin Achromycin Gantrisin Pentids. Decadron Librium Equanil Envoid Butazolidin Mobenol "222"	Chloramphenicol. Tetracycline. Sulfisozogole. Penicillin G potassium. Dexamethasone (methylprednisolone). Chlordiazopoxide. Meprobamate. Norethynodrol with Mestranol. Phenylbutaacone. Tolbutamide. (Accetylsalicylic acid phenacetin, caffeine & codeine phosphate gr. 1/8). (Estrogenic substances).	250 mgm. 250 mgm. 250 mgm. 400,000 mits 0.5 mg ¹ . 10 mgm. 5 mgm. 5 mgm. 0.5 Gm.	Parke Davis Co Lederle (Cyanamid) Hoffman-La Roche Squibb Merek Sharp & Dohme Hoffman-La Roche Wyeth & Co. Searle Geigy Horner Frosst.	100 tabs 100 tabs	65.56 90.95 9.51 9.51 11.60 not sold 15.51 not sold not sold not sold	17.70 24.55 2.4.55 14.70 7.91 3.13 14.18 14.18
	¹ Decardon, 0175 mg not sold. ² Butazolidin, 100 mgm. not sold.	old. ot sold.	Boston		D M Dec	D Mark=\$0.27 Canadian December 1966	dian
	Trade Name	Generic Name	Strength	Manufacturer	Original Size	Foreign Price	\$ Canadian Equivalent
11.2.9.9.7.6.9.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.1.2.1.	Chloromycetin Achromycin Ganstrisin Pentids Decadron Librium Equani Envoid Butazolidin Mobenol. "222".	Chloramphenicol Tetracycline Sulfisoxazole Penicillin G potassium Dexamethasone (methylprednisolone). Meprobamate Northynodrol with Mestranol Phenylbutazone (Acetylsalicylic acid phenacetin, caffeine & codeine phosphage gr. 1/8). (Estrogenic substances).	250 mgm. 250 mgm. 0.5 gm. 400,000 units! 0.75 mgm. 10 mgm. 5 mgm. 0.5 Gm. 1.25 mgm.	Parke Davis Co. Lederle (Cyanamid) Hoffman-La Roche Squibb. Merck Shap & Dohme Hoffman-La Roche Wyeth & Co. Searle. Geigy Horner. Frosst.	100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 50 caps- 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs	30. 60 14. 96 2. 94 14. 54 14. 54 3. 50 5. 80 5. 85 not sold 6. 29	33.04 16.15 16.15 10.73 10.73 11.70 3.78 6.26 6.26 6.31 Id 6.79
1	¹ Pentids, 600,000 units not sold. ² Librium, 100 caps not sold.	t sold.	Bolding		\$1.00 Dec	\$1.00 U.S. = \$0.92 Canadian December 1966	nadian

HICA	ζ	2	5	
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\$ Canadian Equivalent	33. 16. 15. 16. 15. 16. 15. 16. 15. 16. 16. 16. 16. 16. 16. 16. 16. 16. 16	1	\$ Canadian Equivalent	33.04 16.15 10.73 10.73 7.38 9.46 6.31	
Foreign Ca Price Eq	30.60 14.96 2.94 11.33 14.50 3.30 6.50 8.76 5.85 not sold 6.29	l dollar U.S. = \$0.92 Canadian December 1966.	Foreign Ca Price Eq	30.60 14.96 2.93 9.94 14.50 3.56 6.80 8.76 5.85 not sold 6.29	1 dollar U.S.=\$0.92 Canadian December 1966.
Original Size	100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 50 tabs 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs	1 dollar U.S.=\$ December 1966.	Original Size	100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 50 caps ² 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs 100 tabs	1 dollar U.S.=\$
Manufacturer	Parke Davis Co. Lederle (Cyanamid) Hoffman-La Roche Squibb Merk Sharp & Dohme. Hoffman-La Roche Wyeth & Co. Searle Geigy Horner Frosst.	8	Manufacturer	Parke Davis Co. Lederle (Cyanamid) Hoffman-La Roche Squibb. Merck Sharp & Dohme Woffmann-La Roche Worth & Co. Searle Geigy Frosst, Frosst,	
Strength	250 mgm. 250 mgm. 250 mgm. 400,000 units 0.75 mgm. 10 mgm. 5 mgm. 100 mgm.	Los Angeles	Strength	250 mgm. 250 mgm. 250 mgm. 400,000 units 0.75 mgm. 400 mgm. 5 mgm. 100 mgm.	The second secon
Generic Name	Chloramphenicol. Tetracycline. Sulfisoxacole Penicillin G potassium. Dexamethasone (methylprednisolone). Chlordiazopoxide. Meprobamate Norethynodrol with Mestranol. Phenylbutazone. Tolbutamide (Acetylsalicylic acid phenacetin, caffeine & codeine phosphate gr. 1/8). (Estrogenic substances).	plos ;	Generic Name	Chloramphenicol Tetracycline Sulfisoxazole Penicillin G potassium Dexamethasone (methylprednisolone). Chlordiazopoxide Meprobamate Norethynodrol with Mestranol. Plenylbutazone (Acetylsalicylic acid phenacetin, caffeine & codeine phosphate gr. 1/8). (Estrogenic substances)	sold
Trade Name	1. Chloromycetin 2. Achromycin 3. Gantrisin 4. Pentids. 5. Decadron 6. Librium 7. Equanil 8. Enovid 9. Butazolidin 10. Mobenol 11. "222"	¹ Pentids, 600,000 units not sold ² Librium, 100 caps not sold	Trade Name	1. Chloromycetin 2. Achromycin 3. Gantrisin 4. Pentids 5. Decadron 7. Equanil 8. Enovid 8. Butazolidin 10. Moberol 11. "222"	Pentids, 600,000 units not sold

TORONTO-OTTAWA

1 1		
Canadian Price	23.54 4.7.162 4.7.111 4.7.17 7.20 6.18 6.18	15.87 6.36
Original Size	100 tabs 100 tabs	1000 tabs 100 tabs
Manufacturer	Parke Davis Co Lederle (Cyanamid) Hoffman-La Roche Squibb. Merck Sharp & Dohme. Hoffman-La Roche Wyeth & Co Sarle Geigy Horner	Frosst. Ayerst, McKenna & Harrison.
Strength	250 mgm. 250 mgm. 250 mgm. 0.5 Gm. 600, 000 units 0.75 mgm. 10 mgm. 5 mgm. 100 mgm.	1.25 mgm.
Generic Name	Chloramphenicol Tetracycline Sulfisoxazole Penicillin G potassum Dexamethasone (methylprednisolone). Chlordiazopoxide Meprobamate Norethynodrol with Mestranol Phenylbutazone. Tolbutamide.	& codeine phosphate gr. 1/8)
Trade Name	1. Chloromycetin 2. Achromycin 3. Gantrisin 4. Pentids. 5. Decadron 6. Librium 6. Librium 7. Equanil 8. Enovid 9. Butazolidin 10. Mobenol 11oon	12. Premarin

COMPOSITE TABLE OF COMPARATIVE PRICES TO THE RETAILER

Remarks	U.S. prices shown f chloromycetin have be reduced almost 50% si ce this price was quoth due to patent expiratio
CANADA	23.64 17.62 4.14 17.44 7.20 7.20 11.70 6.18
Los Angeles U.S.A.	33.04 16.15 3.16 15.66 17.68 4.77 1.34 6.31 6.79
Chicago U.S.A.	33.04 16.15 3.17 15.66 7.12* 7.02 9.46 6.31 6.79
Boston U.S.A.	33.04 16.15 15.70 15.70 7.56* 6.26 6.31 6.31
Bonn Germany	17, 70 24,55 2,56 3,13
Rome TTALY	11.08* 19.50* 15.90* 15.90* 19.20* 19.20*
Berne Switz.	22.40 4.34* 4.34* 5.173 5.175* 8.475* 8.23*
Paris FRANCE	3.05* 3.66* 3.66* 1.84*
London	11.18 9.83 14.14 14.11 3.02 3.02 7.77 5.12 5.78
Quantity	000000000000000000000000000000000000000
Trade Name Quantity	Chloromycetin. Achromycin. Gantrisin. Decadron. Librium. Equanil. Enovid. Butazolidin. Premarin.

for eeen sinted on,

> Pentids, Mobenol and 222's are not included in composite table as they are not sold as such outside of Canada. --- not sold or sold in a different strength making comparisons impossible.

* Calculated from prices for quantities other than 100.

APPENDIX G
MARKETING EXPENSES (1964) OF 41 COMPANIES (MEMBERS OF PMAC)

	Total for year	Physicians' Information	Other
(a) Field Selling Expense (Including supervisory and representatives' salaries, living expenses, cars, meetings, equipment, etc.)	16,844,633	\$ 12,176,598	\$ 4,668,035
including marketing research)	4,694,395 11,438,533	3,567,047 9,980,869	1,127,348 1,457,664
TOTAL	\$ 32,977,561	\$ 25,724,514	\$ 7,253,047
2. How much Did You Spend on the Following During the Year:			
(a) Medical Exhibits and Space	229,357 2,331,527 2,739,423	190,958 2,118,005 2,509,965	38,394 213,522 229,458
does not include assay samples, etc.)	3,939,446	3,702,215	237, 231
(i) Product	1,704,459 494,321	1,299,882 331,645	404,577 162,676
TOTAL	\$ 11,438,533	\$ 10,152,670	\$ 1,285,858

Mr. Hopkins for Mr. Deachman, from the Standing Committee on National Defence, presented the Sixth Report of the said Committee, which is as follows:

In its Fifth Report to the House, presented March 22, 1967, your Committee reported Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, with amendments.

Your Committee now reports the amendments to Bill C-243 as follows:

Clause 2

Strike out line 13 on page 2 and substitute therefor the following: "Canada under the United Nations Charter, the North Atlantic Treaty or any other similar instrument".

Clause 4

Strike out clause 4 on page 3 and substitute therefor the following:

- 4. Section 22 of the said Act is repealed and the following substituted therefor:
- "22. (1) For the purposes of this Act, the ranks of the officers and men of the Canadian Forces shall be as set out in Column I of the Schedule.
- (2) The Governor in Council may make regulations prescribing the circumstances in which a person holding a rank set out in Column I of the Schedule shall use, or be referred to by, a designation of rank set out in Column II, III or IV of the Schedule opposite the rank held by him."

Clause 5

Strike out sub-clause (1) of clause 5 on page 3 and substitute therefor the following:

"5. (1) The Services known before the coming into force of this Part as the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force are embodied in the Canadian Forces."

Clause 6

(a) Strike out lines 20 and 21 on page 4 and substitute therefor the following:

"Army or Royal Canadian Air Force set out in Column II, III or IV respectively of Schedule A shall, on the coming into force of"

(b) Strike out "Column IV" in line 23 on page 4 and substitute therefor "Column I".

Clause 8

Strike out sub-clause (8) of clause 8 on pages 5 and 6 and substitute therefor the following:

(8) Section 2 of the said Act is further amended by adding thereto, immediately after paragraph (36) thereof, the following paragraph:

"(36a) "subordinate officer" means a person who holds the rank of officer cadet:"

New clauses 9, 10, 11

Insert immediately after clause 8 the following new clauses 9, 10, 11:

- 9. Sections 6 and 6A of the said Act are repealed and the following substituted therefor:
- "6. The Governor General may at any time by commission under the Great Seal appoint an Associate Minister of National Defence who shall exercise and perform such of the powers, duties and functions of the Minister as may be assigned to him by the Governor in Council."
 - 10. Subsection (2) of section 7 of the said Act is repealed.
 - 11. Subsection (2) of section 8 of the said Act is repealed.

Renumber

Renumber former clauses 9 to 61 in the Bill as 12 to 64.

Renumbered clause 16

Strike out the renumbered clause 16 on page 7 and substitute therefor the following:

- 16. Section 28 of the said Act is repealed and the following substituted therefor:
- "28. An officer or man may be attached or seconded to another component of the Canadian Forces or to any department or agency of government, any public or private institution, private industry or any other body in such manner and under such conditions as are prescribed in any other Act or in regulations, but no officer or man of the reserve force who is not serving on active service shall without his consent be attached or seconded pursuant to this section."

Renumbered clause 17

Strike out lines 26, 27, 28 and 29 of the renumbered clause on page 7 and substitute therefor the following:

"(b) in consequence of any action undertaken by Canada under the United Nations Charter, the North Atlantic Treaty or any other similar instrument for collective defence that may be entered into by Canada".

Renumbered clause 24

Strike out renumbered clause 24 on page 13 and substitute therefor the following:

- 24. Paragraph (b) of section 80 of the said Act is repealed and the following substituted therefor:
- "(b) fails to take any steps in his power to cause the apprehension of a person whom he knows, or has reasonable cause to believe, to be a deserter."

New clause 62

Insert immediately after renumbered clause 61, the following new clause 62:

"62. The said Act is further amended by adding thereto the Schedule set out in Schedule A".

Renumber

Renumber clauses 62 to 64 (which were originally numbered 59 to 61 as 63 to 65.

Renumbered clause 63

Strike out the word "and" at the end of paragraph (a) of the renumbered clause 63 on page 26, add the word "and" at the end of paragraph (b) and add thereto the following paragraph:

(c) any rank set out in Column II, III or IV of Schedule A is mentioned or referred to, such mention or reference shall be construed as including a mention of or reference to the rank set out opposite that rank in Column I of Schedule A.

Schedule A

Delete Schedule A on page 28 and insert the following new Schedule A:

SCHEDULE A.

SCHEDULE

I	II	ш	IV	
Officers				
1. General	Admiral	General	Air Chief Marshal	
2. Lieutenant-General	Vice-Admiral	Lieutenant-General	Air Marshal	
3. Major-General	Rear-Admiral	Major-General	Air Vice-Marshal	
4. Brigadier-General	Commodore	Brigadier	Air Commodore	
5. Colonel	Captain	Colonel	Group Captain	
6. Lieutenant-Colonel	Commander	Lieutenant-Colonel	Wing Commander	
7. Major	Lieutenant- Commander	Major	Squadron Leader	
8. Captain	Lieutenant	Captain	Flight Lieutenant	
9. Lieutenant	Sub-Lieutenant Commissioned Officer	Lieutenant	Flying Officer	
10. Second Lieutenant	Acting Sub- Lieutenant	2nd Lieutenant	Pilot Officer	
11. Officer Cadet	Midshipman Naval Cadet	Provisional 2nd Lieutenant Officer Cadet	Officer Cadet	
	Men	A TON SPENDENCE AND A STATE OF THE PARTY OF		
2. Chief Warrant Officer	Chief Petty Officer, 1st Class	Warrant Officer, Class 1	Warrant Officer, Class 1	
3. Master Warrant Officer	Chief Petty Officer, 2nd Class	Warrant Officer, Class 2	Warrant Officer, Class 2	
4. Warrant Officer	Petty Officer, 1st Class	Squadron-Quarter- master-Sergeant, Battery-Quarter- master-Sergeant, Company-Quarter- master-Sergeant, Staff Sergeant	Flight Sergeant	
5. Sergeant	Petty Officer, 2nd Class	Sergeant	Sergeant	
6. Corporal	Leading Seaman	Corporal Bombardier	Corporal	
7. Private	Able Seaman Ordinary Seaman	Trooper Gunner Sapper Signalman Private Guardsman Fusilier Rifleman Craftsman	Aircraftman	

Schedule B

- (a) Strike out section 5 on page 33 and substitute therefor the following:
 - 5. Clause (B) of subparagraph (i) of paragraph (f) of subsection
 - (1) of section 44 is repealed and the following substituted therefor:
 - (B) three thousand dollars per annum if his rank is lower than warrant officer, or five thousand dollars per annum if his rank is warrant officer or higher, and"
- (b) Strike out the amendment to the Geneva Conventions Act on page 41 and substitute therefor the following:
 - "(2) A prisoner of war described in subsection (1) shall, for the purposes of the Code of Service Discipline, be deemed to be under the command of the commanding officer of such unit or other element of the Canadian Forces as may be holding him in custody."
 - (c) Strike out section 2 on page 44 and renumber section 3 as section 2.

A copy of the Minutes of Proceedings and Evidence relating to Bill C-243 (Issues Nos. 14 to 37 inclusive) is appended.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 59 to the Journals).

Mr. Knowles, seconded by Mr. Howard, by leave of the House, introduced Bill C-284, An Act to amend the Canada Labour (Standards) Code (Notice of Payment to Employees in case of Discharge or Lay-off), which was read the first time and ordered for a second reading at the next sitting of the House.

Mr. Knowles, seconded by Mr. Brewin, by leave of the House, introduced Bill C-285, An Act to amend the Canada Labour (Standards) Code (Provision for a Ninth General Holiday with Pay), which was read the first time and ordered for a second reading at the next sitting of the House.

By unanimous consent, it was ordered,—That the answer, presented to Question No. 2535, standing in the name of Mr. Irvine be printed as an appendix to this day's *Hansard*.

Pursuant to Standing Order 39(4), the following Question was made an Order of the House for a Return, namely:

No. 2,713-Mr. Laprise

- 1. For each year, since 1958, what quantities of (a) powdered whole milk (b) powdered skim milk, have been exported and to what countries?
- 2. For each year, since 1958, what quantities of (a) powdered whole milk (b) powdered skim milk, have been stocked?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,
—Return to the foregoing Order.

The Order being read for the House to resolve itself into Committee of the Whole to consider Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof;

The Honourable Member for Edmonton West (Mr. Lambert) raised a point of order to the effect that as neither copies of all of the evidence taken before the Standing Committee on National Defence with respect to the consideration of the said bill nor copies of amendments proposed thereto were available to honourable Members, the consideration of the said bill in Committee of the Whole should not be proceeded with at this time.

RULING BY MR. SPEAKER

Mr. Speaker: There are two points raised by the hon. member for Edmonton West (Mr. Lambert). The first one deals with the question of the report, the Honourable Member, with support from other honourable Members, referred to citation 318(1) of Beauchesne's fourth edition. I must say with respect that I tend to agree with the proposition advanced by the Government House Leader that the only requirement in that citation is that information be available for honourable Members. That suggestion did not appear to gain much support from honourable Members on the opposition side when it was made, but on reflection I believe this is the purpose of this citation and, as honourable Members know, the amendments are now before the House in two forms, in the form of the report which was tabled and which is now officially before the House, and in the form of the amended bill which has been distributed.

Of course I fully recognize that distribution might be a bit late, but the report could not be distributed until it was tabled in the House. This causes difficulty but it is not really a point of order; it is really a question of convenience.

I note that the honourable Member for Edmonton West during his presentation appeared to appeal to the Government House Leader rather than to the Chair assuming, I would think, that this is something the government should agree to rather than for the Chair to rule that it was a valid point of order.

On the other point, the suggestion is based on the desirability of letting the order proposed for consideration this afternoon stand long enough for honourable Members to familiarize themselves with the evidence. I point out to the honourable Members that it is not for the Chair to decide whether one hour, one day, or one week is sufficient time for Members to familiarize themselves with the evidence, and because of this I do not think I can interfere to ask the House not to proceed with the order of business called this afternoon by the government.

The Honourable Member for Winnipeg South Centre (Mr. Churchill) having pointed out that Clause 2 of Bill C-243 when given first reading by the House, indicated by underlining and vertical lines, changes from the original Act and that these indications were not contained in the bill as ordered reprinted by the Standing Committee on National Defence, raised a question of order with respect to which version of the bill was to be considered by the Committee of the Whole.

RULING BY MR. SPEAKER

Mr. Speaker: Of course, this is a very interesting point. I cannot see much difference between the procedure proposed now and the procedure usually

followed when bills and amended bills are being considered by the House. The only suggestion I can offer for the Honourable member and for the benefit of all honourable Members, which perhaps is not a very useful one, is that members could have both bills before them and compare one bill with the other. Certainly if honourable Members can show me a Standing order requiring that we should follow, for the convenience of honourable Members, the suggestion made by the Honourable Member for Winnipeg South Centre, then of course I would rule in his fayour.

What the honourable Member is saying now is that it is not very convenient to proceed in the way in which the House is being asked to proceed. He may be quite right. I am not disagreeing with him. I have no right to express an opinion one way or another on this point. On the strict point of order, however, there is nothing in the Standing Orders of the House to support the contention of the Honourable Member for Winnipeg South Centre. I am afraid I can only suggest to him as I did in the first instance that both bills be used by honourable Members in the course of the discussion.

Whereupon Mr. Hellyer, seconded by Mr. Cadieux (Terrebonne), moved,—That Mr. Speaker do now leave the Chair.

And the question being put on the said motion, it was agreed to on the following division:

YEAS

MESSRS:

Allmand,	Favreau,	Lefebvre,	Rideout (Mrs.),
Andras,	Forest,	Legault,	Rinfret,
Asselin (Richmond-	Gauthier,	Lessard,	Rochon,
Wolfe),	Godin,	Lind,	Rock,
Badanai,	Goyer,	Macaluso,	Saltsman,
Batten,	Gray,	Macdonald (Rose-	Schreyer,
Béchard,	Guay,	dale),	Sharp,
Benson,	Habel,	MacEachen,	Simard,
Berger,	Haidasz,	McIlraith	Stafford,
Blouin,	Hellyer,	McNulty,	Stanbury,
Boulanger,	Herridge,	McWilliam,	Stewart,
Brewin,	Honey,	Marchand,	Tardif,
Brown,	Hopkins,	Mather,	Teillet,
Cadieux,	Howard,	Matheson,	Thomas (Maison-
Cantin,	Howe (Hamilton	Matte,	neuve-
Chatwood,	South),	Nixon,	Rosemount),
Chrétien,	Isabelle,	O'Keefe,	Tolmie,
Clermont,	Jamieson,	Olson,	Tremblay,
Côté (Nicolet-	Knowles,	Patterson,	Turner,
Yamaska),	Lachance,	Pepin,	Wahn,
Cowan,	Laing,	Peters,	Walker,
Douglas,	Lamontagne,	Pickersgill,	Whelan,
Dubé,	Langlois (Chicou-	Pilon,	Winters—91.
Émard,	timi),	Reid,	
Ethier,	Laniel,	Richard,	
Control of the Contro			

NAYS

MESSRS:

Aiken, Baldwin, Bell (Saint John-Albert),	Chatterton,	Dinsdale,	Grégoire,
	Churchill,	Fane,	Gundlock,
	Clancy,	Forrestall,	Hales,
	Code,	Grafftey,	Harkness,

Howe (Wellington-MacRae. Muir (Lisgar), Ricard. Huron). McCleave. Nasserden. Sherman. Korchinski. McIntosh. Noble. Southam. Lambert. McKinley, Nowlan, Starr, Loney, Madill, Ormiston. Thomas MacEwan, Muir (Cape Breton Pascoe, (Middlesex West).

MacInnis, North and Rapp, Webb,
MacLean (Queens), Victoria) Régimbal, Winkler—43.

Accordingly, the House resolved itself into Committee of the Whole to consider Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported, the Committee obtained leave to consider it again later this day.

By unanimous consent, it was ordered,—That the sitting be suspended between 7.00 o'clock and 8.00 o'clock p.m. this day.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof and the sitting was suspended until 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof and further progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.01 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Laing, a Member of the Queen's Privy Council,—Report of Northern Transportation Company Limited including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Order of the House, dated February 15, 1967, for a copy of the correspondence exchanged between Members of the federal Electoral Districts of Beauce and Mégantic with the appropriate departments concerning winter works in Saint-Ephrem (Beauce), Saint-René (Beauce), and La Guadaloupe (Mégantic) from 1962 to this date.—(Notice of Motion for the Production of Papers No. 206).

By Miss LaMarsh,—Return to an Order of the House, dated March 22, 1967 for a copy of all correspondence to or from the Minister of National Defence in connection with the statements allegedly made by Major Stanley N. Nudds, Militia Officer in Rouyn-Noranda on November 11, 1966.—(Notice of Motion for the Production of Papers No. 219).

By Mr. MacEachen, a Member of the Queen's Privy Council,—Report of Expenditures and Administration in connection with the Unemployment Assistance Act for the year ended March 31, 1966, pursuant to section 9 of the said Act, chapter 26, Statues of Canada, 1956. (English and French).

By Mr. Pepin, a Member of the Queen's Privy Council,—Report of Eldorado Mining and Refining Limited and its subsidiary company, Eldorado Aviation Limited, including their Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

By Mr. Pepin,—Report on the Activities of the National Energy Board for the year ended December 31, 1966, pursuant to section 91 of the National Energy Board Act, chapter 46, Statutes of Canada, 1959. (English and French).

By Mr. Winters, a Member of the Queen's Privy Council,—Report entitled Private and Public Investment in Canada—Outlook 1967, and Regional Estimates. (English and French).

By Mr. Winters,—Report and Financial Statements by the Export Credits Insurance Corporation certified by the Auditor General, for the year ended December 31, 1966, pursuant to sections 17(3) and 18 of the Export Credits Insurance Act, chapter 105, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

At 10.29 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,813-Mr. MacLean (Queens)-April 3

- 1. What is the difference between the "Canada Customs-Entry for Home Consumption Form B-1 Rev. 11-63" and the revised "Canada Customs-Entry for Home Consumption Form B-1 10/65"?
 - 2. Why was the introduction of the new form necessary?
- 3. Were stocks of the old forms destroyed and, if so, what was the estimated cost of the destroyed forms?

*No. 2,814-Mr. Woolliams-April 3

Will the Minister of Indian Affairs and Northern Development take the appropriate action to have referred, pursuant to the provisions of section 55 of the Supreme Court Act, to the Supreme Court of Canada, the questions (a) whether the so-called perpetual leases in the National Parks were legally granted by the Crown (b) whether the Government of Canada, acting through the Minister of Indian Affairs and Northern Development, has the power to refuse to renew the said leases in accordance with their terms?

No. 2,815—Mr. Macquarrie—April 3

- 1. What was the total expenditure for the Prince Edward Island National Park in each of the years ending March 31, 1955 to March 31, 1967?
- 2. In each of these years, what was the total number of prevailing wagerate personnel employed?
- 3. When is it intended to enlarge the Prince Edward Island National Park?
- 4. What is the location and extent of the areas to be added to the present park?
- 5. When is it intended to open an additional National park in Kings County, P.E.I.?
 - 6. What is the area and location of the new park?
- 7. Has the Prince Edward Island Government made available land for a National park in Western Prince Edward Island?
 - 8. What is the location and extent of such a park?

No. 2,816-Mr. Macquarrie-April 3

1. What amounts have been paid by the Government of Canada towards the operational and maintenance costs of the Confederation Centre, Charlottetown?

- 2. What was the date of such payments?
- 3. Has an undertaking been given by the government to contribute an annual contribution for such purposes and, if so, what is the amount?
- 4. Is this amount the equivalent of the total operating and maintenance costs and, if not, what is the difference?
- 5. What contributions has the Canada Council made towards support of activities presented in the Confederation Centre?

No. 2,817-Mr. Caouette-April 3-

- 1. What are the components of the Consolidated Revenue Fund?
- 2. What specific use is made of the Consolidated Revenue Fund?
- 3. How many warrants were issued to obtain money from the Consolidated Revenue Fund (a) during the years 1964, 1965 and 1966 (b) in what amount in each case (c) for what purpose in each case?
- 4. What factors are used to determine the urgency and the necessity of obtaining money from the Consolidated Revenue Fund?

No. 2,818-Mr. Caouette-April 3-

What was the total amount collected in Excise Taxes on the following products during the years 1965-66, 1964-65, 1963-64 in each province on (a) spirits (b) beer?

No. 2,819-Mr. Bell (Carleton)-April 3

- 1. Were any discussions or consultations held by the Public Service Commission with staff associations or other representatives of the employees in the Public Service before the promulgation of the Public Service Employment Regulations?
- 2. If so (a) with whom were such discussions or consultations held (b) what, in detail, was the nature of the discussions or consultations?
 - 3. If not, why were such discussions or consultations not held?

No. 2,820-Mr. Caouette-April 3-

What was the total amount spent by the federal government for the years 1965-66, 1964-65 and 1963-64, in each province, for the (a) rehabilitation of alcoholics (b) education of the population with regard to alcoholism?

No. 2,821-Mr. Caouette-April 3-

- 1. What happens to an unused appropriation at the end of a given fiscal year?
- 2. If such an appropriation is used the following year, what specific legislation authorizes such an action?
- 3. For the years 1963-1964-1965-1966, if applicable (a) what was the amount of each such appropriation (b) what was the purpose of each such appropriation (c) what was the total amount of such appropriations for each of the said fiscal years?

No. 2,822-Mr. Caouette-April 3-

For the years 1963-64, 1964-65 and 1965-66, what was the total amount paid by the Receiver General or, on his behalf, by the Bank of Canada, to cover the costs of cashing cheques or other instruments, for each chartered bank in Canada?

No. 2,823-Mr. Caouette-April 3-

In the following departments and agencies: Agriculture, Citizenship and Immigration, Finance, Fisheries, Forestry and Rural Development, Industry, Mines and Technical Surveys, National Health and Welfare, Northern Affairs and National Resources, Post Office, Public Works, Trade and Commerce, Transport, Unemployment Insurance Commission, Veterans Affairs, Farm Credit Corporation, Industrial Development Bank (a) what was the total amount spent by these departments or agencies during the years 1965-66, 1964-65 and 1963-64 (b) what was the total amount paid by such departments to interested taxpayers, as loans, grants, etc., for the years 1965-66, 1964-65 and 1963-64 (c) what amount was paid in each province, during the same years?

No. 2,824—Mr. Caouette—April 3—

What was the total amount collected in Excise Taxes during the years 1965-66, 1964-65 and 1963-64, in each province on (a) cigarettes (b) wine?

No. 2,825-Mr. Barnett-April 3

- 1. What provisions are made for patrolling the Grand Banks offshore from Newfoundland by the Canadian Coast Guard?
- 2. During what period or periods of the year are patrols maintained on a regular basis?
- 3. What particular Coast Guard vessels or other equipment are used in this service?

No. 2,826-Mr. Bell (Carleton)-April 3

- 1. Has the Public Service Commission delegated to any deputy head the authority to perform any of the powers, functions or duties of the Commission?
- 2. If so (a) to what deputy heads (b) in respect of what positions (c) what terms and conditions were attached to each such delegation (d) what appointments have been made pursuant to such delegations?
- 3. Have one or more persons under the jurisdiction of any deputy head been authorized by the Commission to exercise and perform any of the powers, functions or duties that a deputy head has been authorized by the Commission to exercise and perform?
- 4. If so (a) what deputy head has jurisdiction (b) what is the name and position or title of each such person so authorized (c) what appointments have been made pursuant to such sub-delegation?

No. 2,827-Mr. Bell (Carleton)-April 3

- 1. To what areas of Canada are (a) Paragraph 4(1)(a) (b) Paragraph 4(1)(b) of the Public Service Employment Regulations applicable?
- 2. To what areas of Canada is Paragraph 4(2) of the Public Service Employment Regulations applicable?

Notices of Motions for the Production of Papers-On Wednesday next

No. 221—Mr. LeBlanc (Rimouski)—April 3

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the federal-provincial (Quebec) agreement with regard to technical and professional training for adults, mentioning the date on which such agreement was signed, and a copy of all correspondence on the subject between the federal government and the Government of the Province of Quebec.

No. 222-Mr. Bell (Carleton)-April 3

That an Order of the House do issue for a copy of each delegation of authority granted by the Public Service Commission to a deputy head of the powers, functions or duties of the said Commission under the Public Service Employment Act and of every approval by the said Commission that the said delegation of authority may be exercised or performed by one or more persons under the jurisdiction of a deputy head.

Introduction of Bills-On Wednesday next

April 3—Mr. Mather—Bill intituled: "An Act to amend the Broadcasting Act (cigarette advertising)".

No. 233

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, APRIL 4, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Speaker informed the House that he had received from the Honourable Member for Montreal-Papineau and the Honourable Member for Richelieu-Verchères written declarations of their intentions to resign their seats in the House of Commons.

HOUSE OF COMMONS

ELECTORAL DISTRICT OF MONTREAL-PAPINEAU

CANADA)
To Wit:

To the Honourable the Speaker of the House of Commons:

I, the undersigned, Guy Favreau, Member of the House of Commons of Canada for the Electoral District of Montreal-Papineau, hereby declare my intention of vacating my seat, as of this day, April 3, 1967, at twelve o'clock midnight.

Given under my Hand and Seal at Ottawa, this 3rd day of April, 1967.

GUY FAVREAU (L.S.)

Witness: André Ouellet

Witness: C. Viau V 233—1

HOUSE OF COMMONS CANADA

ELECTORAL DISTRICT OF RICHELIEU-VERCHÈRES

CANADA)
To Wit:

To the Honourable the Speaker of the House of Commons:

I, the undersigned, Lucien Cardin, Member of the House of Commons of Canada for the Electoral District of Richelieu-Verchères, hereby declare my intention of vacating my seat, as of this day, April 3, 1967, at twelve o'clock midnight.

Given under my Hand and Seal at Ottawa, this 3rd day of April, 1967.

LUCIEN CARDIN (L.S.)

Witness: J. R. G. Geoffrion Witness: Margot LeBleu

And that accordingly he had, pursuant to section 6 of the House of Commons Act, Chapter 143, Revised Statutes of Canada, 1952, addressed his warrants to the Chief Electoral Officer for the issue of writs for the election of new members for the said Electoral Districts.

Mr. Martin (Essex East), a Member of the Queen's Privy Council laid before the House,—Exchange of notes between the Government of Canada and the Government of the Socialist Republic of Roumania concerning the establishment of diplomatic relations between the two countries, dated April 3, 1967. (English and French).

By unanimous consent, on motion of Mr. Pickersgill, seconded by Mr. Turner, it was ordered,—That the Capital Budget of Air Canada for the year ending December 31st, 1967, tabled March 3, 1967, the Annual Report of Air Canada for 1966 and the Auditors' Report to Parliament for 1966 in respect of Air Canada, both tabled on March 17, 1967, be referred to the Standing Committee on Transport and Communications.

Mr. Nicholson, a Member of the Queen's Privy Council, laid before the House,—Copy of a Report to the Minister of Labour, dated March 23, 1967, by the Honourable Mr. Justice C. Rhodes Smith, Industrial Inquiry Commissioner under the Industrial Relations and Disputes Investigation Act, with respect to the causes of the stoppage of operations at British Columbia Ports.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Langlois (Chicoutimi) and Laniel be substituted for those of Messrs. Éthier and Stafford on the Standing Committee on National Defence.

Mr. Caouette, seconded by Mr. Langlois (Mégantic), by leave of the House, introduced Bill C-286, An Act to amend the Supreme Court Act, which was read the first time and ordered for a second reading at the next sitting of the House.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole and progress having been made and reported, the Committee obtained leave to consider it again later this day.

By unanimous consent, it was ordered,—That the sitting be suspended between 7.00 o'clock and 8.00 o'clock p.m. this day.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof and the sitting was suspended until 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof and further progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Address, dated March 15, 1967, to His Excellency the Administrator for a copy of all communications exchanged between the Government of Manitoba and the Minister of Agriculture or the Canadian Government with reference to the calling of a National Conference on Agricultural problems.—(Notice of Motion for the Production of Papers No. 216).

By Mr. Marchand, a Member of the Queen's Privy Council by command of His Excellency the Administrator,—Report of the Department of Citizenship and Immigration, for the year ended March 31, 1966, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C., 1952. (English and French).

By Mr. Sharp, a Member of the Queen's Privy Council,—Report by the Tariff Board, dated February 1, 1967, relative to the Inquiry Ordered by the Minister of Finance respecting Cotton Yarns and Rovings, for Use in the Manufacture of Certain Products—Reference No. 135, (English and French), together with a copy of the transcript of the evidence presented at public hearings, pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C., 1952.

At 10.21 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,828—Mr. Caouette—April 4—

- 1. Who were the recipients of Canada Council grants earmarked for artistic literary projects during the years 1965 and 1966?
- 2. Were any applications for such grants received from one or more persons from the northwestern part of the Province of Quebec during the years 1965 and 1966?

No. 2,829-Mr. Chatwood-April 4

- 1. What is the number of Armed Forces personnel stationed in each of the ten provinces and in the Territories?
- 2. What is the total expenditure of the Department of National Defence in each of the ten provinces and in the Territories?

MEETINGS OF COMMITTEES

April 4, 1967

Room	Committee	Hour
	(Subject to change from day to day)	orty 1
	Thursday, April 6	new 1.3
256-S	Penitentiaries (Joint)	10.00 a.m.
256–S	Public Service (Joint) (Pensions) (In Camera)	8.00 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 234

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, APRIL 5, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Benson, a Member of the Queen's Privy Council, laid before the House, —Copy of a list of recommendations of the Royal Commission on Government Organization, approved by the Government on March 9, 1967. (English and French).

Mr. Winters, a Member of the Queen's Privy Council, laid before the House, —Copy of the Annual Report of the Canadian Wheat Board for the Crop Year ended July 31, 1966.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Mrs. Rideout and Messrs. Andras, Deachman, and Byrne be substituted for those of Messrs. Habel, Émard, Lind, and Orange on the Standing Committee on Transport and Communications.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the names of Messrs. Andras and Groos be substituted for those of Messrs. Byrne and Crossman on the Standing Committee on National Defence.

Mr. Pickersgill, a Member of the Queen's Privy Council, laid before the House,—Copy of a contract, dated February 24, 1967, entered into between the Government of Canada and Leeward Islands Air Transport Services Ltd. in connection with the rental by the Government of Canada of two twin Otter Aircraft to the said Company.

V 234—1

On motion of Mr. McIlraith, seconded by Mr. Benson, it was ordered,—That the Public Accounts Volumes I, II, and III for the fiscal year ended March 31, 1966, and the Report of the Auditor General thereon, tabled on January 9, 1967 and February 20, 1967, respectively, together with the report and financial statement of the Canada Council for the fiscal year ended March 31, 1966, and the Report of the Auditor General thereon tabled on August 30, 1966, be referred to the Standing Committee on Public Accounts.

Mr. Mather, seconded by Mr. Howe (Hamilton South), by leave of the House, introduced Bill C-287, An Act to amend the Broadcasting Act (cigarette advertising), which was read the first time and ordered for a second reading at the next sitting of the House.

Bill C-243, An Act to amend the National Defence Act, and other Acts in consequence thereof, was again considered in Committee of the Whole, and Progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Winters, a Member of the Queen's Privy Council,—Order in Council P.C. 1967-412, dated March 2, 1967, approving the Capital Budget of the Export Credits Insurance Corporation for the calendar year 1967.

At 6.01 o'clock p.m., Mr. Speaker adjourned the House without question put until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,830-Mr. McCleave-April 5

- 1. How many prosecutions have been initiated by the Department of Transport involving the escape or spillage of oil from ships in Canadian harbours in each of the past five years, and how many were successful?
- 2. With regard to such prosecutions, what were the totals for the five years in specific harbours, naming the harbours?

No. 2,831-Mr. McCleave-April 5

- 1. How much did ice-breaking operations cost in each of the last five years?
- 2. How much of such cost, each year, was spent on ice-breaking (a) on the St. Lawrence River (b) in the Gulf of St. Lawrence?

No. 2.832-Mr. Bell (Carleton)-April 5

- 1. Has (a) the Minister of Public Works (b) the National Capital Commission, given study to the Report of C. C. Parker and Associates Limited regarding the relocation of the C.N.R. Beachburg Line in the National Capital?
- 2. If so, what are their opinions with respect to the recommendations of the said Report?
- 3. Has (a) the Minister of Public Works (b) the National Capital Commission, formulated any plan for the relocation of this railway line in a location which would avoid the disadvantages (i) of the existing location (ii) of the location proposed in the said Report?
 - 4. If so, what is such plan?
- 5. If not, what consideration is now being given to the problem and by whom?

No. 2,833—Mr. Bell (Carleton)—April 5

- 1. Where a numerical scoring device is used in rating candidates for a position in the Public Service (a) what marks are allotted to the candidate for the essential qualifications of the position (b) by what marking systems are the desirable qualifications possessed by a candidate reflected (c) by what systems are the appropriate marks for the degree of language proficiency reflected (d) must the appropriate marks for language proficiency be equal to ten per cent of the marks which may be attained for the essential qualifications or how and in what circumstances may they vary upwards or downwards from ten per cent?
- 2. Where a numerical scoring device is not used, how is each of the attributes mentioned in Part 1 determined?

No. 2,834-Mr. Bell (Carleton)-April 5

- 1. What persons have been authorized, pursuant to Section 2 (1) (e) of the Public Service Employment Regulations, to exercise or perform the power, function or duty of "responsible staffing officer"?
- 2. What method or technique was used to authorize each such person to exercise or perform such power, function or duty?
- 3. Pursuant to what authority in the Public Service Employment Act was each such person so authorized?

No. 2,835-Mr. Bell (Carleton)-April 5

- 1. Have the criteria of "essential qualifications" or "desirable qualifications" been utilized by the former Civil Service Commission, prior to the coming into force of the Public Service Employment Act?
- 2. If so (a) under what circumstances (b) subject to what conditions (c) pursuant to what authority?
- 3. Were the criteria "essential qualifications" or "desirable qualifications" discussed or outlined in any submissions made or evidence given by members of the Civil Service Commission to the Joint Special Committee of the Senate and House of Commons on the Public Service?
 - 4. If so, when?
- 5. If not, why did the Commission refrain from disclosing these proposals to Parliament?

No. 2,836—Mr. Jorgenson—April 5

What are the names of all individuals who were federal candidates for any political party since April 1, 1963, and who have been appointed to the Senate, the bench, any federal government Board, Commission, Agency, Enquiry, Study or Advisory Group or to any Civil Service position or who have been employed in any capacity by the federal government, and what is (a) the position to which each was appointed (b) the date of any such appointment and the duration of the appointment (c) the amount paid to each such individual in each year, for all purposes including salary, expenses and allowances?

No. 2,837-Mr. Laprise-April 5-

- 1. How many public housing units have been built and made available to low-income families and individuals in each province since the implementation of the National Housing Act?
- 2. How much has been invested in each province, and how many families in each province are being assisted under this Act?

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MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, April 6	
256-S	Penitentiaries (Joint)	10.00 a.m.
256-S	Public Service (Joint) (Pensions) (In Camera)	8.00 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 235

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, APRIL 6, 1966.

2.30 o'clock p.m.

PRAYERS.

Mr. Speaker informed the House that he had received from the Honourable Member for Outremont-Saint-Jean a written declaration as follows of his intention to resign his seat in the House of Commons:

HOUSE OF COMMONS CANADA

ELECTORAL DISTRICT OF OUTREMONT-SAINT-JEAN

CANADA To Wit:

To the Honourable the Speaker of the House of Commons:

I, the undersigned, Maurice Lamontagne, Member of the House of Commons of Canada for the Electoral District of Outremont-Saint-Jean, hereby declare my intention of vacating my seat, as of this day, April 5, 1967, at twelve o'clock midnight.

Given under my Hand and Seal at Ottawa, this 5th day of April, 1967.

MAURICE LAMONTAGNE (L.S.)

Witness: Janine Kane

Witness: Marguerite Robitaille

And that accordingly he had, pursuant to section 6 of the House of Commons Act, Chapter 143, Revised Statutes of Canada, 1952, addressed his warrant to the Chief Electoral Officer for the issue of a writ for the election of a new member for the said Electoral District.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole:

And the House continuing in Committee;

At 6.00 o'clock p.m., Mr. Speaker took the Chair.

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

[Notices of Motions (Papers)]

Items numbered 145, 137 and 128 having been called were allowed to stand at the request of the government.

The House resumed debate on the motion of Mr. Barnett, seconded by Mr. Knowles,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all notes and other communications exchanged between Canada and the United States of America since the enactment by Parliament on July 16, 1964, of the Territorial Sea and Fishing Zones Act having to do with the issuance by the Governor in Council of one or more lists of geographical co-ordinates of points from which base lines may be determined in accordance with the provisions of the Act—(Notice of Motion for the Production of Papers No. 201).

And debate continuing;

The Hour for Private Members' Business expired.

By unanimous consent, Mr. McIlraith, seconded by Mr. Pennell, moved,—That on April 6, 1967, and until the end of the present session the sitting of the House shall be suspended from 7.00 o'clock p.m. to 8.00 o'clock p.m. on Mondays, Tuesdays, and Thursdays, and from 1.00 o'clock p.m. to 2.00 o'clock p.m. on Fridays.

After debate thereon, the question being put on the said motion, it was agreed to.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof and the sitting was suspended until 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof and progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.11 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Drury, a Member of the Queen's Privy Council, by command of His Excellency the Administrator,—Report of the Department of Defence Production for the year ended December 31, 1966, pursuant to section 34 of the Defence Production Act, chapter 62, R.S.C., 1952. (English and French).

At 10.39 o'clock p.m., the House adjourned until tomorrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX.

Speaker.

NOTICE PAPER

Inquirles of Ministry—On Monday next

No. 2,838-Mr. Schreyer-April 6

Regarding the answer on April 5 to question No. 2,789, what was the cost per major item that was involved in the \$20,000 expenditure for ARDA Project No. 7030?

No. 2,839-Mr. Bell (Carleton)-April 6

- 1. Referring to Page 32 of the 21st Annual Report of Central Mortgage and Housing Corporation, what was the nature of the re-examination by the Corporation of its various programs to be assured that the objectives outlined in the Prime Minister's statement of April 6, 1966, on bilingualism are being met?
 - 2. What were the programs so re-examined?
 - 3. How was the re-examination carried out?
 - 4. What was the result of the re-examination?
 - 5. What action, if any, has been taken as a consequence?

No. 2,840-Mr. Lambert-April 6-

Is the government considering a bill to give the Canadian Government the right to refuse extradition in the case of Commonwealth citizens who are prosecuted in countries independent from the Commonwealth for offences of a rather political character?

No. 2,841-Mr. Isabelle-April 6

Is there any available tabulation of figures on graduations in Canada and flows to and from Canada of engineers, medical doctors, and dentists for the past three years?

No. 2,842-Mr. Legault-April 6

Have arrangements been made by the government or the Centennial Commission with the Province of Quebec and other provinces to permit school buses to travel to Expo '67 without commercial licenses from each province to be travelled through, and with insurance companies to give coverage to these buses during the Expo period?

No. 2,843-Mr. Jorgenson-April 6

1. Was the three-hour delay of the Air Canada DC-9 aircraft flight of March 18, 1967, from Montreal to Winnipeg via Ottawa, in any way related to insufficient facilities or staff at Dorval?

- 2. Was the aircraft out-of-service time in any way related to difficulties arising from the recent implementation of midnight shift requirements?
- 3. How many hours was the aircraft available at the overhaul base prior to its being released as airworthy on its regular service that morning?
 - 4. What were the specific reasons for the three-hour departure delay?

Notices of Motions for the Production of Papers-On Wednesday next

No. 223-Mr. Orlikow-April 6

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 between the provincial governments and the federal government in respect to the decision of the federal government to withdraw from the Technical Vocational Training Program.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, April 11	
371 W.B.	External Affairs (Annual Report)	9.00 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	10.00 a.m.
308 W.B.	Immigration (Joint) (White Paper)	$ \begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
253-D	Transport and Communications (Air Canada)	$ \begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases} $
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.
	Thursday, April 13	
308 W.B.	Immigration (Joint) (White Paper)	$\begin{cases} 10.00 \text{ a.m.} \\ 3.30 \text{ p.m.} \\ 8.00 \text{ p.m.} \end{cases}$
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 236

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, APRIL 7, 1967.

11.00 o'clock a.m.

PRAYERS.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,—That the name of Mr. Orlikow be substituted for that of Mr. Howard on the Standing Committee on Transport and Communications.

On motion of Mr. Pilon, seconded by Mr. Deachman, it was ordered,—That the name of Mr. Forrestall be substituted for that of Mr. Régimbal on the Standing Committee on External Affairs.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions". V 236—1

On motion of Mr. McNulty, seconded by Mr. Matheson, it was ordered,—That the names of Messrs. Béchard, Reid and Régimbal be substituted for those of Messrs. Thomas (Maisonneuve-Rosemont), Mackasey and Forrestall on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

[At 5.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Public Bills)

Orders numbered one to ten having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-46, An Act to amend the Parliamentary Secretaries Act;

Mr. Bell (Carleton), seconded by Mr. Baldwin moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole and progress having been made and reported, the Committee obtained leave to sit again at the next sitting of the House.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Address, dated February 15, 1967, to His Excellency the Administrator, for a copy of all correspondence, telegrams or other documents exchanged between the Minister or Department of Transport and the Department of Highways of British Columbia relating to the proposed construction of a bridge or tunnel across the North Arm of the Fraser River from Vancouver, British Columbia to Sea Island, Richmond, British Columbia, site of the Vancouver International Airport. (Notice of Motion for the Production of Papers No. 207).

At 6.02 o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,844—Mr. Muir (Cape Breton North and Victoria)—April 7

With reference to Question No. 1,349, answered on May 9, 1966, is the Department concerned now prepared to re-establish caribou in the Cape Breton Highlands National Park and, if not, for what reason?

No. 2,845—Mr. Rapp—April 7

- 1. Under what authority was the Guest House for distinguished foreign citizens visiting Ottawa purchased?
 - 2. Was there an Order-in-Council passed and, if so, when?
- 3. What is the cost to date of said House and, in particular what was (a) the purchase price thereof (b) the cost of repairs and additions made since purchase (c) the cost of furniture, equipment and other furnishings?
- 4. What salary and allowances are paid to the manager of this House, and what public and private positions has this person held in the past ten years?

No. 2,846-Mr. Lambert-April 7

- 1. Does the Canadian Coat of Arms, dating from the Royal Proclamation of King George V, dated November 21, 1921, appear on the design of the Centennial Medal to be distributed to Canadian school children in 1967?
- 2. If not, what is the design of the armorial symbols appearing on the said medal and in what way does it differ from the Canadian Coat of Arms referred to in Part 1?
- 3. Why is the said design being described as the Canadian Coat of Arms, and what is the authority for so describing it?
 - 4. When was such design authorized and by whom?

No. 2,847—Mr. Irvine—April 7

Is it the intention of the government during this Centennial Year to introduce a special stamp or in some other way to recognize the great contributions made by Sir Charles Edward Saunders, the originator and founder of Marquis Wheat, who was born in our Confederation Year in London, Ontario, and (a) if so, of what will the recognition consist (b) if not, for what reason?

No. 2,848—Mr. Noble—April 7

Will the government give consideration to establishing statutory safety limits in the use of two specific pecticides, Aldrin and Dieldrin, so that foods produced with their use would not carry the residue above health safety levels?

No. 2,849-Mr. Noble-April 7

Will the medical doctors in the Army receive a pay adjustment that would be commensurate to their skill and at least on the basis being enjoyed by the dental officers and, if so, when?

*No. 2,850-Mr. MacInnis-April 7

Where is the legal authority for the Canadian Broadcasting Corporation to make presentations of coloured T.V. sets to any person, and in any event, to persons (whatever their public position may be) who are not connected with the C.B.C.?

Introduction of Bills-On Monday next

April 7—Mr. Langlois (Mégantic)—Bill intituled: "An Act respecting the Crown Corporations".

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, April 11	
371 W.B.	External Affairs (Annual Report)	9.00 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	10.00 a.m.
308 W.B.	Immigration (Joint) (White Paper)	10.00 a.m. 3.30 p.m. 8.00 p.m.
253-D	Transport and Communications (Air Canada)	10.00 a.m. 3.30 p.m. 8.00 p.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.
	Thursday, April 13	
308 W.B.	Immigration (Joint) (White Paper)	10.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

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No. 237

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, APRIL 10, 1967.

2.30 o'clock p.m.

PRAYERS.

Pursuant to Standing Order 39(4) the following two Questions were made Orders of the House for Returns, namely:

No. 2,717-Mr. Bell (Carleton)

- 1. What are the functions and duties of the Checking and Refunds Branch of the Department of National Revenue?
 - 2. How many persons are employed in the said Branch?
- 3. Of the persons so employed, how many have had their positions converted to each of the new classifications, showing the number in each new classification?
- 4. How many employees were "red-circled" in the original classification review, showing the number converted to each new classification who were "red-circled"?
- 5. Have any of the persons so "red-circled" in the original classification review been removed from this status as a result of subsequent reviews or transfers and, if so, how many, in each new classification?
- 6. How many persons are still "red-circled", showing the number in each new classification?
- 7. With what other classifications or positions in the Public Service were the positions formerly known as Principal Customs Excise Checking Clerk compared in order to determine their new classification?
- 8. What consideration has been given by the Department of National Revenue and/or the Civil Service Commission to the problems arising from "red-circling" in this Branch and particularly to the decline of morale resulting therefrom?

- 9. What further action is proposed by the Department of National Revenue and/or the Civil Service Commission to meet the complaints of employees of the Branch?
- 10. Has the government any plans for increased regionalization of the work of this Branch?
- 11. If so (a) why have such plans been developed (b) what precisely is the nature of such plans (c) has the government satisfied itself that such plans will not lead to further decline in morale within the Branch and to possible loss of efficiency?

No. 2.757-Mr. Coates

- 1. Has a contract been awarded by the Department of Transport to Northern Electric Company for the study of satellite communication?
- 2. If so (a) what is the date of the contract (b) what is the total amount of the contract and when are payments to be made thereunder (c) what are the purposes and objectives of the study and, in particular, what are the terms of reference set forth in the contract (d) is the contractor required to make a report and submit recommendations and, if so, when are such report and recommendations due?
- 3. Is the contractor entitled to sub-contract any part of his duties or obligations under the contract?
- 4. If so (a) has he done so (b) what part of the contract has been so sub-contracted (c) to whom have sub-contracts been let (d) what is the amount of each sub-contract?
- 5. Has the prime contractor any previous experience in such studies or work as is required to be performed under the contract?
- 6. If so, for what person or persons did he carry on such previous studies or work?
- 7. Did the Department of Transport invite, solicit or entertain any proposal from (a) agencies or other departments of the Government of Canada or (b) private Canadian firms or organizations, to undertake the study or work for which a contract was let to Northern Electric Company?
 - 8. If so (a) what agencies, departments or firms (b) with what results?
- 9. Does the Bell Telephone Company of Canada have any commercial or other interest in the result or outcome of the studies and work to be performed under the contract?
- 10. If so (a) what is the nature of such interest (b) was this considered before the award of the contract to Northern Electric Company?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented,
—Returns to the foregoing Orders.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

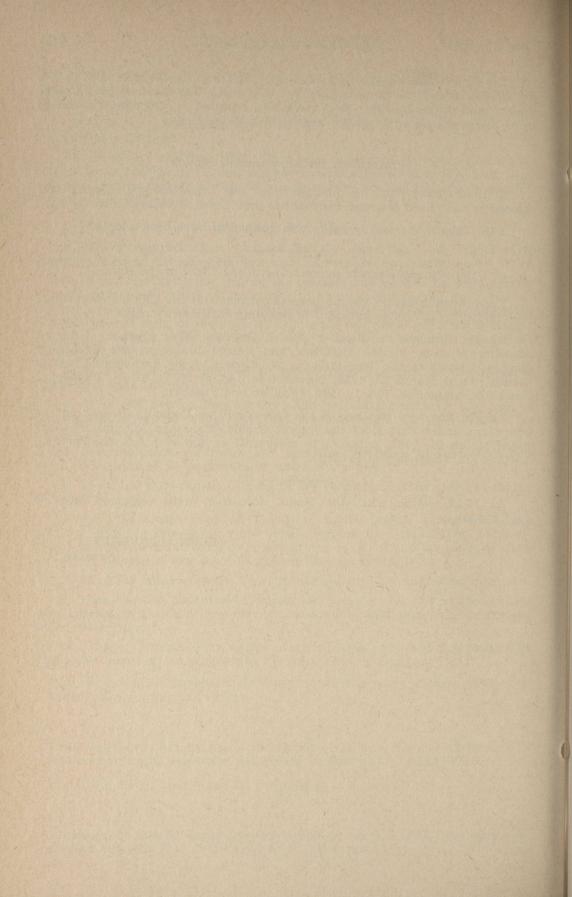
The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Trudeau, a Member of the Queen's Privy Council,—Copy of amendments made by the President and Puisne Judges of the Exchequer Court of Canada to the General Rules and Orders of the Exchequer Court of Canada, dated March 23, 1966, pursuant to section 88(2) of the Exchequer Court Act, chapter 98, R.S.C., 1952. (English and French).

By Mr. Sharp, a Member of the Queen's Privy Council,—Report on the Operations under Part II of the Export Credits Insurance Act, for the year ended March 31, 1967, pursuant to section 27 of the said Act, chapter 105, R.S.C., 1952. (English and French).

At 10.25 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.



NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,851-Mr. Baldwin-April 10

- 1. Has the Great Slave Railway line operating from a point near Grimshaw, in the Province of Alberta, to Great Slave Lake, in the Northwest Territories, been declared as a work for the general advantage of Canada?
- 2. If so, on what date was this railway declared to be for the general advantage of Canada?
- 3. Does the Board of Transport Commissioners for Canada have jurisdiction over the Great Slave Lake Railway?
- 4. Are the operating and maintenance personnel on the Great Slave Lake Railway employees of Canadian National Railways, the Great Slave Lake Railway, or some other entity?
- 5. Are these employees subject to the Canada Labour (Standards) Code, the Canada Pension Plan and/or the Railway Act?

No. 2,852-Mr. Stanbury-April 10

- 1. What provinces had taken advantage of the Canada Assistance Plan within a year after April 1, 1966, the date from which its benefits were available to the provinces?
- 2. From what dates have these benefits been passed on in each such province to its people?

No. 2,853-Mr. MacEwan-April 10

- 1. Has the Minister of Manpower and Immigration refused entry into Canada of Mrs. John Clarke (nee Vlasta Malenkova) who was recently married to a Canadian in Czechoslovakia?
 - 2. If so, on what grounds?
- 3. Is an investigation taking place into the circumstances of the marriage and the part played in bringing about the marriage by one Eric Knapp of Toronto?

No. 2,854—Mr. Howe (Hamilton South)—April 10

- 1. What was the total quantity of shoes and other footwear manufactured in Canada in 1962 and in the first nine months of 1966?
- 2. What was the total quantity of shoes and other footwear imported into Canada in 1962 and in the first nine months of 1966?
- 3. What percentage quantity of total domestic consumption in each of these periods was imported and what percentage was manufactured in Canada?
- 4. If the percentage of total consumption met by imports increased during the nine-month period in 1966, what steps are being taken to protect the Canadian industry and Canadian labour employed in the industry?

No. 2,855-Mr. Chatterton-April 10

- 1. Did the Department of Indian Affairs and Northern Development sell or dispose of some 20 acres of land in Terrace, British Columbia, since January 1, 1967?
 - 2. If so, what was the price and who was the purchaser?
 - 3. Were tenders asked for?
- 4. If so, who were the tenderers and what were the amounts of each of the tenders?

*No. 2,856-Mr. McCutcheon-April 10

- 1. Did any automobile manufacturers in Canada cease production operations in or about January to April, 1966, and, if so (a) which ones (b) was any one of said manufacturers indebted to the Crown in customs duties, as described in the Auditor General's Report for 1966, page 64, such indebtedness having arisen because of the importation into Canada of Volkswagen automobiles (c) was any demand for payment sent by the Department of National Revenue to the manufacturer and, if not, for what reason?
- 2. On what grounds is the manufacturer being allowed to retain \$4.2 million stated by the Auditor General as being owing to the Government of Canada as a result of discussions under the Canadian-American Automobile Agreement?

No. 2,857-Mr. Latulippe-April 10-

What were the amounts paid by the Government of Canada as subsidies of all kinds or as compensation payments to (a) the Canadian National Railways (b) the Canadian Pacific Railway (c) other railways, if any, for the years 1964, 1965 and 1966?

No. 2,858—Mr. Nugent—April 10

- 1. During the last week of March and early April, was the yacht Malibu Princess chartered by the National Harbours Board at \$100.00 an hour, with a \$60.00-a-couple dinner and "go-go" dancers, to entertain the Prime Minister during his Vancouver visit?
 - 2. If so, what was the total expenditure in connection with the said cruise?

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, April 11	
371 W.B.	External Affairs (Annual Report)	9.00 a.m.
356-S	Consumer Credit and Cost of Living (Joint)	10.00 a.m.
308 W.B.	Immigration (Joint) (White Paper)	10.00 a.m. 3.30 p.m. 8.00 p.m.
253-D	Transport and Communications (Air Canada)	10.00 a.m. 3.30 p.m. 8.00 p.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.
	Thursday, April 13	
308 W.B.	Immigration (Joint) (White Paper)	10.00 a.m. 3.30 p.m. 8.00 p.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 238

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, APRIL 11, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Macaluso, from the Standing Committee on Transport and Communications, presented the Fifteenth Report of the said Committee, which was read, as follows:

Your Committee recommends that it be empowered to sit while the House is sitting to meet the convenience of out-of-town witnesses when they appear.

By unanimous consent, on motion of Mr. Macaluso, seconded by Mr. Byrne, the said Report was concurred in.

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Irvine be substituted for that of Mr. Watson (Assiniboia) on the Special Joint Committee on Consumer Credit and Cost of Living; and

That a Message be sent to the Senate to acquaint Their Honours thereof.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

At 10.30 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

*No. 2,859-Mr. Forbes-April 11

- 1. Is it the intention of the government to rebuild and blacktop No. 10 Highway through the Riding Mountain National Park from the North Gate to Clear Lake?
- 2. Has provision been made for this in the 1967-68 estimates of the Department of Indian Affairs and Northern Development and, if so, when will tenders be called?

No. 2,860-Mr. Monteith-April 11

- 1. How many immigrants have entered Canada from January 1, 1946, to December 31, 1966?
 - 2. For that particular period, what was the number entering per year?

No. 2,861-Mr. Rapp-April 11

How many bushels of wheat, oats and feed barley have been purchased by, or on behalf of, the Canadian Wheat Board in each month since January, 1967, in each of the Provinces of Manitoba and Saskatchewan?

No. 2,862-Mr. Danforth-April 11

- 1. What is the estimated date of completion of the National Centre for the Performing Arts building in Ottawa?
- 2. Is it planned that the finished edifice will contain space and accommodation especially at street level that may be utilized by private companies or corporations on a rental and lease basis and, if so, when and to whom should representations by interested parties be made?

No. 2,863-Mr. Madill-April 11

- 1. How many group contract—government annuity plans are there in municipalities in Ontario?
- 2. To the knowledge of the government, have any of these plans been replaced by OMER and, if so, how many?
 - 3. Do any of these municipalities carry both plans?
- 4. If municipalities have a government annuity plan, are they compelled to pay into the Canada Pension Plan?
- 5. Is legislation anticipated to provide for the repayment of these frozen assets to those municipalities now entered in other plans?

No. 2,864-Mr. Godin-April 11-

- 1. How many farms are there in Canada?
- 2. How many have electrical power?

No. 2,865-Mr. McCleave-April 11

- 1. Did the Department of Transport recently carry out tests with a Bell SK-5 Hovercraft?
 - 2. If so, where were the tests held, and during what period of time?
- 3. What was the evaluation of the tests in these areas (a) simulated ship-to-shore cargo and personnel movements (b) search and rescue tasks (c) marine firefighting (d) patrol and surveillance of marine traffic (e) other functions routine to the Coast Guard?
- 4. What was the cost of the tests for (a) rental of a Hovercraft (b) fuel (c) other?
 - 5. Is it proposed to use Hovercraft in the Canadian Coast Guard operations?

Notices of Motions for the Production of Papers-On Wednesday next

No. 224—Mr. Schreyer—April 11

That an Order of the House do issue for a copy of the agreement and all relevant correspondence between TransAir Limited of Winnipeg and Trans Canada Airlines (Air Canada) and/or the Government of Canada, relative to the transfer of certain TCA properties to TransAir Limited.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, April 13	
308 W.B.	Immigration (Joint) (White Paper)	10.00 a.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

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No. 239

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, APRIL 12, 1967.

2.30 o'clock p.m.

PRAYERS.

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Mandziuk be substituted for that of Mr. Fulton on the Standing Committee on Justice and Legal Affairs.

On motion of Mr. McNulty, seconded by Mr. Deachman, it was ordered,— That the name of Mr. Groos be substituted for that of Mr. Blouin on the Standing Committee on Transport and Communications.

On motion of Mr. Ryan, seconded by Mr. Roxburgh, the Second Report of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems, presented to the House on Wednesday, March 15, 1967, was concurred in.

Mr. Langlois (Mégantic), seconded by Mr. Laprise, by leave of the House, introduced Bill C-288, An Act respecting the Crown Corporations, which was read the first time and ordered for a second reading at the next sitting of the House.

Pursuant to Standing Order 39 (4), the following two Questions were made Orders of the House for Returns, namely:

No. 2,778—Mr. Reid

1. Are all the functions of the National Museum consolidated in one building and, if not (a) for what reason (b) what are the other addresses (c) V 239—1

what functions or departments of the National Museum are housed there, and (d) what is the cost to the government for this space?

- 2. Since April, 1966, has the National Museum acquired additional space and, if so (a) how much additional space (b) where is it located (c) what is the reason for this additional space?
- 3. What are the government's plans for the construction of the new National Museum building?

No. 2,837-Mr. Laprise

- 1. How many public housing units have been built and made available to low-income families and individuals in each province since the implementation of the National Housing Act?
- 2. How much has been invested in each province, and how many families in each province are being assisted under this Act?

Mr. Béchard, Parliamentary Secretary to the Secretary of State, presented, —Returns to the foregoing Orders.

Notices of Motions for the Production of Papers Nos. 205, 209, 212, 214, 221, 222 and 223 were allowed to stand at the request of the government.

Ordered,—That there be laid before this House copies of (a) a list of the names and social security numbers sent to the Transitional Assistance Benefits Board by McKinnon Industries Limited, St. Catharines, Ontario, as being laid off from employment since September 8, 1966 (b) a list of all those named in part (a) above who have been certified as being eligible to draw Transitional Assistance Benefits (c) a list of all those named in part (a) above who have received or who are now receiving Transitional Assistance Benefits payments.—(Notice of Motion for the Production of Papers No. 215—Mr. Barnett).

Ordered,—That there be laid before this House a copy of all correspondence, orders, receipts and other documents, since July 1, 1966, between the Canadian Broadcasting Corporation and the recipients of 107 colour television sets, conferred gratis, upon individuals within and without the Corporation.—(Notice of Motion for the Production of Papers No. 220—Mr. Smallwood).

Bill C-243, An Act to amend the National Defence Act, and other Acts in consequence thereof, was again considered in Committee of the Whole, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Pearson, a Member of the Queen's Privy Council,—Summary of Orders in Council passed during the month of January, 1967. (English and French).

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Address, dated March 15, 1967, to His Excellency the Administrator for copies of all correspondence and relevant documents between the Government of Canada and the Government of Manitoba relative to the proposed establishment of a second national park in Manitoba.—(Notice of Motion for the Production of Papers No. 217).

By Mr. Sharp, a Member of the Queen's Privy Council,—Report on the Administration of the Canada Student Loans Act for the year ended June 30, 1965, pursuant to section 18 of the said Act, chapter 24, Statutes of Canada 1964-65. (English and French).

At 6.02 o'clock p.m., Mr. Speaker adjourned the House until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,866-Mr. Godin-April 12-

- 1. How many telephone communication companies are there in (a) Canada (b) each province?
- 2. How many subscribers does each of these companies have in (a) Canada (b) each province?
- 3. What were the revenues declared for income tax purposes by each of these companies in 1965 in (a) Canada (b) each province?

No. 2,867—Mr. Lambert—April 12

- 1. Has any consideration been given by the Department of Veterans Affairs to a survey at any early date of the present physical condition of Canadian W.W. II ex-servicemen who were prisoners of war following the Dieppe raid, so as to ascertain as was done recently in the case of Canadian Hong Kong prisoners of war, whether the treatment received and privation during detention has aggravated or accelerated physical ailments or infirmities?
 - 2. If so, what action is to be taken and when?
- 3. Will similar consideration be given to all remaining Canadian prisoners of war of World War II?

*No. 2,868—Mr. Bell (Carleton)—April 12

- 1. What are the intentions of the government at this session of Parliament with respect to the following measures forecast in the Speech from the Throne but not yet introduced (a) Canada's participation in the Asian Development Bank (b) a measure to provide cash advances for unthreshed grain (c) legislation to establish a Canada Development Corporation (d) a program of Canada scholarships and bursaries for students undertaking higher education (e) legislation on unemployment insurance (f) amendments to the National Energy Board Act (g) legislation to extend the construction period for the Trans Canada Highway (h) amendments to the Defence Production Act (i) amendments to the Post Office Act?
- 2. Why has no action been taken to date in respect of each of these measures promised in the Speech from the Throne?

*No. 2,869—Mr. MacEwan—April 12

- 1. Has the Postmaster General designed or has someone designed for him, a new insignia for use by the Post Office Department to replace the present Coat of Arms?
 - 2. If so, when does he intend to introduce it?

No. 2,870-Mr. Allmand-April 12

- 1. Is Judge Adrien Meunier still receiving his salary as a judge of the Superior Court for the Province of Quebec?
 - 2. How many cases did he hear during 1966?
- 3. During that year did he carry on any other specific duties in his capacity as judge?

No. 2,871—Mr. Allmand—April 12

- 1. What was the budget for the Office of the Superintendent of Bank-ruptcy in the district of Montreal during 1966?
- 2. How many employees are employed by this Office and what are their classifications?
- 3. Are there any lawyers in Montreal specifically charged with prosecutions under the Bankruptcy Act?
- 4. Are there any accountants in Montreal specifically engaged in the investigation of bankruptcies?
 - 5. Does the R.C.M.P. conduct investigations under the Bankruptcy Act?
- 6. How many cases of fraudulent bankruptcies were investigated in Montreal during 1966?
- 7. What is the status of the investigation into the murder of lawyer Adrien Paquette?

No. 2,872—Mr. McCutcheon—April 12

- 1. From what countries have helicopters been purchased for use by the Department of Transport?
- 2. Have any helicopters been purchased from France for the Department of Transport and, if so (a) how many (b) when were they purchased (c) what was the purchase price (d) were the purchases made as a result of tenders?
- 3. Are complete repair facilities for such helicopters available in Canada, and (a) if so, where (b) if not, what arrangements are necessary for repairs?

Notices of Motions for the Production of Papers-On Wednesday next

No. 225—Mr. Fairweather—April 12

That an Order of the House do issue for a copy of all letters or copies of letters exchanged between the Secretary of State and the Canadian Broadcasting Corporation about the Corporation's role or responsibility relative to the development of educational television since January 1, 1966.

No. 226-Mr. Fairweather-April 12

That an Order of the House do issue for a copy of all letters or copies of letters exchanged between the Vice-Chairman of the Board of Broadcast Governors and the Canadian Broadcasting Corporation about the Corporation's role or responsibility relative to the development of educational television since January 1, 1967.

Private Members' Notices of Motions

No. 83—Mr. Haidasz—April 12

That, in the opinion of this House, the government should give consideration to the establishment of a national anti-air pollution agency and allocating to it the necessary funds to initiate or conduct research on the problem, prevention and abatement of air pollution in Canada; to the making of grants to anti-air pollution agencies and universities; and to encouragement of the installation of anti-air pollution devices by granting appropriate tax incentives to recognized agencies, municipalities, industry and private citizens.

Introduction of Bills-On Friday next

April 12—Mr. Roxburgh—Bill intituled: "An Act to amend the Canada Elections Act (Students' Franchise)".

April 12-Mr. Haidasz-Bill intituled: "An Act to Control Air Pollution".

No. 240

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, APRIL 13, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Laflamme, from the Special Joint Committee respecting Mr. Justice Landreville, presented the Third and Final Report of the said Committee, which is as follows:

On Friday, March 17, 1967, the Committee presented its SECOND REPORT relating to Mr. Justice Landreville. The Committee now tables a copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 1 to 7).

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 60 to the Journals).

Mr. McIlraith, a Member of the Queen's Privy Council, pursuant to provisional Standing Order 15-A (2), proposed that the question of allocation of time on the Committee of the Whole stage and all remaining stages of procedure on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), being Government Order No. 107 on this day's Order Paper, be referred to the Business Committee.

Accordingly, the said question stands referred to the Business Committee.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

At 6.00 o'clock p.m., Mr. Speaker took the Chair. V 240-1

[Private Members' Business was called pursuant to provisional Standing Order 15(3)]

(Private Bills)

The House resolved itself into Committee of the Whole to consider Bill S-31, An Act respecting Quebec North Shore and Labrador Railway Company and progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

The hour for Private Members' Business expired.

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Gordon, a Member of the Queen's Privy Council,—Copies of Statutory Orders and Regulations published in the Canada Gazette, Part II, of Wednesday, April 12, 1967, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C., 1952. (English and French).

At 10.30 o'clock p.m., the House adjourned until tomorrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No.2,873-Mr. Mandziuk-April 13

- 1. How many copies of the booklet "Twenty Ethnic Songs from Western Canada" were published and at what cost?
 - 2. Are other such publications planned by the Secretary of State?
- 3. On what authoritative basis have the Doukhobors and Mennonites been designated as ethnic groups in Canada?
- 4. What cultural organizations or scholars were consulted about the material in said booklet?

No. 2,874-Mr. Dinsdale-April 13

- 1. Has any change been made in Manitoba's representative on the Historic Sites and Monuments Board?
- 2. If so, what was the nature of the change and for what reason was it made?
 - 3. What was the name and credentials of the former representative?
 - 4. What is the name and the credentials of the present incumbent?

No. 2,875—Mr. Ormiston—April 13

- 1. How many planes now being held by Air Canada are unable to be placed in service because of engine shortage?
 - 2. What are the types of these planes and the number of each?
- 3. What types of engine are usually supplied for these types of plane and where are they manufactured?
 - 4. Is it possible to substitute Rolls Royce engines for the original types?
- 5. Has any attempt been made to acquire engines from any alternative source?

No. 2.876-Mr. McLelland-April 13

Is there at this time a supply of buffalo meat available at 42 cents per lb. which can be obtained for special events during Centennial Year and, if so, is this meat in storage or are the animals to be slaughtered at a later date?

No. 2,877-Mrs. MacInnis-April 13

1. At the time contracts were awarded for the restoration of the Fortress of Louisbourg, did the government deal with any of the following firms or their agents in Sydney and/or locally in Louisbourg and District: J. W. Stephens

Ltd.; Chappells Ltd.; M. R. Chappell; Maritime Cement; Atlantic Spring and Machine; Canadian General Electric; Northern Electric; Imperial Oil; Irving Oil Co.; Municipal Ready Mix; D. & B Concrete; Steel City Sales; Canadian Pittsburg Ltd.; Mira Lumber Co.; Dominion Rubber Co.; Canadian Johns-Manville; Warrander Photographic Services; Goodyear Tire and Rubber Co.; Kirshner Camera Supplies; Parl Photo Services; Canadian Kodak Sales; Hudson Photographic Industries and, if so, with what firms or what agents for what firms in Sydney and/or Louisbourg and District?

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2. What were the details of the services and/or materials provided for the Fortress of Louisbourg restoration project by (a) Donald Beaver, September 18, 1961, \$1,000; November 15, 1961, \$4,000; August 6, 1962, \$2,250 and \$300; September 13, 1962, \$3,500; April 24, 1963, \$300; December 4, 1963, \$300; December 18, 1963, \$300 (b) M. R. Chappell, September 13, 1962, \$400; August 27, 1962, \$725; March 27, 1963, \$440 (c) MaCaulays Garages, October 25, 1961, \$13,144 (purchase order No. 17344) (d) Island Motors, January 23, 1962, \$4,103.40 (purchase order No. 20980); April 15, 1965, \$500.00 (purchase order No. 32900) (e) Mrs. D. Pearl MaCaulay, June 27, 1962, \$14,850 (purchase order No. 04517) (f) Lewis and Company, April 1, 1964, \$2,000 (purchase order No. 22153-2); February 28, 1966, \$2,000 (purchase order No. 40742) (g) William Dalton, June 14, 1962, \$1,200 and \$962?

No. 2,878—Mr. Fairweather—April 13

Will a mail carrier contract for Moncton Rural Route No. 4, New Brunswick, be advertised for tender in view of the fact that Irishtown Post Office is to be closed and its patrons and those of Irishtown Rural Route No. 2 are to be served by an extension of Moncton Rural Route No. 4?

MEETINGS OF COMMITTEES

THE REAL PROPERTY.		KINGS COLUMN
Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, April 18	
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.
	Thursday, April 20	
371 W.B.	External Affairs (Annual Report)	10.00 a.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 241

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, APRIL 14, 1967.

11.00 o'clock a.m.

PRAYERS.

Mr. Winters, a Member of the Queen's Privy Council, laid before the House,—Report of the Canadian Corporation for the 1967 World Exhibition, including its Statements of Accounts and the Report of the Auditor General of Canada and the Quebec Provincial Auditor thereon, for the year ended December 31, 1966. (English and French).

Mr. Nicholson, a Member of the Queen's Privy Council, laid before the House,—Report of the Board of Trustees of the Maritime Transportation Unions for the period January 1, 1966 to December 31, 1966. (English and French).

Mr. Roxburgh, seconded by Mr. Legault, by leave of the House, introduced Bill C-289, An Act to amend the Canada Elections Act (Students' Franchise), which was read the first time and ordered for a second reading at the next sitting of the House.

Mr. Haidasz, seconded by Mr. Macaluso, by leave of the House, introduced Bill C-290, An Act to Control Air Pollution, which was read the first time and ordered for a second reading at the next sitting of the House.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

V 241-1

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. Pilon, seconded by Mr. McNulty, it was ordered,—That the name of Mr. Scott (Danforth) be substituted for that of Mr. Mather on the Standing Committee on Justice and Legal Affairs.

[At 5.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15 (3)]

(Public Bills)

Orders numbered one to fourteen having been called were allowed to stand at the request of the government.

The Order being read for the second reading of Bill C-52, An Act to provide for the Establishment of the Canada Disaster Fund;

Mr. Herridge, seconded by Mr. Peters, moved,—That the said bill be now read a second time.

And debate arising thereon:

The hour for Private Members' Business expired.

At six o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,879—Mr. Lambert—April 14

- 1. When is it anticipated that a decision will be reached and announced by the government as to the qualifications for and nominations of new trustees in bankruptcy?
- 2. What is the date of the decision taken many months ago not to appoint further trustees until a new policy with respect thereto had been decided upon?
 - 3. How many applications for such positions are presently outstanding?

No. 2,880—Mr. Bell (Carleton)—April 14

- 1. Were any discussions or consultations held by the Public Service Staff Relations Board with staff associations or other representatives of the employees in the Public Service before the promulgation of the P.S.S.R.B. Regulations and Rules of Procedure?
- 2. If so (a) with whom were such discussions or consultations held (b) what, in detail, was the nature of the discussions or consultations?

No. 2,881-Mr. Nugent-April 14

- 1. Did the Department of National Defence give its approval to a show called "Up With People" which in the last few months has toured Army, Navy and Air Force bases across Canada?
- 2. Was any portion of the tour paid for by the Department of National Defence and, if so, what was the expenditure?

No. 2,882-Mr. Nugent-April 14

- 1. What was the price paid by the federal government to the City of Calgary for the purchase of Calgary Airport?
 - 2. What were the terms of the purchase?

Notices of Motions for the Production of Papers-On Wednesday next

No. 227-Mr. Deachman-April 14

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence since May 1, 1963, between any department of the Government of Canada and any department of the Government of British Columbia relating to the raising of dikes, the building of dams on the upper reaches of the Fraser River and all matters relating to the protection of the flood plain of the Fraser River.

MEETINGS OF COMMITTEES

Room	Committee	Hour			
	(Subject to change from day to day)				
	Tuesday, April 18				
308 W.B.	Immigration (Joint) (White Paper) (Honourable Jean Marchand)	10.00 a.m.			
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.			
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.			
Thursday, April 20					
371 W.B.	External Affairs (Annual Report)	10.00 a.m.			
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.			
256-S	Divorce (<i>Joint</i>)	3.30 p.m.			

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 242

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, APRIL 17, 1967.

2.30 o'clock p.m.

PRAYERS.

On motion of Mr. Pearson, seconded by Mr. Diefenbaker, it was ordered,—That the speech of His Excellency the Governor General, the Right Honourable Roland Michener, Q.C., together with the address of welcome by the Prime Minister in the Senate Chamber on April 17, 1967, be printed as an appendix to this day's *Hansard*.

Mr. Pearson, a Member of the Queen's Privy Council, laid before the House,—Copies (English and French) of 1. Order in Council P.C. 1967-388, dated March 2, 1967, revoking Order in Council P.C. 7964, dated October 14, 1943.

- 2. Order in Council P.C. 1967-389, dated March 2, 1967, creating a society of honour to be known as the Order of Canada together with a copy of the constitution of said Order.
 - 3. Letters Patent establishing the said Order.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence V 242—1

thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Miss LaMarsh, a Member of the Queen's Privy Council, Return to an Order of the House, dated November 16, 1966, for copies of all pamphlets, brochures, leaflets, circulars of information, and other printed material issued by the Post Office Department for public consumption since May 1st, 1963.—
(Notice of Motion for the Production of Papers No. 182).

By Mr. Pickersgill, a Member of the Queen's Privy Council,—Report of the National Harbours Board, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1966, pursuant to section 32 of the National Harbours Board Act, chapter 187, and section 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

At 10.31 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,883-Mr. Reid-April 17

- 1. With respect to the agreement between Nippon Kokan of Japan and Coleman Collieries to export 13,300,000 tons of coking coal to Japan over the next 15 years, will the Government of Canada be paying subventions on these coal exports and, if so, how much per ton?
- 2. Will the Government of Canada be providing a subvention to assist in transportation costs?
- 3. What is the amount of subventions paid by the Government of Canada on exports of coal from Western Canada and to whom are these payments made?
- 4. For the past 10 years, what has been the annual payment to each company?
 - 5. What is the formula used to calculate this payment?

No. 2,884-Mr. Langlois (Mégantic)-April 17-

Since the submission of the report by the Chief Electoral Officer concerning the last general election (a) how many candidates have submitted reports of their election expenses, and (b) who are they?

No. 2,885-Mr. Brand-April 17

- 1. Is there a delay in publishing the following reports from the Education Division of the Dominion Bureau of Statistics (a) Survey of Education Finance, 1963 (b) Preliminary Statistics of Education, 1965-66 (c) Survey of Elementary & Secondary Education, 1963-64 (d) Salaries and Qualifications of Teachers in Public Elementary and Secondary Schools, 1965-66 and, if so, what is the reason?
- 2. What are the government's intentions as to the future of the Dominion Bureau of Statistics?
- 3. Has an appointment of a Director of the Education Division of DBS been made to replace Dr. Whitworth who resigned more than a year ago?

No. 2,886-Mr. Tucker-April 17

- 1. How many direct loans were made by Central Mortgage and Housing Corporation in the years 1965 and 1966?
- 2. How many applications for loans have been received from January 1, 1967, to April 15, 1967?

- 3. What was the total number of houses built under the National Housing Act in 1964, 1965, and 1966?
- 4. What is the total amount of money made available by the government under the National Housing Act in the years 1964, 1965, and 1966?

Introduction of Bills-On Wednesday next

April 17—Mr. Caouette—Bill intituled: "An Act to amend the Criminal Code (Disturbance in Parliament)".

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, April 18	
308 W.B.	Immigration (Joint) (White Paper) (Honourable Jean Marchand)	10.00 a.m.
208 W.B.	Justice and Legal Affairs (Subject-matter of Bill C-192).	11.00 a.m.
	Thursday, April 20	
371 W.B.	External Affairs (Annual Report)	10.00 a.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

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No. 243

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, APRIL 18, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. McIlraith, from the Business Committee of the House, presented a

report from the said Committee which is as follows:

Pursuant to the Order of Reference of Thursday, April 13, 1967, your Committee has considered the question of allocation of time on the Committee of the Whole stage and all remaining stages of procedure on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended). I now report that the Committee has been unable to reach a unanimous agreement on the question referred to it.

Mr. McIlraith, from his place in the House, gave notice, pursuant to Standing Order 15-A, that on Thursday next he would move: that an order be made allocating the time on the Committee of the Whole stage and all remaining stages of procedure on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), being Government Order No. 107 on the Order Paper, and that the motion will provide, that two days shall be allocated for the completion of discussion on the Committee of the Whole stage on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), and that one day shall be allotted for the completion of the third reading stage on the Bill.

The Order being read "House again in Committee of the Whole on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (As amended)";

Mr. Churchill proposed to move,—That the House do now proceed to Order No. 134, namely second reading of Bill C-278, An Act respecting the occupational training of adults.

RULING BY MR. SPEAKER

Mr. Speaker: I am now prepared to make a ruling on the motion presented to the House a moment ago by the honourable Member for Winnipeg South Centre (Mr. Churchill). It has been brought to my attention—and I am sure honourable Members realize the difficulty with which the Chair is faced in connection with the motion presented by the honourable Member—that the order of business is, of course, according to our Standing Orders, proposed by the government itself. I draw the attention of honourable Members to Standing Order 18, which reads as follows: "(1) All items standing on the orders of the day, except government orders, shall be taken up according to the precedence assigned to each on the Order Paper.

(2) Except as provided in Standing Orders 43 and 56, government orders may be called in such sequence as the government may think fit.

An order has been called by the government today, and the only way we could proceed in accordance with the motion presented by the honourable Member for Winnipeg South Centre would be by suspending, with unanimous consent, the provisions of Standing Order 18.

There appears to be some doubt whether there is unanimous consent. I would ask the House whether there is unanimous agreement to suspend the provisions of Standing Order 18 so that I may put to the House the motion moved by the honourable Member for Winnipeg South Centre.

There is not unanimous consent. Before proceeding with my ruling I should also bring to the attention of honourable Members a decision which is in point. I refer to a ruling of Mr. Speaker, given on Monday, May 14, 1956, which is exactly on this point: "May I point out to the honourable Member for Kamloops (Mr. Fulton) that I cannot accept his motion because the order that is now before the House is a government order, and the other order that the honourable Member now considers we should proceed with is order No. 12, which is another government order, and government orders may be moved only by the Leader of the House. I would refer honourable Members to Standing Order 18(2)."

That is the Standing Order to which I have just referred.

There is also citation 136, which reads: "All motions referring to the business of the House should be introduced by the Leader of the House."

The then Speaker considered that the motion could not be moved.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again later this day.

By unanimous consent, it was ordered,—That when the House resumes consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, the sitting be suspended until 8.00 o'clock p.m. this day.

The Committee of the Whole resumed and the sitting was suspended at 5.55 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and further progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

(Proceedings on Adjournment Motion)

At 10.02 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40 namely:

By Mr. Pepin, a Member of the Queen's Privy Council,—Report of Northern Ontario Pipe Line Crown Corporation, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1966, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952. (English and French).

By Mr. Winters, a Member of the Queen's Privy Council,—Copy of the Annual Report of the Canadian Wheat Board for the Crop Year ended July 31, 1966. (French).

At 10.32 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,887-Mr. McCleave-April 18

How many awards for its educational programming have been made to the CBC each year since 1955, listing the donor organization and the program receiving the award?

No. 2,888-Mr. McCleave-April 18

Has the Department of National Defence issued regulations and other documents incorporating in the titles to such the words "Canadian Forces" in place of "Royal Canadian Navy", "Canadian Army", "Royal Canadian Air Force" in (a) 1966 (b) 1967 (c) recent years prior to 1966?

No. 2,889-Mr. McCleave-April 18

Which of the following symbols are being used by the Post Office Department this year (a) the Coat of Arms of Canada (b) Maple Leaf, containing the intertwined letters "C.P." (c) an oval containing three maple leaves branching from one stem (d) a ring of ten maple leaves surmounted by a crown surrounding the intertwined letters "C.P." (e) a circle containing the words "Postes Canada Post" followed by five wavy lines (f) a ring containing the words "Servire Populo" surmounted by a Crown and encircling a maple leaf with the letters "C.P." intertwined within the maple leaf?

No. 2,890-Mr. Forrestall-April 18

- 1. In connection with the restoration program for Citadel Hill in Halifax and related projects, has the government followed the practice of rehiring all those who were laid off at the conclusion of work last year who have indicated their availability and desire to return?
- 2. If not, how many have not been taken back on, what are their names, and why were they not rehired?

No. 2,891-Mr. Grégoire-April 18-

- 1. Was or is Audit Office Guide, Catalogue No. FA3-258, published by the Queen's Printer, available in French and, if not, for what reason?
- 2. Is it intended to publish this volume in French and, if not, for what reason?

No. 2,892-Mr. Grégoire-April 18-

In connection with section 77 of the Financial Administration Act, why does the government appoint the Auditor General in some cases and a private auditor in other cases to audit the accounts of Crown corporations?

No. 2,893-Mr. Grégoire-April 18-

- 1. What amounts were paid to each province in lieu of provincial taxes under section 5 of the Federal-Provincial Fiscal Revision Act, 1964, chapter 26, Statutes of Canada, 1964-65?
 - 2. When were those amounts paid?

No. 2,894—Mr. Grégoire—April 18—

- 1. Are the proceedings of the meetings of the boards of directors of those Crown corporations known as "proprietary" within the meaning of the Financial Administration Act, submitted to the responsible Minister, to the Minister of Finance or to the Governor in Council?
- 2. Does the responsible Minister or his representative attend the meetings of the boards of directors of the proprietary Crown corporations?

No. 2,895-Mr. Grégoire-April 18-

- 1. Is Park Steamship Company, Limited, still operating and, if so, will it be given a French name?
- 2. If it is no longer in operation, has the Company returned its letters patent?
- 3. If it is still in operation (a) what are its activities (b) who are its directors (c) when will it stop its activities?

No. 2,896-Mr. Caouette-April 18-

- 1. Is Mr. Fontaine the Returning Officer for the Constituency of Villeneuve?
- 2. Has he been replaced as the Returning Officer for the new Constituency of Villeneuve and, if so, for what reason?

No. 2,897-Mr. Pugh-April 18

- 1. Did the Department of Indian Affairs and Northern Development purchase some 20 acres of land in Terrace, B.C., since the beginning of the present year?
 - 2. If so, what was the price paid, and who was the vendor?

Notices of Motions for the Production of Papers-On Wednesday next

No. 228—Mr. Yanakis—April 18

That an Order of the House do issue for a copy of all correspondence, telegrams or copies of correspondence concerning Rural Route No. 1, Mandeville, Quebec, exchanged between Post Office Department and the federal Member for Berthier-Maskinongé-Delanaudière, or any other persons of the said constituency, between January 1, 1955, and April 1967?

Introduction of Bills-On Thursday next

April 18—Mr. Klein—Bill intituled: "An Act respecting observation and treatment of drug addicts".

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, April 20	
371 W.B.	External Affairs (Annual Report)	10.00 a.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 244

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, APRIL 19, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Caouette, seconded by Mr. Laprise, by leave of the House introduced Bill C-291, An Act to amend the Criminal Code (Disturbance in Parliament), which was read the first time and ordered for a second reading at the next sitting of the House.

Notices of Motions for the Production of Papers Nos. 205, 209, 212, 214, 222, 223, 224, 225 and 226 were allowed to stand at the request of the government.

Resolved,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the federal-provincial (Quebec) agreement with regard to technical and professional training for adults, mentioning the date on which such agreement was signed, and a copy of all correspondence on the subject between the federal government and the Government of the Province of Quebec. (Notice of Motion for the Production of Papers No. 221—Mr. LeBlanc (Rimouski).

Resolved,—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence since May 1, 1963, between any department of the Government of Canada and any department of the Government of British Columbia relating to the raising of dikes, the building of dams on the upper reaches of the Fraser River and all matters relating to the protection of the flood plain of the Fraser River. (Notice of Motion for the Production of Papers No. 227—(Mr. Deachman).

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, the House reverted to "Motions".

On motion of Mr. McNulty, seconded by Mr. LeBlanc (*Rimouski*), it was ordered,—That the name of Mr. Tolmie be substituted for that of Mr. Hymmen on the Standing Committee on External Affairs.

At 6.07 o'clock p.m., Mr. Speaker adjourned the House without question put until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

* No. 2,898—Mr. Diefenbaker—April 19

Will the government give reconsideration to its decision not to proceed this year with construction of a much needed and overdue breakwater at Port McNeill, British Columbia?

No. 2,899-Mr. Diefenbaker-April 19

- 1. What is the reason that Canadian Servicemen in Europe are denied the right to visit several European countries including the U.S.S.R., Czechoslovakia, Yugoslavia and Romania?
- 2. Will the government give consideration to giving Canadian Servicemen in Europe the same rights to visit these countries that the Servicemen of the U.S.A. have?

No. 2,900-Mr. Gauthier-April 19-

Has a new Returning Officer been appointed for the Constituency of Roberval, which remained unchanged in the last redistribution, and, if so (a) for what reason (b) what is the name of the new Returning Officer?

No. 2,901-Mr. Gauthier-April 19-

Of the 1,850,000 acres in Canada that were reforested from 1900 to 1965, as reported by the Minister of Forestry and Rural Development, how many are in the Province of Quebec?

No. 2,902-Mr. Muir (Lisgar)-April 19

- 1. Has the International Joint Commission received all the necessary engineering reports in regard to the Pembina River Project in Manitoba and North Dakota?
- 2. Has the Commission approved these reports and, if so, is it now in a position to indicate when the project can be proceeded with?
- 3. Where will the dam projects be located, what are the estimated costs and when does the government expect that tenders for construction of the projects will be called?

No. 2,903-Mr. Watson (Assiniboia)-April 19

1. How many scheduled Air Canada flights were there out of Regina Airport in 1965 and in 1966?

- 2. How many scheduled Air Canada flights were there out of Saskatoon Airport in 1965 and in 1966?
- 3. How many passengers arrived and departed from the Regina Airport in 1965 and in 1966?
- 4. How many passengers arrived and departed from the Saskatoon Airport in 1965 and in 1966?
- 5. How many scheduled flights were there by other airlines that operate on a time schedule from these airports in the years 1965 and 1966?

No. 2,904—Mr. Goyer—April 19—

To the knowledge of the government, has the Legislature of the Province of Quebec established an administrative procedure for dealing with other governments and, if so, what is the policy of the government toward it?

No. 2,905-Mr. Grégoire-April 19-

- 1. Regarding the answer to Question No. 2,447, did the B.B.G. keep a record showing the time devoted to political broadcasts by private television stations during the elections of June 5, 1966 in the Province of Quebec?
- 2. If so, what time was devoted to political broadcasts by each of the political parties?
- 3. If the B.B.G. does keep such a record in accordance with section 11 of the Broadcasting Act, will it record this information in future elections?
- 4. In connection with the information provided at page 427 of the Report of the Committee on Election Expenses, can the B.B.G. provide similar information in reply to questions appearing on the Order Paper?

No. 2,906-Mr. Hamilton-April 19

- 1. What was the date of construction of the government grain elevator at Quebec City?
- 2. What was the accumulated capital cost of this elevator as of March 31, 1966?
- 3. What was the amount of accumulated surplus or deficit as of March 31, 1966?
- 4. Did the government offer this elevator for sale or was the government approached and an offer made?
- 5. If the government offered the elevator for sale, to whom was it offered, and if the government was approached, which company made the approach?
 - 6. Was there any tender call issued?
- 7. What is the name of the company to which the elevator has been leased and what are the terms?

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Thursday, April 20	
356-S	Penitentiaries (Joint) (In Camera)	9.30 a.m.
371 W.B.	External Affairs (Annual Report)	10.00 a.m.
208 W.B.	Hate Propaganda (Joint) (Organization)	10.00 a.m.
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.
256-S	Divorce (Joint)	3.30 p.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 245

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, THURSDAY, APRIL 20, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. McIlraith, seconded by Mr. Pickersgill, moved,—That an order be made allocating the time on the Committee of the Whole stage and all remaining stages of procedure on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), being Government Order No. 107 on the Order Paper, and that the motion will provide,

That two days shall be allocated for the completion of discussion on the Committee of the Whole stage on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), and that one day shall be allotted for the completion of the third reading stage on the Bill.

Whereupon the Honourable Member for Winnipeg South Centre (Mr. Churchill) raised a point of order to the effect that the notice of motion should have been printed on the Order Paper.

RULING BY MR. SPEAKER

Mr. Speaker: In so far as the point raised by the honourable Member for Winnipeg South Centre is concerned, I have been giving some thought to this problem which I thought might be raised. I believe that Standing Order 41 is irrelevant. Standing Order 41 reads: "Forty-eight hours notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the Order Paper; but this rule shall not apply to bills after their introduction—"

I will not read the whole of the Standing Order. We should remember that the provisional Standing Order suspends the provisions of Standing Order 41. Section (5) of Standing Order 15A not only dispenses with the requirement for 48 hours' notice with respect to a motion for time allocation but it also renders

inoperative the ordinary machinery for putting a notice on the Order Paper. Honourable Members will note a similar procedure with respect to notice will be found in Standing Order 33.

Section (6) of Standing Order 15A reads in part as follows: "A motion of which a Minister has given notice under section (5) of this Standing Order shall be made during routine proceedings."

I suggest to honourable Members that I do not believe there is any doubt about these words "Routine Proceedings". They must be interpreted in the light of the recommendation made by the Special Committee on Procedure in 1955, which was concurred in by the House and recorded at page 944 of the Journals for July 12, 1955, as follows: "That motions for concurrence in reports of any Standing or Special Committee, for the suspension of any Standing Order, or such other motions made upon Routine Proceedings, as may be required for the observances of the proprieties of the House, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment shall be listed, when notice is required, called and disposed of under "Motions"."

In view, therefore, of the provision of the Standing Order and the interpretation which I think is the only one possible, I cannot accept the contention of the Honourable Member for Winnipeg South Centre.

And debate arising thereon;

[At 6.00 o'clock p.m., Private Members' Business was called pursuant to provisional Standing Order 15(3)]

[Notices of Motions (Papers)]

Items numbered 145 and 137 having been called, were allowed to stand at the request of the government.

By unanimous consent, item numbered 128 was allowed to stand.

The House resumed debate on the motion of Mr. Cowan, seconded by Mr. Cameron (High Park),—That an Order of the House do issue for a copy of all correspondence, telegrams or other documents, dated since January 1, 1961, exchanged between the Secretary of State or any agency or department of the Government of Canada relating to payments made to John T. Saywell and/or John C. Ricker by the Canadian Broadcasting Corporation, and a list setting out in detail each such payment to each such person.

And debate continuing;

The hour for Private Members' Business expired.

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

Debate was resumed on the motion of Mr. McIlraith, seconded by Mr. Pickersgill,—That an order be made allocating the time on the Committee of the Whole stage and all remaining stages of procedure on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), being Government Order No. 107 on the Order Paper, and that the motion will provide,

That two days shall be allocated for the completion of discussion on the Committee of the Whole stage on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended), and that on day shall be allotted for the completion of the third reading stage on the Bill.

And debate continuing, at 9.45 o'clock p.m. Mr. Speaker interrupted the proceedings pursuant to Section (6) of Standing Order 15-A.

And the question being put on the said motion it was agreed to on the following division:

YEAS

MESSRS:

Allmand,	Douglas,	Laniel,	Pickersgill,
Andras,	Émard,	Laprise,	Pilon,
Asselin	Ethier,	Latulippe,	Prittie,
(Richmond-Wolfe),	Faulkner,	LeBlanc (Rimouski),	Prud'homme,
Badanai,	Fawcett,	Leboe,	Reid,
Barnett,	Forest,	Lefebvre,	Rideout (Mrs.),
Basford,	Foy,	Legault,	Rochon,
Batten,	Gauthier,	Lessard,	Rock,
Béchard,	Gendron,	Lewis,	Roxburgh,
Berger,	Gilbert,	Lind,	Saltsman,
Blouin,	Godin,	Loiselle,	Schreyer,
Boulanger,	Gordon,	Macdonald (Rose-	Simard,
Brewin,	Goyer,	dale),	Stafford,
Byrne,	Gray,	MacEachen,	Stanbury,
Cadieux,	Guay,	MacInnis (Mrs.),	Stewart,
Cameron (High	Habel,	Mackasey,	Tardif,
Park),	Haidasz,	McIlraith,	Thomas
Cameron (Nanaimo-	Harley,	McNulty,	(Maisonneuve-
Cowichan-The	Hellyer,	McWilliam,	Rosemont),
Islands),	Herridge,	Marchand,	Thompson,
Cantin,	Honey,	Mather,	Tolmie,
Cashin,	Hopkins,	Matheson,	Tremblay,
Chatwood,	Hymmen,	Matte,	Trudeau,
Choquette,	Isabelle,	Mongrain,	Tucker,
Clermont,	Jamieson,	Morison,	Turner,
Côté (Dorchester),	Johnston,	Neveu,	Wahn,
Côté (Longueuil),	Klein,	Nixon,	Walker,
Côté (Nicolet-	Knowles,	O'Keefe,	Watson (Château-
Yamaska),	Lachance,	Olson,	guay-Huntingdon-
Cowan,	Laflamme,	Orange,	Laprairie),
Crossman,	Laing,	Orlikow,	Whelan,
Davis,	LaMarsh (Miss),	Otto,	Winch,
Deachman,	Langlois (Chicouti-	Patterson,	Yanakis—124.
Dionne,	mi),	Pelletier,	

NAYS

MESSRS:

Aiken, Alkenbrack, Allard, Ballard,	Dinsdale, Forbes, Forrestall Harkness,	McLelland, McQuaid, Madill, Monteith,	Rapp, Régimbal, Ricard, Rynard,
Bell (Saint-John-Albert).	Horner (Acadia), Howe (Wellington-	Moore, Muir (Cape Breton	Scott (Victoria (Ont.)) Sherman,
Bigg,	Huron),	North and Vic-	Simpson,
Bower,	Jorgenson,	toria),	Southam,
Brand,	Korchinski,	Muir (Lisgar),	Stefanson,
Cantelon,	MacDonald (Prince),	Nasserden,	Thomas (Middlesex
Chatterton,	MacInnis,	Nesbitt,	West),
Churchill,	MacLean (Queens),	Noble,	Valade,
Coates,	MacRae,	Nowlan,	Wadds (Mrs.),
Code,	McCleave,	Nugent,	Watson (Assiniboia),
Crouse,	McCutcheon,	Ormiston,	Webb,
Danforth,	McIntosh,	Pascoe,	Winkler—62.
Diefenbaker,	McKinley,	Pugh,	

(Proceedings on Adjournment Motion)

At 10.18 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A;

After debate, the said question was deemed to have been adopted.

At 10.35 o'clock p.m., the House adjourned until tomorrow at 11.00 o'clock a.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Monday next

*No. 2,907-Mr. Peters-April 20

- 1. Since the adoption in 1959 of Section 150, 150a, and 150b of the Criminal Code of Canada, what is the breakdown by year of (a) the number of prosecutions under this section (b) the number of convictions (c) the number of jail sentences (d) the number of appeals to (i) provincial courts of appeal (ii) to supreme courts or superior courts of the provinces (iii) to the Supreme Court of Canada (e) the number of reversals?
- 2. Has the government under consideration any amendments to this section of the Criminal Code?

No. 2,908-Mr. McQuaid-April 20

- 1. Was a contract awarded in 1966 for the construction of an extension to the wharf at Beach Point in King's County, Prince Edward Island?
 - 2. If so, to whom was the contract awarded?
- 3. Was the contract for this work later cancelled and, if so, for what reason?
 - 4. Is it proposed to call for another contract in the immediate future?

No. 2,909-Mr. McQuaid-April 20

- 1. When the Canadian Forces left France after the withdrawal of France from NATO, did the Government of Canada own any real or personal property in France?
 - 2. If so, what is the estimated value of this property?
- 3. Has any arrangement been made whereby the Government of Canada will be compensated for what has been left?
 - 4. What is the amount of the compensation agreed upon?

No. 2,910—Mr. Stefanson—April 20

Is the government giving consideration to implementing the metric system in Canada and, if so, what steps have been taken towards this and what further steps are now contemplated?

No. 2,911-Mr. Bell (Carleton)-April 20

1. Did any member or official of the National Capital Commission attend any of the meetings or functions of the Eastern Ontario Development Council at Ottawa on April 19, 1967?

- 2. If so, what members or officials?
- 3. If not, why did the National Capital Commission overlook the opportunity of contact and discussion with the Mayors, Reeves and municipal councillors of all municipalities in the National Capital Region and of other parts of Eastern Ontario?

No. 2,912-Mr. Bell (Carleton)-April 20

Since January 1, 1966, what meetings have been held by (1) the Chairman (2) the General Manager (3) other official, specifying what official, with each of the municipal councils in the National Capital Region, specifying (a) which municipal council (b) date of meeting (c) purpose of meeting (d) result of meeting?

No. 2,913-Mr. Bell (Carleton)-April 20

Since January 1, 1966, what meetings have been held by (1) the Chairman (2) the General Manager (3) other official, specifying which, of the National Capital Commission with (a) the Government of Ontario or any minister or official thereof (b) the Government of Quebec or any minister or official thereof, and in each case specifying (i) date of meeting (ii) which minister or official in each case (iii) purpose of meeting (iv) result of meeting?

Notices of Motions for the Production of Papers-On Wednesday next

No. 229-Mr. MacDonald (Prince)-April 20

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all charts, maps, plans, specifications, diagrams and surveys produced by Northumberland Consultants for the Department of Public Works in connection with the construction of the Northumberland Strait Crossing and an analysis of same by the Department as well as regulations, tenders and contracts issued by the Department and all communications exchanged between the Government of Canada and its departments and the Government of Prince Edward Island and its departments relative to the proposed construction of the Northumberland Strait Crossing.

Government Notices of Motions-On Monday next

April 20—The Minister of Manpower and Immigration:

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:—

That it is expedient to introduce a measure to amend the Immigration Act to increase from twelve million dollars to twenty million dollars the present limit on the total amount of outstanding advances at any one time that may be made to enable the Minister of Manpower and Immigration to make loans to immigrants to assist them with the expenses of their transportation to Canada.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Tuesday, April 25	
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 246

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, FRIDAY, APRIL 21, 1967.

11.00 o'clock a.m.

PRAYERS.

A Message was received from the Senate informing this House that the Senate had adopted the Second Report of the Special Joint Committee of the Senate and House of Commons on the National Anthem and the Royal Anthem.

Mr. Klein, seconded by Mr. Harley, by leave of the House, introduced Bill C-292, An Act respecting observation and treatment of drug addicts, which was read the first time and ordered for a second reading at the next sitting of the House.

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, was again considered in Committee of the Whole;

And the House continuing in Committee;

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof,

And the House continuing in Committee;

Objection being taken in Committee to the decision of the Chairman (Mr. Batten), and an appeal being made to Mr. Speaker;

V 246-1

Pursuant to Standing Order 59 (4), Mr. Speaker took the Chair.

Whereupon the Chairman reported as follows:

"Mr. Speaker, the question is an appeal from a decision of the Chairman of the Committee of the Whole. In the Committee of the Whole, the honourable Member for Parry Sound-Muskoka (Mr. Aiken) raised a Point of Order to the effect that the hour for the consideration of Private Members' Business must be proceeded with at 5.00 o'clock p.m.

Using section 7 of Standing Order 15-A, after having given due consideration to the conflict between the provisions in this section and those in Standing Order 16, the Chairman ruled that the Committee of the Whole on Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, should continue.

Whereupon the honourable Member for Winnipeg South Centre (Mr. Churchill) appealed to Mr. Speaker from the decision of the Chairman."

RULING BY MR. SPEAKER

Mr. Speaker: I thank honourable Members for their helpful comments. I think I should repeat the comments I have made previously when similar circumstances have arisen, that is, when the Speaker has been asked to review a decision reached by the Chairman of Committees. There is a fundamental difficulty about this in that the Chairman of the Committee is not only Chairman of the Committee but is also Deputy Speaker of the House and this, I submit to honourable Members, complicates the situation when it comes before a person who occupies my position to review or reconsider a decision reached by the Chairman.

On a previous occasion I suggested that that particular provisional Standing Order should be reviewed, and that an appeal or a questioning of the decision by the Chairman of the Committee should come to the Speaker not by way of appeal but perhaps by way of trial de nova, or by way of stated case, and certainly not by way of appeal. This having been said, I have looked at the Standing Order which is the source of our difficulty and I am in full agreement with the suggestion made by the Chairman of the Committee, wholly supported by all Members, that there is a confusion, and ambiguity and uncertainty in the interpretation of the relevant provisional Standing Order, No. 15-A.

The question, of course, is to determine whether the third sentence of provisional Standing Order 15-A (7) refers to the second sentence or refers to the first one, when we read: "Such an order having been called on any Monday, Tuesday, Thursday or Friday—"

The question is whether the order referred to there is the order for third reading. The main difficulty comes from the obvious conflict between this provisional Standing Order and Standing Order 16 which specifies the cases where Private Members' Hour may be suspended. Of course Standing Order 16 refers not at all to this particular circumstance. There is no reference to the case where an item of business is under consideration under a time allocation order.

Having been a member of the Special Committee of the House reviewing these Standing Orders a couple of years ago, I am willing to plead guilty, along with other members who were concerned with this review, to perhaps not having gone far enough. I cannot agree with the suggestion made by the honourable Member for Winnipeg North Centre (Mr. Knowles) that perhaps this was intentional, because certainly if we accept that there would be a suspension of Private Members' Business when we are considering the third reading stage

of a bill, then if we are to follow the argument made by the honourable Member for Winnipeg North Centre and by the honourable Member for Parry Sound-Muskoka (Mr. Aiken), that exception would have been provided in Standing Order 16, but it was not.

And yet if we were considering the third reading stage of an item of business under a time allocation order, on a day when we have Private Members' Business, I wonder if anyone should argue that we should not suspend the Private Members' Hour because it is not specified in Standing Order 16. Obviously there is a mistake either in the drafting of provisional Standing Order 15-A or in the reconsideration that should have been made of Standing Order 16.

I have every possible sympathy with the suggestion made by the honourable Member for Winnipeg North Centre that because of this uncertainty we should leave the matter in a state of suspended animation. There are four minutes left this afternoon and I can say very honestly to honourable Members that if I were to make a ruling, in view of the uncertainty of the situation I would certainly rule to support the decision of the Chairman of the Committee because there is as much logic to support his view as there is logic to support the other view, and when in doubt I think the Chair should not overrule the decision of his colleague, the Chairman of the Committee of the Whole.

For this reason, and in view of the fact that there are only three minutes left before we adjourn at six o'clock, I would suggest to honourable Members that we either go back to Private Members' Business for a little while, for the next two minutes, or that we call it six o'clock. But, of course, we would have to resume in any event in Committee of the Whole, and this exercise will take a short while, which will take us to the time of adjournment, and we will suggest in a formal way to the Special Committee on Procedure that it review at the first opportunity the provisions of provisional Standing Order 15-A in conjunction with the provisions of Standing Order 16.

The House resumed consideration in Committee of the Whole of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof, and progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40 namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Supplementary Return to an Address, dated November 16, 1966, to His Excellency the Governor General for a copy of all letters, telegrams or other documents exchanged between the Government of Canada and any other governments, firms, associations or individuals in the matter of Trans-Canada Pipe Lines Ltd. proposal to build a natural gas pipeline from Manitoba to Ontario.—(Notice of Motion for the Production of Papers No. 176).

At six o'clock p.m., Mr. Speaker adjourned the House without question put until Monday next at 2.30 o'clock p.m.

NOTICE PAPER

Inquiries of Ministry-On Monday next

No. 2,914—Mr. Douglas—April 21

When the Crown Corporation proposed by the federal government to take over the DOSCO coal operation is established, is it the intention of the government to have the present miners' pension continued?

No. 2,915-Mr. Noble-April 21

- 1. Is it the intention of the Department of Transport to extend the Wiarton Airfield?
 - 2. If so, would regular air travel service be made available?

*No. 2,916-Mr. Ricard-April 21-

Has the federal government received a request for grants on behalf of the *Compagnie Nord-Sud Limitée* in relation to the ferry service between Baie Comeau and Rimouski?

*No. 2.917-Mr. McCleave-April 21

To which departments or agencies of government does the Department of National Revenue make available information from income tax returns?

No. 2,918-Mr. Southam-April 21

- 1. What was the total attendance in Canada's National Parks in the years 1964, 1965 and 1966?
- 2. What plans has the government for the development of further National Parks in Canada in the years 1967, 1968 and 1969, and where will they be located?

No. 2,919-Mr. Southam-April 21

- 1. What plans has the government under the air transport policy to step up Canada's national air passenger, air express, and air freight service in keeping with demand in Canada's Centennial Year?
- 2. Will runways suitable to accommodate jet planes be developed at the Regina Air Terminal in 1967 in time to allow the servicing of passenger and tourist travel to and from Canada's Worlds Fair at Montreal.

No. 2,920-Mr. Macquarrie-April 21

- 1. On what date did tenders close for the New Brunswick causeway section of the Northumberland crossing?
- 2. What firms or individuals submitted tenders and what was the amount of each tender?
 - 3. Why has a contract not been awarded?
 - 4. When is it intended to award a contract?
- 5. What is the anticipated completion date of the Northumberland crossing?
- 6. Has the delay in awarding this contract necessitated a change in the anticipated completion date and, if so, what is the extent of such delay?

No. 2,921-Mr. Cowan-April 21

What remuneration has been paid Professor Norman Ward of the University of Saskatchewan, for the following services (a) as a member of the Committee on election expenses (b) as a member of the Electoral Boundaries Commission for Saskatchewan (c) as a commentator on the Canadian Broadcasting Corporation networks?

Notices of Motions for the Production of Papers-On Wednesday next

No. 230-Mr. Mather-April 21

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the federal government, provincial governments, municipal governments and federal, provincial and municipal organizations or agencies concerning Lower Fraser River flood control proposals and their financing, and copies of all corresponence between the federal government and organizations and individuals concerning the Lower Fraser River 1967 flood potential.

MEETINGS OF COMMITTEES

Room	Committee	Hour
	(Subject to change from day to day)	
	Monday, April 24	
308 W.B.	Agriculture, Forestry and Rural Development (In Camera)	11.30 a.m.
	Tuesday, April 25	
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 247

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, APRIL 24, 1967.

2.30 o'clock p.m.

PRAYERS.

Mr. Pearson, a Member of the Queen's Privy Council, laid before the House,—Copy of a Press Release dated April 20, 1967, containing a statement by the Prime Minister of Canada on the 50th Anniversary of the Commonwealth War Graves Commission. (English and French).

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof (as amended in the Standing Committee on National Defence), was again considered in Committee of the Whole, reported, on division, with further amendments, considered as amended, and ordered for a third reading at the next sitting of the House.

By unanimous consent, at 6.10 o'clock p.m., the sitting was suspended until 8.00 o'clock p.m.

The Order being read for the second reading of Bill C-278, An Act respecting the occupational training of adults;

Mr. Chrétien for Mr. Marchand, seconded by Mr. Côté (Longueuil) moved, —That the said bill be now read a second time.

And debate arising thereon;

(Proceedings on Adjournment Motion)

At 10.04 o'clock p.m., the question "That this House do now adjourn" was deemed to have been proposed pursuant to provisional Standing Order 39-A:

After debate, the said question was deemed to have been adopted.

At 10.35 o'clock p.m., the House adjourned until tomorrow at 2.30 o'clock p.m.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry-On Wednesday next

No. 2,922—Mr. Orlikow—April 24

- 1. Were instructions issued to all Canada Manpower Centres by the Canada Manpower Division of the Department of Manpower and Immigration, on or about December 4, 1966, and February 27, 1967, the effect of which was to cancel all directives and instructions previously issued to the National Employment Service Offices by the Unemployment Insurance Commission and the Department of Labour, with respect to the "Canada Fair Employment Practices Act" and its anti-discrimination policies?
- 2. Will the Minister of Manpower and Immigration table copies of the instructions issued to the Canada Manpower Centres on or about December 4, 1966, and February 27, 1967, by the Canada Manpower Division?

MEETINGS OF COMMITTEES

Room	Committee	Hour	
	(Subject to change from day to day)	To make a	
	Tuesday, April 25		
356-S	Consumer Credit and Cost of Living (Joint) (In Camera)	10.00 a.m.	
307 W.B.	Public Accounts (Auditor General's Report)	10.00 a.m.	
308 W.B.	Agriculture, Forestry and Rural Development (In Camera)	11.00 a.m.	

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 248

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, TUESDAY, APRIL 25, 1967.

2.30 o'clock p.m.

PRAYERS.

STATEMENT BY MR. SPEAKER

May I, on behalf of all honourable Members pay tribute at this time to a great statesman of modern Germany, former Chancellor Konrad Adenauer, whose memory was honoured today at a State Funeral in Cologne Cathedral attended by dignitaries of many nations and at which Canada was represented by the Secretary of State for External Affairs [Mr. Martin (Essex East)]. In many places throughout the world people will be paying homage today, to a life long and rich in accomplishment.

The Right Honourable the Prime Minister (Mr. Pearson), on behalf of Canada, has already conveyed to Chancellor Kiesinger, the assurance that we in Canada will remember Dr. Adenauer as a firm and resolute ally of the West, who led his country to reconstruction and rebirth; as a friend who led Germany to membership in the Atlantic Alliance and to a prominent place in the European movement. Today, the constructive role the Federal Republic of Germany plays in world affairs is the legacy Dr. Adenauer has left his country in a few short years.

These are his achievements and they will have earned him a special place in the history of our century. We extend our sympathy to our German friends at a time of national loss, and particularly, to our parliamentary colleagues in the Federal German Bundestag.

Mr. Macaluso, from the Standing Committee on Transport and Communications, presented the Sixteenth Report of the said Committee, which is as follows:

Your Committee has examined the Capital Budget of Air Canada for the year ending December 31, 1967, the Annual Report of Air Canada for 1966 and the Auditors' Report to Parliament for 1966 in respect of Air Canada and commends them to the House.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 43 and 44) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 61 to the Journals).

Mr. Macaluso, from the Standing Committee on Transport and Communications, presented the Seventeenth Report of the said Committee, which is as follows:

On Thursday, March 16, 1967, your Committee reported Bill S-31, An Act respecting Quebec North Shore and Labrador Railway Company without amendment.

A copy of the relevant Minutes of Proceedings and Evidence (Issue No. 42) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 62 to the Journals).

Mr. Sharp, a Member of the Queen's Privy Council, laid before the House, -Copy of a Joint Communiqué issued following a meeting of the Anglo-Canadian Ministerial Committee on Trade and Economic Affairs at London, April 19 and 20, 1967. (English and French).

Mr. Marchand, seconded by Mr. Pickersgill, moved,—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:

That it is expedient to introduce a measure to amend the Immigration Act to increase from twelve million dollars to twenty million dollars the present limit on the total amount of outstanding advances at any one time that may be made to enable the Minister of Manpower and Immigration to make loans to immigrants to assist them with the expenses of their transportation to Canada.

Resolved,—That the House do go into Committee of the Whole at its next sitting to consider the said proposed resolution.

The Order being read for the third reading of Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof;

Mr. Hellyer, seconded by Mr. Sharp, moved,—That the said bill be now read a third time.

And the question being put on the said motion, it was agreed to, on the following division:

YEAS

MESSRS:

Allowi	D		
Allard,	Drury,	Laprise,	Pickersgill,
Allmand,	Dubé,	Latulippe,	Pilon,
Andras,	Duquet,	LeBlanc (Rimouski),	
Asselin	Emard,	Leboe,	Prud'homme,
(Richmond-Wolfe),		Lefebvre,	Reid,
Badanai,	Faulkner,	Legault,	Rideout (Mrs.),
Barnett,	Fawcett,	Lessard,	Rinfret,
Batten,	Forest,	Lewis,	Robichaud,
Béchard,	Gauthier,	Lind,	Rochon,
Benson,	Gendron,	Macaluso,	Rock,
Berger,	Gilbert,	Macdonald	Roxburgh,
Boulanger,	Godin,	(Rosedale),	Saltsman,
Brewin,	Gordon,	MacEachen,	Sharp,
Brown,	Goyer.	MacInnis (Mrs.),	Simard,
Byrne,	Greene,	Mackasey.	Stafford,
Cameron (High	Grégoire,	McIlraith,	Stanbury,
Park),	Groos,	McLean (Charlotte),	
Cantin,	Guay,	McNulty,	Tardif,
Caouette,	Habel,	McWilliam.	Teillet,
Cashin,	Haidasz,	Marchand.	Thomas
Chatwood,	Harley,	Martin (Timmins),	(Maisonneuve-
Choquette,	Hellyer,	Matheson,	Rosemont),
Chrétien,	Hopkins,	Matte,	Tolmie,
Clermont,	Hymmen,	Morison,	Tremblay,
Comtois.	Isabelle,	Munro,	Trudeau,
Côté (Dorchester),	Jamieson,	Neveu,	Tucker,
Côté (Nicolet-	Johnston,	O'Keefe.	Turner,
Yamaska),	Knowles,	Olson,	Wahn.
Cowan,	Lachance,	Orlikow,	Walker.
Crossman,	Laflamme,	Otto,	Watson (Château-
	Langlois	Patterson.	guay-Huntingdon-
Davis,		Pearson,	Laprairie),
Deachman,	(Chicoutimi),		Whelan,
Dionne,	Langlois (Mégantic)		Yanakis—127.
Douglas,	Laniel,	Pennell,	1 allakis—121.
Nays			

NAYS

MESSRS:

Aiken,	Fane,	MacInnis,	Pascoe,
		MacLean (Queens),	Peters,
Alkenbrack,	Flemming,		
Ballard,	Forbes,	MacRae,	Rapp,
Beaulieu,	Forrestall,	McCleave,	Régimbal,
Bell (Carleton),	Grafftey,	McIntosh,	Ricard,
Bell (Saint John-	Grills,	McKinley,	Rynard,
Albert),	Gundlock,	Madill,	Scott (Victoria,
Bigg,	Hales,	Monteith,	(Ont.)),
Bower,	Herridge,	Moore,	Sherman,
Cameron (Nanaimo-	Howe (Wellington-	More,	Simpson,
Cowichan-The	Huron),	Muir (Cape Breton	Skoreyko,
Islands),	Irvine,	North and	Smallwood,
Cantelon,	Jorgenson,	Victoria),	Smith,
Chatterton,	Keays,	Muir (Lisgar),	Southam,
Churchill,	Kennedy,	Nasserden,	Starr,
Clancy,	Kindt,	Nesbitt,	Stefanson,
Code,	Korchinski,	Noble,	Watson (Assiniboia),
Crouse,	Loney,	Nowlan,	Webb,
Danforth,	MacDonald (Prince)	.Nugent,	Winch,
Fairweather,	MacEwan,	Ormiston,	Winkler—73.

Accordingly, the said bill was read the third time and passed.

V 248—1½

The House resumed debate on the motion of Mr. Marchand, seconded by Mr. Côté (Longueuil),—That Bill C-278, An Act respecting the occupational training of adults, be now read a second time.

And debate continuing;

Mr. Grégoire, seconded by Mr. Allard, moved in amendment thereto,— That all the words after the word "That" be deleted and the following be substituted therefor:

"this House while of the opinion that all necessary steps be taken to ensure that adequate occupational training is available to any adult Canadian citizen who requires it, nevertheless also considers that no legislation providing for adult occupational training can be adequate unless such legislation provides for a system of fiscal compensation for any province that wishes to institute an autonomous plan for adult occupational training."

And debate arising thereon;

Pursuant to Special Order adopted Thursday, April 6, 1967, the sitting was suspended between 7.00 o'clock and 8.00 o'clock p.m.

By unanimous consent, it was ordered,—(1) That the House continue to sit this day beyond 10.00 o'clock p.m.; (2) That prior to the adjournment of this sitting, Private Bills shall be considered; and (3) That the House meet at 11.00 o'clock a.m. tomorrow, Wednesday April 26, 1967 and, subject to consideration of a probable suspension for luncheon and dinner periods, continue to sit in an effort to dispose of certain specified business before adjournment.

Debate was resumed on the motion of Mr. Marchand, seconded by Mr. Côté (Longueuil),—That Bill C-278, An Act respecting the occupational training of adults, be now read a second time.

And on the motion of Mr. Grégoire, seconded by Mr. Allard in amendment thereto,—That all the words after the word 'That' be deleted and the following be substituted therefor:

"this House while of the opinion that all necessary steps be taken to ensure that adequate occupational training is available to any adult Canadian citizen who requires it, nevertheless also considers that no legislation providing for adult occupational training can be adequate unless such legislation provides for a system of fiscal compensation for any province that wishes to institute an autonomous plan for adult occupational training."

After further debate, the question being put on the said proposed amendment, it was resolved in the negative.

Debate was resumed on the motion of Mr. Marchand, seconded by Mr. Côté (Longueuil), That Bill C-278, An Act respecting the occupational training of adults, be now read a second time.

After further debate, the question being put on the said motion, it was agreed to, on division.

Accordingly, the said bill was read the second time, on division, considered in Committee of the Whole, and progress having been made and reported, the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, it was ordered,—That the House now proceed to the consideration of the following items of business listed as Private Bills on today's Order Paper, namely Numbers 1 to 5 inclusive and Number 8.

(Private Members' Business was called pursuant to Special Order adopted this day)

(Private Bills)

Mr. Wahn, seconded by Mr. Cameron (High Park), moved,—That Mr. Speaker do now leave the Chair for the House to go into Committee of the Whole on Private Bills [pursuant to Standing Order 54(1)]; which was agreed to.

The following bills were considered in Committee of the Whole, reported without amendment, read the third time and passed:

Bill S-28, An Act to incorporate Anniversary Life Insurance Company.

Bill S-27, An Act to incorporate Laurier Life Insurance Company.

Bill S-41, An Act respecting La Société des Artisans.

The Order being read for the second reading of Bill S-36, An Act to incorporate Commercial Solids Pipe Line Company;

Mr. Basford, seconded by Mr. Asselin (Richmond-Wolfe) moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, and referred to the Standing Committee on Transport and Communications.

The House resumed debate on the motion of Mr. Wahn seconded by Mr. Ryan,—That Bill S-10, An Act respecting Interprovincial Pipe Line Company, be now read a second time.

And on the proposed amendment thereto of Mr. Langlois (Mégantic) seconded by Mrs. MacInnis,—That the said Bill be not now read a second time, but that it be read this day six months hence.

After further debate, the question being put on the said proposed amendment, it was negatived on the following division.

YEAS

MESSRS:

Barnett. Gilbert.

Howard. Knowles,

Cowan.

Lewis. Peters.

Prittie. Saltsman-8.

NAYS

MESSRS:

Asselin (Richmond-Wolfe). Ballard. Basford. Batten, Béchard. Berger, Blouin, Boulanger, Cameron (High Park), Cantelon. Cantin, Chatterton, Chatwood, Chrétien, Churchill. Clermont. Comtois. Côté (Nicolet-Yamaska).

Crossman, Davis. Deachman, Duquet. Forest. Forrestall, Gendron, Guay, Habel, Haidasz, Honey, Hopkins, Horner (The Battlefords), Hymmen, Keays. Lambert, Laniel. Leboe,

Legault. Lessard, MacEwan, Mackasey. MacRae, McLean (Charlotte), Stafford, McLelland, McWilliam, Marchand, Noble. Olson, Orange, Patterson, Pickersgill, Pilon, Pugh,

Rapp,

Reid.

Ricard,

Régimbal,

Roxburgh, Skoreyko. Smallwood, Stanbury, Starr, Stefanson, Stewart. Thomas (Maison-

Rinfret.

Rochon,

neuve-Rosemont), Tremblay, Trudeau, Wahn, Watson

(Châteauguay-Huntingdon-Laprairie). Yanakis—73.

And the question being put on the main motion, it was agreed to.

Accordingly, the said bill was read the second time.

By unanimous consent, on motion of Mr. Wahn, seconded by Mr. Deachman, it was resolved,—That, notwithstanding the provisions of Standing Orders 102 and 105, Mr. Speaker do now leave the Chair for the House to resolve itself into Committee of the Whole to consider the said bill.

Accordingly, the House resolved itself into Committee of the Whole to consider Bill S-10, An Act respecting Interprovincial Pipe Line Company which was reported with an amendment and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill S-52, An Act to incorporate Rainbow Pipe Line Corporation.

Mr. Orange, seconded by Mr. Stanbury, moved,—That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to, on division.

Accordingly, the said bill was read the second time, on division, and referred to the Standing Committee on Transport and Communications.

A Message was received from the Senate informing this House that the Senate has passed Bill S-59, An Act to amend the Canadian Citizenship Act to which the concurrence of this House is desired.

By unanimous consent, proceedings pursuant to Standing Order 39-A were deferred.

Returns and Reports Deposited with the Clerk of the House

The following paper having been deposited with the Clerk of the House was laid upon the Table pursuant to Standing Order 40, namely:

Financial Statement of the Royal Society of Canada, certified by the Auditors, for the period ended February 28, 1967.

Minutes of Proceedings of the Royal Society of Canada, 1966, pursuant to section 9 of An Act to Incorporate the Royal Society of Canada, chapter 46, Statutes of Canada, 1883. (English and French).

At 12.37 o'clock a.m. on motion of Mr. Pickersgill, seconded by Mr. Pennell, Mr. Speaker adjourned the House until 11.00 o'clock a.m. this day pursuant to Special Order made Tuesday, April 25, 1967.

LUCIEN LAMOUREUX,
Speaker.

NOTICE PAPER

Inquiries of Ministry—On Monday next

No. 2,923—Mr. Peters—April 25

Is there any real fireboat protection for the Port of Montreal during Expo '67 and, if not, has the Minister of Transport conducted or does he intend to conduct a study of the feasibility of equipping the National Harbours Board tug Sir Hugh Allan which is located at Montreal, as a fireboat fully equipped with a fire nozzle tower and other up-to-date firefighting equipment?

Introduction of Bills-On Thursday next

April 25—Mr. Bell (Carleton)—Bill intituled: "An Act respecting the Metric System".

MEETINGS OF COMMITTEES

Room	Committee	Hour
contraction of the contraction o	(Subject to change from day to day)	N Eur Wes
	Friday, April 28	off the film.
308 W.B.	Immigration (Joint) (White Paper) (In Camera)	10.00 a.m.

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa, 1967

No. 249

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, WEDNESDAY, APRIL 26, 1967.

11.00 o'clock a.m.

PRAYERS.

Mr. Badanai, from the Standing Committee on Northern Affairs and National Resources, presented the Seventh Report of the said Committee, which is as follows:

On Tuesday, March 21, 1967, your Committee tabled its Sixth Report on the matter of national parks and historic parks and sites.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 17 to 26) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 63 to the Journals).

Mr. Duquet for Mr. Klein, from the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration, presented the Sixth Report of the said Committee, which is as follows:

A copy of the Minutes of Proceedings and Evidence pertaining to the Estimates (1966-67) of the Indian Affairs Branch of the Department of Northern Affairs and National Resources (Issues Nos. 4 and 5) and to matters affecting Indians and Indian communities (Issues Nos 6 and 9) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 64 to the Journals).

Mr. Cashin, from the Standing Committee on Industry, Research and Energy Development, presented the Ninth Report of the said Committee, which is as follows:

On Tuesday, March 21, 1967, your Committee presented its Eighth Report relating to the subject-matter of the designated area programme and the criteria thereunder.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 10, 11, 13, 15, 16 and 17) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 65 to the Journals).

Mr. Laflamme for Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twenty-Fifth Report of the said Committee, which is as follows:

On Thursday, March 16, 1967, your Committee reported on Bill S-28, An Act to incorporate Anniversary Life Insurance Company.

A copy of the relevant Minutes of Proceedings and Evidence (Issues No. 54 and No. 56) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 66 to the Journals).

Mr. Laflamme for Mr. Gray, from the Standing Committee on Finance, Trade and Economic Affairs, presented the Twenty-Sixth Report of the said Committee, which is as follows:

On Wednesday, March 22, 1967, your Committee reported the following bills:

Bill S-27, An Act to incorporate Laurier Life Insurance Company.

Bill S-41, An Act respecting La Société des Artisans.

A copy of the relevant Minutes of Proceedings and Evidence (Issues No. 55 and No. 56) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 67 to the Journals).

Mr. Stanbury, from the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented the Twelfth Report of the said Committee, which is as follows:

On Tuesday, March 21, 1967, your Committee presented its Eleventh Report relating to the White Paper on Broadcasting (1966).

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 29 to 43 inclusive) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 68 to the Journals).

By leave of the House, Mr. Harley, the the Special Committee on Drug Costs and Prices, laid before the House,-Copy of the Minutes of Proceedings and Evidence (Issues Nos. 1-34 inclusive) relating to the sittings of the Special Committee on Drug Costs and Prices.

(The above Minutes of Proceedings and Evidence recorded as Appendix No. 69 to the Journals).

The following bill from the Senate was read the first time and ordered for a second reading at the next sitting of the House:

Bill S-59, An Act to amend the Canadian Citizenship Act.—Miss LaMarsh.

Notices of Motions for the Production of Papers Nos. 205, 209, 212, 214, 222, 223, 224, 225, 226, 228, 229 and 230 having been called were allowed to stand at the request of the government.

Bill C-278, An Act respecting the occupational training of adults, was again considered in Committee of the Whole;

And the House continuing in Committee;

By unanimous consent, the sitting was suspended between 1.00 o'clock and 2.00 o'clock p.m.

The House resumed consideration in Committee of the Whole of Bill C-278, An Act respecting the occupational training of adults, which was reported with amendments and considered as amended.

By unanimous consent, the said bill was read the third time and passed.

The Order being read for the second reading of Bill C-280, An Act to amend the Income Tax Act;

Mr. Chretien for Mr. Sharp, seconded by Mr. McIlraith, moved,-That the said bill be now read a second time.

After debate thereon, the question being put on the said motion, it was agreed to.

Accordingly, the said bill was read the second time, considered in Committee of the Whole and reported without amendment.

By unanimous consent, the said bill was read the third time and passed.

A Message was received from the Senate informing this House that the Senate had agreed to the amendment made by the House of Commons to Bill S-10, An Act respecting Interprovincial Pipe Line Company, without amendment.

By unanimous consent, the House reverted to "Routine Proceedings". V 249-13

Mr. Cameron (High Park), from the Standing Committee on Justice and Legal Affairs, presented the Eleventh Report of the said Committee which is as follows:

Your Committee presented its Tenth Report on Tuesday, March 21, 1967, relating to Auto Safety.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 3, 4, 5, 7, 10, 11, 16, 18, 20, 21, 26, 27, 29 and 31) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 70 to the Journals).

Mr. Watson (Châteauguay-Huntingdon-Laprairie), from the Special Joint Committee on Penitentiaries, presented the Third Report of the said Committee, which is as follows:

The Orders of Reference appointing the Joint Committee direct that it is "to consider the state of penitentiaries under the control of the Government of Canada and the plans of the Government in relation thereto." In pursuance of these Orders of Reference, the Committee had placed before it the matter of the design of the standard maximum security institution which the Canadian Penitentiary Service proposed to build at the various locations described in a ten-year plan of institutional development produced in 1963, namely:—one in the Atlantic region; two in the Quebec region, one of them at Ste. Anne des Plaines; two in the Ontario region; one in the Western region. Two maximum security institutions on this design are proposed in the first phase of a ten-year program. The contract for one of these institutions, Ste. Anne des Plaines, had already been let before the matter was referred to the Committee. A final decision was pending on the second of these maximum security institutions, to be built near Kingston, at Millhaven, Ontario.

In considering the standard maximum security institution design that is proposed, the Committee held nine formal hearings over the period from June 30, 1966, to April 6, 1967. Members of the Committee also held informal meetings in Washington, D.C., with senior officials of the Bureau of Prisons of the United States Department of Justice. In addition, members of the Committee visited St. Vincent de Paul Penitentiary on October 19, 1966 and Kingston Penitentiary on November 4, 1966.

The following witnesses were heard during the formal hearings:—The Honourable L. T. Pennell, Q.C., Solicitor General of Canada; Mr. A. J. MacLeod, Q.C., Commissioner of Penitentiaries; The Honourable Mr. Justice R. Ouimet, Chairman of the Canadian Committee on Corrections; Mr. T. C. MacDonald, Q.C., the Deputy Solicitor General of Canada; Mr. J. C. A. LaFerriere, Regional Director (Quebec Region), Canadian Penitentiary Service; Mr. I. B. Simpson, Facilities Planning Officer, Canadian Penitentiary Service; Magistrate E. W. Kenrick, Chairman, Canadian Corrections Association; Professor Justin Ciale, Department of Criminology, University of Montreal; Professor J. V. Fornataro, School of Social Work, University of British Columbia; Mr. A. M. Kirkpatrick, Executive Director, John Howard Society of Ontario; Mr. H. B. Kohl, Architect, Toronto; Mr. W. T. McGrath, Executive Secretary, Canadian Corrections Association; Dr. G. J. S. Wilde, Department of Psychology,

Queen's University, Kingston; Dr. N. L. Freedman, Department of Psychology, Queen's University, Kingston; Mr. W. A. Brister, Governor, Morton Hall, Borstal Institution, Swinderby, Lincoln, England; Mr. Clarence B. Litchfield, Architect, New York City, N.Y.

The Committee also had the benefit of certain materials that were made available for its assistance, namely:—a Brief submitted by the Canadian Corrections Association (printed as an Appendix to the Proceedings); an "Evaluation of the Design for Maximum Security Prisons Developed by the Canadian Penitentiary Service" prepared by the Canadian Committee on Corrections, bearing date November 10, 1966, and containing a detailed sketch of an alternative design prepared by Mr. H. B. Kohl; a memorandum to the Solicitor General from the Commissioner of Penitentiaries, bearing date November 29, 1966, replying to criticisms of the Canadian Penitentiary Service design contained in the "Evaluation" prepared by the Canadian Committee on Corrections; a model and working plans of the proposed Canadian Penitentiary Service design; certain films prepared by the Canadian Penitentiary Service; and slides demonstrating the alternative design prepared by Mr. Kohl.

The Committee wishes to emphasize the peculiar difficulty with which it is presented by this reference. Architectural design, especially as it relates to prison architecture, is a highly specialized field. The Committee was informed that only a very few architects in North America are recognized as experts in the field of prison architecture. The design for a maximum security institution that is proposed by the Canadian Penitentiary Service is strenuously opposed by representatives of both the Canadian Corrections Association and the Canadian Committee on Corrections. It is similarly opposed by one prison architect, and apparently viewed with something less than enthusiasm by another. In the latter case, the architect is a recognized expert in the field. In the circumstances, therefore, the Committee finds itself placed in the role of adjudicator.

It is common ground that opinions among architects as to what is desirable may differ. Further, we are told that a proper assessment of any prison design can only be obtained from long and intimate association between an architect and the planning authority. To this extent any "outside" expert is at a disadvantage, and assessment or criticism offered by him must be viewed with some measure of caution. At the same time, a prison design of necessity reflects—implicitly if not explicitly—the correctional philosophy that it is intended to embody. There comes a point, therefore, at which it is a particular correctional philosophy itself that is in issue. This does not mean that the difficulties are removed, for here also the questions to be resolved are in the domain of experts—experts whose opinions once again differ.

In assessing the Canadian Penitentiary Service design, it is important to bear in mind that the maximum security institution is to be one of a complex of integrated and contiguous institutions. This complex, in addition to the maximum security institution, is to consist of a regional reception centre, a medium security institution, a minimum security institution, a special correctional unit and a medical psychiatric centre. There are immediate design implications to this plan. This explains why it is considered practicable to arrange for food preparation outside the institution. It explains the absence of a reception and classification unit in the design. It is also offered as some explanation as to why the separation of the hospital from the offices of the clinical staff is not considered inherently objectionable, for under the plan as it is conceived, services that would otherwise be provided to clinical personnel by the hospital will be provided by the medical psychiatric unit outside the institution. A further implication is that the special correctional unit will remove from the maximum

security institution some of the more violent inmates classed as non-psychotic, and the medical psychiatric centre will remove psychotic inmates. This in turn is reflected in the more limited space allotted for the disassociation unit and for the hospital.

The criticisms of the proposed design may be divided into two categories:—
those directed to the general concept of a maximum security institution as
conceived by the Canadian Penitentiary Service; and those concerned with
particular features of the design itself. These two categories are not, of course,
entirely separate. Criticism in point of detail provides, understandably, much of
the evidence that is advanced in support of the challenge to the design in its
general conception. For convenience, however, we will consider the various
criticisms that have been made under these two headings:

The criticisms that have been directed at the general conception of the Canadian Penitentiary Services' standard design for a maximum security institution are the following:

- (1) Control of inmate movement is unnecessarily rigid and centralized, and the consequent restrictive atmosphere will result in serious loss of time and disruption of program. It is further suggested that efforts at rehabilitation will be inhibited by the manner in which inmate control is conceived in the institution.
- (2) There is too great a division of staff from inmates in the proposed institution and this can give to prisoners the impression that the staff is afraid of them. Emphasis needs to be placed on increasing contact between inmates and staff, rather than on increasing separation.
- (3) The space allocated for program needs is inadequate. This point is made in reference to a number of detailed features of the program design: i.e. educational facilities; provision for recreation; dining facilities; the library; etc. However, the argument also proceeds at a more fundamental level. The contention is that the design reflects no conception of "program" that the institution is planned almost exclusively by reference to custodial considerations, without any clear assessment as to the kinds of prisoners who are to be placed in the institution or the kind of program that is required if there is to be any hope of effecting behavioural change. A correctional institution, it is said, should be built around an express conception of the program that is to be conducted in it, and such is not apparent from the present design.
 - (4) The design is wanting in flexibility. It cannot be modified to meet changing conditions in later years, and especially change in the prevailing philosophy of corrections.

The Committee proposes later in this interim report to return to these criticisms of the general conception of the design. The Committee turns at this point to an assessment of criticisms of particular features of the design. The principal criticisms on matters of detail, with our comments, are as follows:

(1) There are too many control points in the present design. This contributes to an oppressive atmosphere in the institution. It accentuates the separation between inmates and staff. It results in too large an allocation of manpower into unproductive tasks, with a consequent reduction of funds available for training and rehabilitation.

Comment: It seems to the Committee that this criticism has been answered in part, but only in part. An analysis provided by the Canadian Penitentiary Service indicates that the number of 24-hour control points is only five. It appears to the Committee, however,

that the total number of control points, including those operated for shorter periods, remains large—in comparison, for example, to the maximum security institution at Marion, Illinois. Moreover, as we interpret the design, an inmate would not be able to move from the cell unit to any other part of the institution without passing at least three control points. This suggests to us an atmosphere of rigid and oppressive security. The Committee notes further that the argument that there is an economy to be derived from the Canadian Penitentiary Service plan is based on the express assumption that inmates will be able to move through the institution free of escort. Expert testimony that the Committee has received suggests that this assumption may well be questionable. If inmate movement is to take place in the manner apparently contemplated by the Canadian Penitentiary Service—that is, without escort and through a series of narrowly separated control points—the Committee wonders whether this itself is not some evidence to sustain the more general criticism that an undue separation between inmates and staff is built into the design.

- (2) Inadequate provision is made for an educational program. Three day rooms are specified as being for educational use. These are too small. They are dispersed, so that it is difficult to establish an integrated teaching program. They also suffer from the positioning of a control point outside the door of each room.
 - Comment: The Committee was informed that the workshops building is designed with sufficient flexibility that additional classrooms can be provided. Experience elsewhere has apparently been that the amount of classroom space required is usually underestimated. It is the Committee's view that the present plans for the workshop building contain inadequate provisions for classroom facilities and your Committee recommends a complete review of the educational requirements and the provision of adequate facilities therefor. The Committee was also informed that day rooms are to be designed in such a way that blinds could be installed to be pulled down to block off the view from the control point outside the door. The Committee recommends that blinds be installed and used in such a manner as to remove as far as possible the custodial atmosphere. It seems to the Committee that the criticism concerning dispersal of classrooms can only be answered if it is assumed that the main educational program is to be conducted in the workshops building. The Committee was impressed by testimony received that many foreign prison jurisdictions are increasingly utilizing manufacturing facilities as an important tool in the rehabilitative process. The Committee recommends that the prison design take into consideration the possible inclusion of this type of development.
 - (3) The space allocated for a library is too small. Clearly the library will not be large enough to contain many books. Nor is it large enough to permit inmates to use the library for reading purposes. Comment: The Committee understands that the intention is that inmates will place orders for books and that the books will be brought to them at their cells. It would appear to the Committee, that, under this arrangement, any rehabilitative benefit that an inmate might obtain from being exposed to a library is lost. The Committee recommends that library space be expanded, to allow selective access by inmates to the library.

(4) Dining facilities are inadequate. As the institution is conceived, inmates will eat either in small groups in day rooms or individually in their cells. There is no provision for a large central dining hall, or for any dining room of intermediate size. This arrangement is criticized in several counts. The day rooms are small, so that as a practical matter most of the inmates will eat in their cells. The use of day rooms for dining purposes, with the consequent problems of waste and food odours, is inconsistent with the multi-purpose use that is contemplated for such rooms. There is, in any event, a need for a larger dining facility where inmates can be observed in more open surroundings in assessing whether they are ready for transfer to medium security institutions.

Comment: The Committee is convinced that dining in the day rooms is an improvement over the present cell dining arrangement in maximum security prisons, however, the Committee believes that some larger group dining facilities should be seriously considered. The Committee is further convinced, on the evidence that it has heard, that a larger dining facility does not present an unreasonable problem of control, even in a maximum security institution.

- (5) The arrangement whereby food will be prepared outside the walls, in preference to an interior kitchen, is undesirable, both because the quality of the meals will suffer and because this will be a vehicle for the entry of contraband into the institution.

 Comment: This criticism has been answered to the Committee's satisfaction on the basis that the kitchen is for the common use
- (6) The Canadian Penitentiary Service design provides for a small combined exercise room and auditorium, but no gymnasium. It is contended that this is inadequate. Comment: The Committee is sympathetic to this criticism, and

of a complex of adjoining institutions.

noted on one hand the larger space per inmate of indoor recreation facilities provided by the U.S. Federal Bureau of Prison but also noted greater use of outdoor facilities in the Canadian prison system. The Committee recommends that more consideration be given to the multipurpose use of indoor recreational facilities.

(7) The location of areas in relation to one another is badly planned. For example, the hospital is separated by substantial distances from the offices of clinical personnel and from the disassociation unit. Similarly, the chapel is placed in a location such that access to it can be obtained only by passing through the maximum number of control points. Nor are separate offices provided for chaplains in immediate proximity to the chapel.

Comment: It appears to the Committee that there would be substantial advantages to Chapels being centrally located with chaplain's offices in close proximity.

It will be evident in reviewing these criticisms of particular features of the Canadian Penitentiary Service design that some have been answered, or answered to a degree. Still others, although not all, can be met by additions or modifications to the design. The Committee thinks it important to note also that a number of features of the design have elicited favourable comment. Reference might be made in particular to the arrangement of cells into small, segregated cell units, to the provision of outside cells throughout, and to the placing of interview rooms close to the cells. While there has been some

complaint that the proposed institution is too large for effective correctional procedure, we think it only fair to point out that the proposed inmate population of 432 compares favourably with other institutions of this kind.

The criticisms of the general conception of the proposed maximum security institution are more difficult to assess for the very reason that they are less specific. Nevertheless, the Committee is of the opinion that there is some merit in each of the four general criticisms that were outlined previously. The Committee makes the following observations:

- (1) The manner in which the control of inmate movement is conceived in the institution is likely to have a repressive effect. The opposite view expressed to the Committee was that the width and comparative shortness of the corridors will give a feeling of spaciousness that is less oppressive than results from the longer corridors that are customary in such institutions. The Committee believes that this view fails to take into account the multiplicity of glass enclosed control points that characterizes the design. The Committee thinks also that the complexity of the corridor design can only serve to accentuate inmate awareness of omnipresence of "control".
- (2) It seems evident to the Committee that the Canadian Penitentiary Service design provides for the maximum separation of staff from inmates. All of the evidence that we have heard is to the effect that the tendency in correctional development is to break down unnecessary barriers between inmates and staff as the most hopeful means of effecting personality change. This development is documented in the correctional literature and borne out in experience with maximum security institutions such as Marion, Illinois. The Committee recognizes the need to protect officers from attack. The question is whether protection is to be bought at too high a price in this design. It is relevant to note that the workshop building will apparently contain a "catwalk", presumably to permit an armed guard to preside over work activities. Our information is that no such protection has been built into a federal prison in the United States in over half a century and that "catwalks" in earlier prisons have in most cases been removed. The criticism, therefore, that the design is concerned primarily with "custodial emphasis" seems warranted.
 - (3) Specific criticisms concerning program space have been considered above. The Committee has been able to obtain no satisfactory comparative assessment of the overall allocation of space for program purposes, in part because of the multi-purpose use that is apparently contemplated for the workshop building. The Committee is concerned about the approach that the Canadian Penitentiary Service appear to have brought to program planning in relation to architectural design. There seems to have been little attempt made to seek out professional advice concerning the kinds of programming that might serve most effectively to meet the needs of prisoners and what, architecturally, might be desirable to facilitate such programming. It is the Committee's understanding that leading modern prison architects have come to recognize this as their most important and creative function. Put in its simplest terms, more attention should be given to program planning prior to design and construction.

(4) It is more difficult to comment on the criticism that the proposed institution lacks flexibility. In some respects the institution is designed with a particular view to flexibility. The Committee notes that the three "activities buildings" can all be extended, that the workshops building is apparently designed so as to allow considerable freedom of internal alteration, and that the design and placing of the cell units is such that space for day rooms or interview rooms can be increased by the removal of cells. It is also claimed for the design that it provides for maximum flexibility in grouping for purposes of segregation, although we think it only fair to note that this claim has been challenged. The Committee has serious doubts whether the building is adaptable to evolving program needs in accordance with developments in correctional philosophy and questions whether it would readily allow for any program that presupposes relatively free and uninterrupted inmate movement.

If this is all that there were to consider, the Committee is inclined to the view that there should be a basic and detailed re-examination of the standard design for a maximum security institution proposed by the Canadian Penitentiary Service before any further construction is allowed to proceed. There are, however, other considerations.

It has been impressed upon the Committee that there is an urgent need for an early start on another maximum security institution to relieve overcrowding at the St. Vincent de Paul and Kingston Penitentiaries. The Committee did hear evidence that the inmate population at Kingston Penitentiary has been reduced, that medium security institutions are not operating to full capacity and that the opening of the Warkworth institution will further relieve the pressure of population. There is some evidence also, that the estimated percentage of inmates requiring maximum security custody as expressed in the ten-year program on which the Canadian Penitentiary Service building plans are based is too high. Nevertheless, the Committee thinks that the case for an early start on one additional maximum security institution has been made. The Committee is informed that the preparation of a new design would take a considerable time to complete. The Committee has heard estimates that vary between one to three years.

However, we have no hesitation in recommending a basic review before any consideration is given to constructing additional maximum security institutions in accordance with this design, as is apparently contemplated under the ten-year plan of institutional development. To begin with, the Committee has serious reservations about the design itself. Secondly, the Committee is concerned that the estimated percentage of inmates requiring maximum security custody may be too high. Under the ten-year plan, this segment of the inmate population is estimated at 32 percent. The Committee notes that the Manual of Correctional Standards of the American Correctional Association, which lists a number of leading Canadian authorities as contributors and consultants, express doubt "if real maximum security facilities are needed for more than 15 percent of an unselected prison population". The Committee appreciates that the inmate population in the penitentiary system is in some respects unique in that the system receives only offenders sentenced to imprisonment for periods of two years or more, so that it is not "an unselected prison population". However, the Committee thinks that more evidence is required to account for a difference between 15 percent and the Canadian Penitentiary Service estimate of 32 percent. Authoritative evidence has been received by the Committee that would indicate that developments in the correctional field are moving at such

a rapid rate that design should be adaptable to changing concepts. The evidence that a higher percentage of offenders are sentenced to prison in Canada than elsewhere and the likelihood that the report of the Canadian Committee on Corrections will result in a change in sentencing procedures, confirms this view. The Committee questions whether the ten-year plan of the Canadian Penitentiary Service sufficiently takes into account the increasing trend in correctional technique towards less secure custody—a trend that extends, we are informed, to many prisoners who have until recently been thought to require custody under conditions of maximum security.

In conclusion, the Committee approves the decision to construct a second maximum security institution on the standard design proposed by the Canadian Penitentiary Service, subject to the following recommendations:

- (1) That the specific modifications to the Canadian Penitentiary Service standard design recommended in the text of this Committee's Report be implemented.
- (2) That no additional maximum security institutions be built on this design without allowing for a period of experience with the one institution under construction and the one contemplated; and without a basic review of the standard design in the light of developing correctional philosophy.
- (3) Moreover, before any further consideration is given to the construction of additional maximum security institutions, the Canadian Penitentiary Service should prepare a detailed statement of the program that it proposes to conduct in such institutions, with particular reference to programming directed to behavioural change, and that every effort be made to relate requirements, in terms of space, classification and architectural design, to the best knowledge available concerning programming for behavioural change in the correctional context.

A copy of the relevant Minutes of Proceedings and Evidence, (Issues Nos. 1 to 10) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 71 to the Journals).

By unanimous consent, at 6.40 o'clock p.m. the sitting was suspended until 7.30 o'clock p.m.

The House resolved itself again into Committee of Supply.

(In the Committee)

The following resolution was adopted:

Resolved,—That a sum not exceeding \$1,034,689,911.16, being the aggregate of—

(a) two-twelfths of the total of all the items set forth in the Main Estimates for the fiscal year ending 31st March, 1968, laid before

- the House of Commons at the present session of Parliament, except Loans, Investments and Advances Item L40, for which no proportion is granted \$995,375,277.83;
- (b) an additional eight-twelfths of the total amount of Public Service Commission Item 5, (Schedule A) of the said Main Estimates, \$798,000,00:
- (c) an additional three-twelfths of the total amount of Privy Council Item 18, (Schedule B) of the said Main Estimates, \$394,250.00;
- (d) an additional two-twelfths of the total amount of External Affairs Item 35, Industry Item 15, and Loans, Investments and Advances Item L25, (Schedule C) of the said Main Estimates, \$30,897,500.00;
- (e) an additional one-twelfth of the total amount of Energy, Mines and Resources Item 35, Fisheries Item 20, Forestry and Rural Development Item 15, Justice Item 1, Legislation Items 5 and 20, National Gallery Item 1, Secretary of State Items 35 and 40, Trade and Commerce Items 15 and 29, (Schedule D) of the said Main Estimates, \$7,224,883.33;

be granted to Her Majesty on account of the fiscal year ending 31st March, 1968.

Resolution to be reported.

The said resolution was reported and concurred in and the Committee obtained leave to sit again at the next sitting of the House.

The House resolved itself again into Committee of Ways and Means.

(In the Committee)

The following resolution was adopted:

Resolved,—That towards making good the Supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st March, 1968, the sum of \$1,034,689,911.16, be granted out of the Consolidated Revenue Fund of Canada.

Resolution to be reported.

The said resolution was reported and concurred in, and the Committee of Ways and Means obtained leave to sit again at the next sitting of the House.

Mr. Drury for Mr. Benson, seconded by Mr. McIlraith, by leave of the House, presented Bill C-293, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968, which was read the first time.

By leave, the said bill was read the second time, considered in Committee of the Whole and reported without amendment.

In accordance with the order made Tuesday, April 25, 1967, the House reverted to "Motions".

On motion of Mr. MacEachen, seconded by Mr. McIlraith,—The First Report of the Special Committee on Procedure of the House, presented to the House on Monday, March 20, 1967, was concurred in and is as follows:

Your Committee was established by resolution of the House on Wednesday, January 25, 1967 to consider and from time to time to report upon the advisability of making permanent, with or without amendment, any or all the several changes in the procedure of this House adopted for the First Session of the Twenty-Seventh Parliament on January 21, 1966, and such other changes as the committee may deem suitable to promote the more expeditious dispatch of the business of the House.

By resolution of the House on Friday, February 24, 1967, the following Members were appointed to the Committee: Messrs. Asselin (Richmond-Wolfe), Baldwin, Brand, Faulkner, Knowles, Langlois (Mégantic), MacEachen, Nugent, Olson, Richard and Stewart.

Your Committee considers that the appointment of an Assistant Deputy Chairman of Committees is desirable, and therefore recommends that Section (5) of Standing Order 52 be amended to read as follows:

(5) At the commencement of every session, or from time to time as necessity may arise, the House may appoint a Deputy Chairman of Committees and also an Assistant Deputy Chairman of Committees, either of whom shall, whenever the Chairman of Committees is absent, be entitled to exercise all the powers vested in the Chairman of Committees including his powers as Deputy Speaker during Mr. Speaker's unavoidable absence.

On motion of Mr. MacEachen, seconded by Mr. McIlraith,—The Second Report of the Special Committee on Procedure of the House, presented to the House on Monday, March 20, 1967, was concurred in and is as follows:

Your Committee considers that the reform of the procedure of the House is a matter calling for long and earnest study, and that the time which will be required to complete this task is not available to your Committee during the current session.

Your Committee, therefore, recommends as follows:

- 1. That a Special Committee on Procedure of the House be appointed without delay at the beginning of the second session of the Twenty-Seventh Parliament.
- 2. That the Standing Orders as provisionally amended and modified for use in the current session be continued in operation for the duration of the second session of the Twenty-Seventh Parliament except as hereinafter provided.
 - 3. That Standing Order 6 be provisionally amended to read as follows:
 - 6.(1) On Mondays, Tuesdays and Thursdays, except when Private Members' Business is to be considered in any such sitting, the sittings of the House shall be suspended from 6.00 o'clock p.m. until 8.00 o'clock p.m.
 - (2) When Private Members' Business is taken up on any Monday, Tuesday or Thursday, the business of the House shall be interrupted at 7.00 o'clock p.m. and the sitting shall be suspended until 8.00 o'clock p.m.
 - (3) On any day on which a morning sitting is held, the business of the House shall be suspended from 1.00 o'clock p.m. until 2.30 o'clock p.m.

- (4) Subject to the exceptions stated in section (5) of this order, at 10.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, and at 6.00 o'clock p.m. on Wednesdays and Fridays, Mr. Speaker shall adjourn the House, without question put, until the next sitting day.
- (5) (a) When, pursuant to Standing Order 39A, a motion to adjourn is deemed to have been proposed at 10.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, the House shall not be adjourned until the said motion is deemed to have been adopted.
- (b) When a sitting is extended pursuant to Section (6) of this order, or when it is provided in any other Standing Order that the business under consideration at the ordinary time of adjournment shall be disposed of or concluded, the adjournment proceedings in that sitting shall be suspended and that sitting shall not be adjourned except pursuant to a motion to adjourn moved by a Minister of the Crown.
- (6) During the hour preceding 1.00 o'clock p.m., 6.00 o'clock p.m. or 10.00 o'clock p.m., as the case may be, a motion to extend a sitting beyond the ordinary hour of daily adjournment, or to continue a sitting through the period between 1.00 o'clock p.m. and 2.30 o'clock p.m. or between 6.00 o'clock p.m. and 8.00 o'clock p.m., as the case may be, may be made without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion. If no member objects or if fewer than ten members arise in their places, the motion shall be deemed to be carried. No debate or formal vote shall be held on such a motion to extend a sitting. During an extended sitting, as provided under the provisions of this section, no Order shall be called for consideration unless such Order was under consideration prior to the normal hour of adjournment. An extended sitting under the provisions of this section, unless a closing time has been specified, shall not be terminated except by the adoption of a motion to adjourn and Mr. Speaker shall not deem that a motion to adjourn the House has been made by virtue of the operation of any other Standing Order.
- (7) No vote shall be taken between 6.00 o'clock p.m. and 8.00 o'clock p.m. on Mondays, Tuesdays and Thursdays or between 1.00 o'clock p.m. and 2.30 o'clock p.m. on any day upon which a morning sitting of the House is held. When any vote is postponed under the terms of this section the same shall be forthwith disposed of at 2.30 o'clock p.m. or 8.00 o'clock p.m., as the case may be. The House shall be deemed to have reverted to Private Members' Business for such time as is necessary for the taking of any vote postponed from the time provided for Private Members' Business.
- (8) The provisions of Section (7) shall not prevent the adoption of any resolution or clause, section, preamble or title of a bill in any committee of the whole provided this is done without a standing vote.
- 4. That Standing Order 44 be consequentially amended on a provisional basis to read as follows:
 - 44. When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the Orders of the Day; for proceeding to another order; to

adjourn the debate; to extend the sitting of the House; to continue a sitting between the hours of 1.00 o'clock p.m. and 2.30 o'clock p.m. or 6.00 o'clock p.m. and 8.00 o'clock p.m., as the case may be; or for the adjournment of the House.

5. That the House adopt the following resolution with respect to supply procedure:

That for the duration of the second session of the Twenty-Seventh Parliament Standing Orders 56 and 57 shall be provisionally amended and interpreted in the light of the following procedures which shall govern the business of Supply:

- (a) Except as hereunder provided, when the order of the day is called for the House to go into Committee of Supply Mr. Speaker shall leave the Chair without question put.
- (b) There shall be four occasions in the session on which an order for supply is called for the purpose of moving 'That Mr. Speaker do now leave the Chair'. There shall be no restriction on the number of departments of Government the estimates of which may be first taken up and entered for consideration upon the adoption of the first supply motion, except that the estimates of at least one department shall be taken up and entered for consideration on the adoption of each subsequent supply motion.
- (c) Subject to the conditions specified below there shall be an overall limitation of thirty-eight days allotted to the business of supply during the session. For the purposes of this order the business of supply shall consist of supply motions; main estimates; interim supply with the exceptions noted below; supplementary and additional estimates with the exception noted below; and supply bills based on the foregoing.
- (d) On the first interim supply resolution introduced after the ninetieth sitting day of the session and all subsequent stages of the supply bill based thereon there shall be a limitation of three days; additional to the thirty-eight days specified above. On any further interim supply resolutions and bills based thereon there shall be no time limitation.
- (e) The final supplementary or additional estimates to be introduced during the fiscal year and the subsequent stages of the supply bill based thereon shall be subject to no time limitation.
- (f) For the purpose of the time limitations specified in this order a day allotted to supply shall be a day on which the business of supply stands as the first order of the day. Under any other circumstances a total of five hours shall be deemed to be the equivalent of one sitting day.
- (g) When estimates are referred to standing committees they shall be referred without prejudice to the right of the Committee of Supply to consider those some estimates, whether or not the standing committees have reported on them.
- 6. That Standing Order 15 (4) be consequentially amended on a provisional basis to read as follows:
 - 15(4). On any Monday, Tuesday or Thursday, notwithstanding the provisions of Section (3) of this Standing Order, the consideration of

Private Members' Business shall be suspended when an order for resuming the Address Debate or the Budget Debate, an order for a motion 'That Mr. Speaker do now leave the Chair' for the House to go into Committee of Supply, or an order to go into Committee of the Whole on a money resolution, pursuant to Standing Order 61A, is set down as the first item of Government business in any such sitting.

- 7. That the Special Committee on Procedure of the House, the appointment of which is proposed in the first recommendation of this Report, should be required to consider the amendments necessary to the Standing Orders governing supply procedures, and in particular to consider ways and means for giving to the Opposition during the second session of the Twenty-Seventh Parliament an opportunity to select the order in which departmental estimates will be discussed.
- 8. That the Clerk of the House be hereby authorized to edit the Standing Orders as provisionally amended in regard to matters of form, numbering, etc., and to reprint the same in such number as he may deem to be necessary for use in the next session of this parliament; and that the provisions of Standing Order 66 be suspended in relation thereto.

APPENDIX

DOCUMENT SUMMARIZING PROVISIONAL RULES CHANGES AS CONSIDERED BY YOUR COMMITTEE

PROVISIONAL RULE CHANGES WHICH WILL LAPSE AT THE END OF THIS SESSION UNLESS RENEWED

1. Limitation of Question Period to one hour on Mondays, 30 minutes on Wednesdays and 40 minutes on Tuesdays, Thursdays and Fridays.

Speaker empowered to order that an oral question be placed on the order paper as a written question.

(See S.O. 39 (5) as modified by resolution of 21 January 1966).

- 2. Provision for half-hour debate on daily adjournment motion. (See S.O. 39 (5) and S.O. 39A).
- 3. Control of statements on government policy. (See S.O. 15 (2A)).
- 4. Limitation of debate on motions for the production of papers. (See S.O. 47 (2)).
- 5. S.O. 20(1) (Precedence of business on the Order Paper) temporarily suspended.
- 6. Clarification of procedure on motions to adjourn the House for the purpose of discussing a definite matter of urgent public importance.

 (See S.O. 26 (3)).
- 7. Limitation of debate on resolution stage preceding a Money Bill. Debate limited to one full sitting day and speeches limited to 20 minutes, except for Prime Minister and Leader of the Opposition.
 - (See S.O. 61A and consequential amendment to S.O. 16 as modified by resolution of 21 January 1966).

8. Postponement of consideration of short title clause during committee stages of Bills.

(See S.O. 78 (1)).

9. Limitation of 30 days on certain business of supply, namely main estimates, interim supply and certain supplementary and additional estimates.

Detailed examination of estimates to be undertaken by Standing Committees.

Number of supply motions reduced from six to four.

(See Resolution of the House of 8 June 1965. Resolution also ordered the appointment of a Special Committee of 24 members to consider the consequential changes in the Standing Orders, and the means of giving the Opposition the right to select the departmental estimates for discussion).

10. Abolition of luncheon and dinner adjournments, except during Throne Speech and Budget debates.

(See S.O. 6 (1), as modified by resolution of 21 January 1966).

11. Provision that a motion to sit beyond the specified hour of adjournment may be made without notice unless 10 or more members object.

(See S.O. 6(2) and consequential amendments to S.O. 44).

12. Provision made whereby five or more members may object to the taking of a vote during the luncheon and dinner periods.

(See S.O. 6 (3)).

13. Abolition of the right to appeal from a ruling of the Speaker from the floor of the House.

(See S.O. 12 (1)).

14. Alteration of order of business.

(See S.O. 15 (3)).

15. Suspension of Private Members' business during debate on supply motion—alteration of time.

(See S.O. 15 (4)).

16. Provisions made for a Business Committee and an allocation of time procedure.

(See S.O. 15A).

17. Speeches during Private Members' business limited to 20 minutes at all times.

(See S. O. 31 (2)).

18. Control of questions of privilege: one hour's notice in writing required unless the question arises during the course of proceedings in the Chamber.

(See S.O. 41A).

19. Resumed debate on a motion under S.O. 15 (2) (Routine Business) to be transferred to government orders.

(See S.O. 43 (2) and consequential amendment to S.O. 18 (2)).

20. Chairman's rulings made subject to appeal to the Speaker.

(See S.O. 59 (4)).

21. Reform of Standing Committee structure. (See S.O. 65 and consequential amendments to S.O.'s 99 and 105).

V 249-2

22. In Standing and Special Committees, rulings of chairman made subject to appeal to the committee.

(See S.O. 68A).

The House returned to Government Orders.

By unanimous consent, Bill C-293, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968, was read the third time and passed.

By leave on motion of Mr. McIlraith, seconded by Mr. Sauvé, it was ordered,—That when this house adjourns at the end of this sitting, it shall stand adjourned until Monday, May 8, 1967, at 10.30 a.m. provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

By leave on motion of Mr. McIlraith, seconded by Mr. Sauvé, it was ordered,—That during the adjournment of the House from April 26 to May 8, 1967, the Standing and Special Committee of this House shall be empowered to sit and transact such business as may stand referred to them.

Returns and Reports Deposited with the Clerk of the House

The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 40, namely:

By Miss LaMarsh, a Member of the Queen's Privy Council,—Return to an Address, dated March 1, 1967, to His Excellency the Governor General for a copy of all communications exchanged between the Minister of Indian Affairs and Northern Development and the Minister of Recreation and Conservation, or any officials of his Department, of the Province of British Columbia, with respect to the development of Duck Lake as a waterfowl sanctuary.—(Notice of Motion for the Production of Papers No. 213).

By Mr. Marchand, a Member of the Queen's Privy Council,—Return of Permits issued under the authority of section 8 of the Immigration Act for the calendar year 1966, pursuant to section 8(5) of the said Act, chapter 325, R.S.C., 1952. (English and French).

By Mr. Pickersgill, a Member of the Queen's Privy Council,—Report of the St. Lawrence Seaway Authority, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1966, pursuant to section 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C., 1952 (English and French).

By Mr. Pickersgill,-Report of the Canadian National Railways for the year ended December 31, 1966, pursuant to section 40 of the Canadian National Railway Act, chapter 29, Statutes of Canada, 1955. (English and French).

By Mr. Pickersgill,—Report of the Canadian National Railways Securities Trust for the year ended December 31, 1966, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.S.C., 1952. (English and French).

By Mr. Pickersgill,—Copy of Capital and Operating Budgets of the Canadian National Railways for the year ending December 31, 1967, pursuant to section 37 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955, together with a copy of Order in Council P.C. 1967-795, dated April 20, 1967, approving same.

By Mr. Sharp, a Member of the Queen's Privy Council,—Report of Operations under the Bretton Woods Agreements Act and the International Development Association Act, for the year ended December 31, 1966, pursuant to section 2 of the first-mentioned Act, chapter 13, Statutes of Canada 1966-67, and section 5 of the latter Act, chapter 32, Statutes of Canada, 1960.

Mr. McIlraith, seconded by Mr. Sauvé moved,-That the House do now adjourn.

The question being put on the said motion, it was agreed to.

At 3.21 o'clock a.m., Thursday, April 27, the House adjourned until Monday, May 8, 1967, at 10.30 o'clock a.m.

LUCIEN LAMOUREUX,

Speaker.

NOTICE PAPER

Inquiries of Ministry-On the next Monday's sitting

No. 2,924—Mr. Schreyer—April 26

- 1. Did a specially constituted Canadian Government Industrial Mission travel to France in 1966?
- 2. If so (a) what was the purpose of this mission (b) what was the cost of this special mission and what was the cost per major item (c) what results have been achieved as a result to date?

No. 2,925-Mr. McCleave-April 26

- 1. Does the government give any priority to persons from whom it has expropriated property to acquire such property in the event the property becomes surplus and is disposed of?
 - 2. If so, on what terms?
 - 3. If not, would the government consider such a policy?

No. 2,926—Mr. McCleave—April 26

1. Did the Air Canada Vanguard flight Number 502 between Montreal and Halifax on Friday evening, April 21, departing Montreal at 7.40 p.m., carry only four single servings of rum?

2. Will Air Canada take into account well-known preferences of customers

on flights to Atlantic Canada?

No. 2,927-Mr. Schreyer-April 26

What are the current pay rates of the Canadian Defence Establishment, Beausejour, Manitoba, and the Atomic Energy Commission Establishment at Whiteshell, Manitoba, for the following job classifications: labourer; painter; plumber; electrician; carpenter; mechanic; heavy equipment operator; driver (heavy); driver?

No. 2,928-Mr. Muir (Cape Breton North and Victoria)-April 26

Did any Members of the Cabinet receive a Resolution from the Municipal Council of the Municipality of the County of Inverness, dated February 10, 1967, supporting a ferry service between Prince Edward Island and Port Hood, Nova Scotia, and, if so (a) which Members (b) what reply was given by each Member?

Notices of Motions for the Production of Papers-On the next Wednesday's sitting

No. 231-Mr. Racine-April 26

That an Order of the House do issue for a copy of all correspondence exchanged between the Member for Beauce and the Department of Manpower and Immigration, since 1962, concerning winter works at Saint-René and Saint-Benoît, Beauce County, Que.?

PRIVATE BILLS NOTICE

The Standing Committee on Transport and Communications will consider on or after Friday, April 28, 1967:

Bill S-36, An Act to incorporate Commercial Solids Pipe Line Company. —Mr. Basford.

Bill S-52, An Act to incorporate Rainbow Pipe Line Corporation.—Mr. Orange.

No. 250

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS

OF CANADA

OTTAWA, MONDAY, MAY 8, 1967.

10.30 o'clock a.m.

PRAYERS.

Mr. Speaker communicated to the House the following letter:

GOVERNMENT HOUSE OTTAWA

2nd May, 1967.

Sir,

I have the honour to inform you that the Honourable Gérald Fauteux, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber at 11.00 a.m. on Monday, May 8th, for the purpose of giving Royal Assent to certain bills and of proroguing the First Session of the Twenty-seventh Parliament of Canada.

I have the honour to be, Sir, Your obedient servant,

A. G. CHERRIER,
Assistant Secretary to the Governor General.

The Honourable,

The Speaker of the House of Commons.

A Message was received from the Senate informing this House that the Senate had passed the following Bills, without amendment:

Bill C-243, An Act to amend the National Defence Act and other Acts in consequence thereof.

V 250-1

Bill C-278, An Act respecting the occupational training of adults. Bill C-280, An Act to amend the Income Tax Act.

A Message was received from the Senate informing this House that the Senate had passed Bill C-293, An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1968.

Mr. Speaker informed the House that he had received from the Honourable Member for Jasper-Edson a written declaration as follows of his intention to resign his seat in the House of Commons;

And that accordingly he had, pursuant to section 6 of the House of Commons Act, Chapter 143, Revised Statutes of Canada, 1952, addressed his warrant to the Chief Electoral Officer for the issue of a writ for the election of a new member for the said Electoral District:

HOUSE OF COMMONS CANADA

ELECTORAL DISTRICT OF JASPER-EDSON

CANADA)
To Wit:

To the Honourable the Speaker of the House of Commons:

I, the undersigned, Hugh M. Horner, Member of the House of Commons of Canada for the Electoral District of Jasper-Edson, hereby declare my intention of vacating my seat, as of this day, May 8, 1967, at twelve o'clock midnight.

Given under my Hand and Seal at Ottawa, this 8th day of May, 1967.

HUGH M. HORNER (L.S.)

Witness: Helen Hassall Witness: Mary Mayson

Mr. Richard, from the Special Joint Committee on the Public Service, presented the Ninth Report of the said Committee, which is as follows:

On Tuesday, January 10, 1967, your Committee was empowered to inquire into and report upon the matter of pensions paid to retired civil servants or their dependents under the provisions of the Public Service Superannuation Act. At a later date, the order of reference was widened to encompass pensions paid on account of the service of former members of the Royal Canadian Mounted Police and of former members of the armed forces. The term retired employees in this report refers therefore to retired civil servants and retired members of the RCMP and armed forces.

A total of eight meetings was held during which the Committee heard the evidence of twenty-one witnesses representing:

The Department of Finance,

Treasury Board,

The Department of Insurance.

The Royal Canadian Mounted Police,

The Department of National Defence,

The Federal Superannuates National Association,

The Public Service Alliance of Canada,

The Royal Canadian Mounted Police Veterans' Association,

The Association of Canadian Forces Annuitants,

The Professional Institute of the Public Service of Canada.

Your Committee also received correspondence from individuals outlining various points they felt should be considered.

In its deliberations on the matter of pensions, your Committee soon realized that a general solution to the problem was not an easy one. Many factors affecting the level of certain individual pensions were isolated, thereby complicating your Committee's task even further.

The witnesses have indicated uniformly their concern for the position in which a large number of retired federal employees find themselves with fixed retirement pensions being progressively eroded, sometimes over a long period of years, under the pressures of rising living costs.

In the Committee's view, the government should do what it reasonably can to protect and preserve, or failing that, to restore in some measure the original purchasing power of the contributory pensions which, under the Public Service Superannuation Act, and similar enactments, it has provided for its retired employees.

With this consideration in mind, your Committee recommends immediate action by the government, to up-date and extend the provisions of the Public Service Pension Adjustment Act (1959). This Act provided at the time of its passage limited and partial pension adjustments to meet a portion of the rise in post-war living costs. It covered only those beneficiaries who had retired prior to January 1, 1953: its benefits were available only to those below a pension ceiling of \$3,000 (\$1,500 for widows). Helpful though it was at the time of its passage, the Pension Adjustment Act of 1959 no longer meets the minimum justifiable requirement in the case of those former employees who retired prior to January 1, 1953; and it makes no provision whatever for employees who have retired since that date.

The Committee recommends that any plan to improve the position of these retired employees should conform to the following requirements:

- (a) it should be capable of quick and early implementation in the form of legislation in the next sesion of this Parliament;
- (b) any adjustment in pensions should not be limited to a particular date of retirement and should be in addition to any other increase already granted under the Pension Adjustment Act of 1959;
- (c) it should maintain the principle contained in the present legislation that benefits should be related to length of service;
- (d) it should conform to the principle that any adjustment formula should take account also of the time which has elapsed since retirement:
- (e) it should take into account the increase in living costs during that period of time; and
- (f) it should increase the ceiling in the 1959 Pension Adjustment Act.

The task of the Committee was facilitated through the assistance rendered by the departmental representatives. In particular, your Committee wishes to acknowledge the help received from Mr. H. D. Clark, Director of Pensions and Social Insurance Division, Department of Finance.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 27 to 34 inclusive) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 72 to the Journals).

Mr. Hales, from the Standing Committee on Public Accounts, presented the Fifteenth Report of the said Committee, which is as follows:

A copy of the Minutes of Proceedings and Evidence pertaining to the Public Accounts, Volumes I, II, III for the fiscal year ended March 31, 1966 and the Report of the Auditor General thereon (Issues Nos. 33, 34 and 35) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 73 to the Journals).

Mr. Whelan, from the Standing Committee on Agriculture, Forestry and Rural Development, presented the Sixth Report of the said Committee, which is as follows:

In accordance with its Order of Reference of Thursday June 2, 1966, the Committee had before it for consideration the Annual and Supplementary Reports of the Canadian Wheat Board for the crop years 1962-63, 1963-64 and 1964-65.

Your Committee has considered and approved the Annual and Supplementary Reports of the Canadian Wheat Board for the crop years 1962-63, 1963-64, and 1964-65, and commends them to the House with approval.

Your Committee had the following witnesses appear before it;

The Minister of Finance: Hon. Mitchell Sharp

From the Canadian Wheat Board: Mr. W. C. McNamera, Chief Commissioner; Mr. J. B. Lawrie, Assistant Chief Commissioner; Dr. R. L. Kristjanson, Commissioner, Mr. C. E. G. Earl, Executive Director; Mr. Peebles Kelly, Treasurer; Mr. S. A. Hornby, Secretary; Mr. F. T. Rowan, Sales Manager, Wheat; Mr. H. B. Monk, Solicitor to the Board.

From the Board of Grain Commissioners: Messrs. F. Hamilton, Chief Commissioner; W. J. MacLeod, Secretary; V. Martens, Assistant Secretary; E. E. Baxter, Chief Statistician; C. L. Shuttleworth, Commissioner; A. H. Wilson, General Manager, Canadian Government Elevator; M. J. Conacher, Special Advisor, Grading; A. V. Svoboda, Commissioner; C. Hammond, Assistant Chief Inspector; Drs. W. Meredith and I. Hlynka, of the Research Branch.

From the National Harbours Board: Captain B. D. L. Johnson, Port

Manager, Vancouver, and Mr. W. E. Pickering.

From the Pacific Grain Transportation Committee Department of Transport: Mr. Bill Riddell.

From North Pacific Shipping: Mr. Harry Craig.

From Louis Wolfe & Sons (Vancouver) Ltd.: Mr. Alberta White.

From the Canadian Pacific Railway: Mr. J. N. Fraine.

From the Alberta Department of Agriculture: Dr. Glen R. Purnell, Director, Economics Division, and Mr. R. E. English, Statistician.

From the Alberta Wheat Pool: Messrs. Nelson Malm, First Vice-President; Allan J. Macpherson, Second Vice-President; H. K. Moen, General Manager, Vancouver; O. Keith Resenberger, Director; Omar J. Broughton, Secretary; A. T. Baker, General Manager; C. L. Nowlin, Manager, Country Operations; J. S. Harburn, Manager, Sales and Traffic; Allan M. Gibson, Manager, Public Relations; L. D. Nesbitt, Retired Superintendent of Publicity; Bruno Friesen, Economist.

From Prairie Farm Rehabilitation Administration (P.F.R.A.): Mr. M. J. Fitzgerald, Director; Mr. W. B. Thompson, Assistant Chief Engineer; Mr. W. M. Berry, Chief Design Engineer.

From the C.C.F. party of Saskatchewan: Mr. J. H. Brockelbank, M.L.A., Kelsey; Mr. I. C. Nollet, M.L.A., Cutknife; and Mr. E. I. Kramer, M.L.A., The Battlefords.

From the National Farmers Union: Mr. Roy Atkinson, President; Mr. Stuart A. Thiesson, Secretary Treasurer.

From Saskatchewan Department of Agriculture: The Honourable D. T. McFarlane, Minister of Agriculture; Mr. Harold Horner, Deputy Minister; Mr. J. A. Brown, Director, Economic Division.

From the Saskatchewan Wheat Pool: Mr. E. K. Turner, First Vice-President; Mr. R. H. Phillips, Director, Research Department; Mr. W. J. Ball, Manager, Country and Terminal Elevator Division; Mr. J. O. Wright, Secretary.

From the City of Moose Jaw: His Worship, Mayor Louis H. Lewry.

From Manitoba Pool Elevators: Dr. W. J. Parker, President; Mr. Harold B. Sneath, Vice President; Mr. George E. Franklin, Director.

From the North-West Line Elevators Association: Mr. A. S. Leach, Chairman of Executive Committee; Mr. George H. Sellers, Mr. J. D. MacDonald, Mr. R. P. Purvis.

From the Liberal Party of Manitoba: Mr. Gildas L. Molgat, M.L.A., Ste. Rose, Leader of the Opposition; Mr. Ron Clement, M.L.A.; Mr. Ralph Rasmussin.

From the Manitoba Department of Agriculture: The Hon. Harry J. Enns, Minister of Agriculture; Mr. W. E. Jarvis, Deputy Minister; Mr. G. A. Kristjanson, Assistant Director, Economics and Publications Branch.

From United Grain Growers Ltd.: Mr. R. C. Brown, Vice-President.

Your Committee would like to thank all of the above witnesses for their attendance before the Committee and for their helpfulness.

In considering its Order of Reference your Committee sat fourteen times and held eight meetings in Western Canada. The eight meetings in the West took place over one week and lasted some twenty-seven hours. The Committee also spent another twenty hours touring and inspecting grain and other facilities in and around Vancouver, Calgary, Regina, Winnipeg and the Lakehead.

Your Committee sought permission from this House to tour Western Canada for several reasons. First, the Committee wished to examine the Canadian Wheat Board on its "home stamping grounds" and secondly the Committee wanted to hear Westerners and their representatives. Third, the Committee wanted to see for itself the installation and facilities about which it has

been hearing so much. The visit to the West, your Committee feels, was invaluable, as it was both broadening and educational.

Indeed one of the most rewarding features was the understanding and knowledge gained by the Parliamentarians from Eastern Canada. This latter in the eyes of the Western members, your Committee knows, made the hearings and inspections very worth while.

Your Committee would like to thank all those who contributed to the success of the tour through the Prairie Provinces and in particular would like to express its thanks to the Chairman, and Vancouver staff of the National Harbours Board, the Lakehead Harbours Commission, the Winnipeg Grain Exchange, the Chief Commissioner and staff of the Board of Grain Commissioners, The Saskatchewan Wheat Pool, Federated Co-ops of Calgary and Western Feed Lots (Alberta) Ltd.

Your Committee has become concerned about the delay in receiving its printed evidence. It has been most awkward to write a proper Report to this House without the printed proceedings being quickly available.

Translation of the proceedings into French is also very slow and indeed the French speaking Members of your Committee have every reason to be concerned. Weeks, and even months have passed before the French translations have become available.

These remarks must in no way be taken as criticisms of the present staffs. Indeed, they are to be complimented for doing the work as well as they do under the circumstances.

Your Committee is of the opinion that if the present Committee work load is to continue or increase a greater degree of efficiency would be possible by making enlarged supporting staffs available to Committees.

The Committee is also of the opinion that more and better planned Committee meeting rooms are sorely needed.

Writing to the Chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts Mr. Speaker said, in part, the following:

"In my view authority to broadcast or telecast committee proceedings can only be given by the House of Commons itself. . . .".

Your Committee, as have other Committees, has been subjected to continued pressure to allow the televising of Committee proceedings. Your Committee is aware of the above opinion of the Speaker of the House and has felt bound by tradition in this situation. The Committee can see many difficulties if no proper controls or guidelines are established in this area. It is your Committee's view, therefore, that study should be made of this problem and if the televising of proceedings is agreed to by the House, that proper rules and regulations be drawn up.

As the session draws to a close your Committee would like to offer its thanks to the staff of the House and in particular to the Committees and Private Legislation Branch and the Interpretation Branch for the excellent work done on its behalf. Your Committee would like to make special mention of the Clerk of the Committee, Mr. Michael B. Kirby.

While considering the Report before it, your Committee considered and reached some conclusions on the following topics;

NATIONAL FARM POLICY CONFERENCE

A recommendation was made to your Committee by witnesses in Western Canada that the Federal Government should convene a national conference on farm policy.

Your Committee has sympathy for this suggestion and notes that the Canadian Federation of Agriculture endorses the idea. Your Committee feels

that such a conference might contribute a great deal to the future of farming in Canada. Your Committee, therefore, recommends that a National Farm Policy Conference be called under the auspices of the Federal Government.

CANADIAN WHEAT BOARD

Your Committee must offer its congratuations to the Chief Commissioner and staff of the Canadian Wheat Board for the excellent job they are doing selling Canadian grains. The esteem in which witnesses appearing before the Committee held the Board could not but impress your Committee.

In examining a Crown Corporation it would not be proper for a Committee of this House to delve into matters of internal administration. Your Committee feels, though, that the successes which the Canadian Wheat Board has been achieving can be traced directly to the administrative qualities found in the Commissioners and staff.

Your Committee as a result of its inquiries is of the opinion that the market for Canadian Grain is continually growing. The problem in the future will possibly lie in whether Canada can produce enough grain to meet the market's needs. Experts are of the opinion that the world wheat requirements will reach four billion bushels by 1980 and this will require quite a large increase in production. To meet its customers' requirements Canada will have to have an annual wheat production by 1980 of one billion bushels. The fear expressed is not that Canada will exceed this figure but rather that it might fail to do so.

Your Committee thus concludes that leadership in the grain trade is of growing importance for if the figures and arguments put forward by the experts are reliable then an all out effort must be made. It is your Committee's view that some of this leadership must come from the Canadian Wheat Board.

GOVERNMENT ASSISTED EXPORTS—GRAIN AND FLOUR

The world food shortage is reaching an acute stage. Witnesses appearing before your Committee felt that if it was not settled now, it would soon be politically unacceptable to ignore the hungry and the destitute. Implied in the opinions expressed by these witnesses was the idea that the whole matter was one of national concern and one that soon would see great international involvement. Your Committee will not go into the "whys" of foreign aid but would like to say that Canadian Food Aid programs must be greatly expanded.

Your Committee is in no way implying any criticism of present programs. Your Committee, conscious of the work of the Standing Committee on External Affairs, does not wish to go too far into this subject, but feels that by including a recommendation for greater food aid programs it is giving a warning that Canada must be prepared to give more, not because its present aid is minor, but because hunger is spreading.

INTERNATIONAL WHEAT AGREEMENT

Your Committee heard evidence dealing with the International Wheat Agreement (IWA). Some witnesses expressed the view that the present IWA agreement which has had two extensions should not be extended unless terms of agreement are negotiated to bring about a substantial increase in the price ranges of the better grades. Witnesses were questioned closely on this matter

and were asked what amount they would recommend as a proper, and equitable price increase for No. 1 Northern at the Canadian Lakehead.

It is your Committee's opinion that a 50 cent a bushel increase would be fair and equitable for high quality wheat in view of world market conditions.

INITIAL PAYMENTS

Your Committee heard much evidence on the size of the initial payment to producers for grain delivered to the designated elevators. To many witnesses the size of the final payment indicated that the initial payment is too low.

Your Committee has considered this evidence and is very sympathetic to the representations made. Your Committee would like to recommend that the initial payment should never be below eighty percent of the full quoted price.

JURISDICTION OF THE CANADIAN WHEAT BOARD

Evidence suggested that the jurisdiction of the Canadian Wheat Board should be extended so as to allow the Board to handle the marketing of rye, flax and rapeseed. This proposition would appear to have a general support throughout the West. The Canadian Wheat Board, when it appeared before the Committee pointed out that if the Board were to assume marketing responsibility for rye, flax and rapeseed an amendment to the Canadian Wheat Board Act would be required. The Board also stated that if such an amendment were passed that it was confident that it could handle the added responsibility.

Your Committee understood, however, that a very different type of marketing operation would be necessary to handle the marketing of flax and rapeseed. If the marketing powers of the Board were extended to cover flax and rapeseed it would, in effect, involve the establishment of a completely new operation within the Board.

After due consideration of the representations made the Committee feels that an extension of the Wheat Board jurisdiction into this area could be beneficial for the producer.

This opinion has been reached for the following reasons. First, the Canadian Wheat Board now regulates the delivery of rye, flax and rapeseed to country elevators and because of this the producer is frequently not able to take quick action to take advantage of the changing market prices. Second, a single well-established selling agency would insure uniform delivery arrangements and give the Canadian producer the considerable marketing experience of the Canadian Wheat Board. Third, Canadian Wheat Board control would in all likelihood encourage diversity of prairie grain production. Something that should in the long run prove very healthy for the grain industry.

Your Committee therefore recommends that legislation be introduced, after the usual procedures have been complied with, that would extend the jurisdiction of the Canadian Wheat Board so that it would be the sole Canadian marketing agency for rye, flax and rapeseed.

OILSEEDS

Your Committee had impressed upon it, by one of its members, and many witnesses, the importance of rapeseed. Rapeseed is one crop that grows better in Western Canada than in any other part of the world. However, if any

greater amount were grown in Canada it is very likely that prices would be drastically affected unless the total market were enlarged.

It is your Committee's view that domestic oilseeds could be used more extensively as a primary oil in Canada. If this were to happen more rapeseed could be grown on the prairies and fewer Canadian dollars would leave Canada to import corn and soybean oil.

It is your Committee's recommendation that the Oilseed Institute be urged to initiate additional research on rapeseed and that the Institute be encouraged to promote the production and marketing of rapeseed and its byproducts.

TRANSPORT EXPEDITER

The Committee is of the opinion that the appointment of a Transport Expediter during periods of recent stress performed a useful service in facilitating the movement of grain. It is your Committee's recommendation that the Government give consideration to appointing a Transport Expediter on a continuing basis.

CANADIAN LABOUR (STANDARDS) CODE

It was pointed out to the Committee that the Canada Labour (Standards) Code will pose problems and difficulties to the operation of Country Elevators. It appears that the hours of work of elevator operators varies greatly and that work periods are liable to seasonal and other influences. The Canadian Labour (Standards) Code would fix a maximum work week and provide extension beyond an approved range of overtime only with specific permission of the Federal Government. This would require that someone make themselves responsible for keeping time records of hours worked by country elevator agents.

Evidence before your Committee suggested that supervision for this amount of record keeping would be extremely difficult, particularly in situations where the only man on the elevator location is the agent himself. Were the agent to become his own time keeper it is foreseeable that disputes could arise over the matter of overtime accounting. Evidence seemed to prove to your Committee that the country elevator operator is a part of management. The provisions in the Canadian Labour (Standards) Code affecting rates of pay are not at issue in this difference because present rates of pay exceed the suggested minimum. The elevator companies appear to have a temporary deferment under the regulations provided for in the Act until some time later this summer. After this period they have been advised that they will be expected to comply with the Canadian Labour (Standards) Code.

Your Committee is of the opinion that sympathetic consideration should be given to this special situation. No action, however, should be taken to exempt the country elevator agent from the Canadian Labour (Standards) Code unless the agents themselves have been fully consulted. The exemption, your Committee feels, should be continued until the agents have been consulted.

TOLLS ON THE ST. LAWRENCE SEAWAY

During the taking of evidence, the question of tolls on the St. Lawrence Seaway was brought up repeatedly. Many witnesses were particularly against the idea of tolls on the Welland Canal. It was argued before your Committee that no other inland canal in North America had such user tolls. However, your Committee notes that no other inland canal is used by similar traffic, a fact that few witnesses pointed out.

Your Committee is aware of the large expenditures and capital costs that are involved in the continued proper operation of the Welland and appreciates the concern of the Seaway Authority that at least operating costs should be met.

It is realized that this is a delicate matter and that the policy-maker has to strike a nice balance. Your Committee, however, believes that every effort should be made to insure that tolls be either eliminated or kept to the very minimum.

To your Committee the St. Lawrence Seaway is a very definite continuation of the nation making "National Policy" of MacDonald and Laurier. The capital costs involved should, in your Committee's view, be accepted as far as possible as a direct responsibility of the people of Canada.

BOARD OF GRAIN COMMISSIONERS

While in Winnipeg your Committee had a most interesting and enlightening tour of the headquarters of the Board of Grain Commissioners. The work done by this body is considered by your Committee to be excellent and invaluable to the proper operation of the grain trade. In the Committee's opinion the work of the Board has contributed in large part to Canada's lead in the world wheat trade.

Your Committee was not impressed, however, with the cramped and crowded facilities in which the Board is housed. The staff working in the Grain Exchange Building is all the more deserving of credit for the high calibre of work produced in spite of the facilities provided them.

Your Committee recommends that the Board of Grain Commissioners and particularly the Grain Research Laboratory be provided with adequate space for offices and laboratories to facilitate and extend the commendable work being done.

GRADING

Canada is the only wheat exporting nation in the world with such an expert system of grading grain. The work of the Board of Grain Commissioners in this field has won the confidence of the most critical buyers as Canada is the only country in the world selling wheat on certificate. Your Committee heard evidence that there were some four hundred different grades of grain. Some suggestion was also made that this number was too high and that the Board of Grain Commissioners is investigating methods to bring this to a more manageable level.

Your Committee is of the opinion the work planning to minimize the number of grades of grain be encouraged and accelerated.

RESEARCH—EASTERN VARIETIES

Your Committee recommends that more research be directed towards the production of new varieties of feed grain for use throughout Canada.

WHEAT RESERVES

Your Committee heard evidence supporting the principle of the Temporary Wheat Reserves Act which provides payments to meet the storage costs of all wheat in public storage at July 31 each year in excess of 178 million bushels.

Your Committee recommends that the Temporary Wheat Reserves Act be amended to provide for payment of storage costs of all wheat in public storage at July 31 each year in excess of 100 million bushels.

Your Committee feels that Canadian Farmers must be encouraged to produce as much top quality wheat as is possible. To your Committee the size of the world population and Canada's relationship as a grain producer to it must be taken into account. So much Canadian grain is sold that there has been very small carryovers over the last few years. Your Committee does not wish to be pessimistic but would sound the warning that if the Canadian grain crop were to fail, many might go hungry. Self interest also enters the picture for if the Canadian harvest failed, then Canadian customers might and indeed would have to go elsewhere. This is not a recommendation for the creation of a food bank, although your Committee feels that eventually a bank will have to be set up.

Your Committee has it in mind that Canada must be prepared for all eventualities. The wheat reserves of this country must be such that there is a buffer to fill both domestic needs and the immediate needs of our foreign customers.

FEED GRAINS AGENCY

Witnesses appearing before the Committee in Western Canada were concerned somewhat over the role that the Eastern Feed Grains Agency might play. In general all witnesses supported the policy of the Agency. Concern was expressed, however, that a conflict might develop between the Agency and the Canadian Wheat Board if the Agency were to become a feed grains buying Agency as well as being an administrator. Your Committee noted, though, that the Commissioners of the Canadian Wheat Board did not express the same fear.

Your Committee feels that the agency must be given an opportunity to become operational before it can make any recommendations about the fears expressed. Your Committee feels, however, that some attempt should be made to lay to rest the fears expressed by witnesses.

WORK STOPPAGES

In evidence heard by your Committee, considerable dissatisfaction was expressed by the farm organizations and by the Canadian Wheat Board commissioners about the work stoppages on the railways, among dock workers, and even among terminal elevators employees. It was pointed out to your Committee numerous times that whenever grain stops moving the shut down soon reflects back through the system until eventually the country elevators are filled and the farmer is not able to deliver any more grain. The farmer does not get paid until his grain has been delivered to a licensed country elevator. Thus, large numbers of people are adversely affected. Even more important, waiting overseas customers tend to lose confidence in Canada's reliability as a supplier. A most unfavourable thing in any area as highly competitive as the grain trade.

Organizations advocated to your Committee the establishment of a form of labour management court which would provide compulsory arbitration.

Though your Committee is the Agricultural Committee its members do not disclaim knowledge of the tactics and purposes of striking. Your Committee could not accept such a suggested solution as being desirable at this time. Your Committee does realize, however, that some strikers have abused this great weapon in these last few years, and would urge these people to consider how greatly their actions affect their fellow Canadians.

Your Committee is of the opinion that serious disruption of the grain trade has such a far reaching effect on the Canadaian economy that studies must be made to find quicker and more efficient methods by which labour disputes might be settled.

PIPELINES

Your Committee heard evidence which indicated that pipelines could be a good method to transport bulk commodities in the future. While your Committee did not delve into the subject too deeply, it is enthusiastic about the possibilities. The problem in development appears to lie in the need for a cheap lubricant.

Your Committee is of the opinion that extensive research should be undertaken into this field to ascertain its practicality.

COUNTRY ELEVATORS

It is becoming urgent that some action be taken to make an overall assessment of the present and traditional method of handling grain at the local level. Evidence before the Committee suggested that the present country elevator system is in large measure outmoded and costly. The whole matter is considered of great importance by your Committee for plans are now being introduced which proposed large scale rail abandonment in Western Canada. The fear many witnesses expressed to your Committee arises out of fact that large capital expenditures will have to be made in order to update the present elevator system if the proposed rail abandonment is only partially allowed. If haphazard construction of country elevators will lower the return to the producer and raise the cost to the consumer then certainly there is a great need for research into construction of future facilities.

The changes in bulk loading and bulk carriers over the last few years in industries other than the grain industry has been very wide. These new methods of handling "bulk cargoes" have in many cases been very successful. The carriers of grain and the elevator companies have been very slow to adopt these new techniques over the last few years. In evidence before your Committee it became apparent that attempts might be made to pass the costs of these new capital projects in large part on to the producer and consumer.

This would appear somewhat unfair to your Committee for while a great deal of money has been spent on new capitalization more could and should have been spent on research and the introduction of new grain handling methods and facilities.

If many of the proposed rail abandonment go into effect the farmer will have to haul his produce much further to the country elevator. This will be an added cost to the farmer. The bigger trucks will be a major expenditure for most farmers. In turn these trucks will call for faster and surer trucking routes and these will have to be hard-surfaced, all weather roads. This latter will be a very heavy expenditure and one that will call for help from the Federal Government as well as the Province to insure that the producer does not have to bear the full direct costs.

Your Committee would like to recommend that research be carried out on an urgent basis into the design of the primary delivery country elevators; that consideration be given to placing the siting of country elevators under the control of the Board of Grain Commissioners; and that steps be taken to insure that as much as possible the much needed modernization costs are not all passed on to the producer and consumer.

The additional capital cost allowance on grain storage facilities which ran out December 31, 1966, should be reintroduced for another five years.

GOVERNMENT ELEVATORS

In your Committee's Fourth Report a recommendation was made that all Government owned grain elevators should be placed under the direction and control of one body.

Your Committee while in Western Canada had an opportunity to inspect the Canadian Government terminal elevator at Moose Jaw, Saskatchewan. It is an impressive structure and in excellent condition, however, if nothing else, the unloading facilities are hopelessly out of date. Your Committee feels that the elevator must be updated. Other evidence would suggest that many other Government elevators are equally outmoded. If these elevators are to be of much use, your Committee feels that they must be equipped with the mechanized equipment that the present needs call for.

Your Committee would like to reiterate its earlier recommendation that all Government elevators be placed under one management. Further, your Committee recommends that all Government elevators be modernized.

PILOT AREA AND PORTS

As a result of examining the Annual Reports of the Canadian Wheat Board the Committee has come to realize that over the last few years great changes have taken place in the grain industry. Change today is so very rapid that often it is an unsettling thing. Many people, aware of the tremendous strides toward society is taking, have felt that to wait and see what is around the next corner is the prudent thing to do. The result has been that often these people are left completely behind or else are put to very great capital expense to catch up. The Canadian wheat producer is as advanced as any in the world and generally speaking the industry that transports and moves his produce to market is as advanced. Great expenditures are required, however, on newer and better primary delivery points. Railway methods of transport need vast improvement and the harbours of the country, presently running near capacity must be expanded. The changes will be expensive and must be wisely and judiciously introduced.

Your Committee feels that it is the Government's responsibility to insure that the changes that are made are to the producer's and the country's advantage. One of the best methods that your Committee can envisage to insure that the best and least expensive modernizations are made on the local level would be the creation of two or three pilot projects.

Your Committee feels that steps should be taken to find areas that are at present already grappling with the changing technology and environmental changes these bring. The area should be approximately two hundred square miles in size.

The type of project envisaged cannot be set out in great detail here but your Committee would like the following to be considered. The main purpose of the project would be to produce grain as cheaply as possible and move it cheaply from the field to country gathering points—the elevator—by truck.

Farmers would be at the most one hundred miles from the elevator and they would need a proper grid system of roads so as to get to the elevator quickly. The country elevator must not be considered a place of storage but should have storage facilities near it or connected to it. The elevator must be considered as a place from which grain moves by bulk transportation to market or terminal elevators and should be of the most modern type and capable of handling bulk type cars as well as the traditional cars.

The ports will also need changing. At present the unloading facilities of the big elevators are not capable of handling the new bulk type hopper cars. The harbours will need deepening in places to handle the bigger and bigger bulk carrier ships. The loading arms at the port terminal elevators are in many cases inadequate.

Your Committee has but slightly skimmed the surface of this subject and knows that a pilot project such as it foresees will need a lot of planning, work and coordination. However, your Committee cannot stress too strongly how important is the need for modernization at the many levels of the grain industry.

VANCOUVER HARBOUR

While in Vancouver your Committee had an opportunity to tour the Vancouver harbour and was most impressed by its potential. Your Committee felt, however, that the harbour suffers from a lack of trackage and handling facilities. It became clear that there are not adequate tracks in Vancouver to spot enough cars at elevators to enable the elevators to operate at a satisfactory level of efficiency.

Your Committee strongly recommends that the Government and Canadian Wheat Board encourage the railway companies to speed up their plans for new track in the Vancouver area and the improvement of the trackage already there. Your Committee feels it would be desirable to coordinate all harbour and handling facilities for maximum efficiency.

SUMMARY

While examining the Annual and Supplementary Reports of the Canadian Wheat Board your Committee came to appreciate the tremendous work being done by the people in and connected with the grain trade. Your Committee cannot say less than that they are a definite asset to the whole of Canada. The amount of investment in terms of capital and man-hours is most impressive.

Your Committee has come to the conclusion that while the Canadian Wheat Board is officially charged with the marketing of wheat it should involve itself in other facets of the trade. It is realized that the Wheat Board cannot interfere directly in other areas of jurisdiction but it should be able to use judicious methods to put across points and ideas that come to it. For example, the equipment at Moose Jaw is, in many respects, out-of-date and thus expensive in terms of labour. The Board could encourage modernization and utilization. In fact it should, for when that elevator is used now, the producers lose money. The same reasoning applies to the conditions of the railways and the ports. Anything that lowers the return to the producer is definitely a concern of the Board.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 27 to 33) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 74 to the Journals).

Mr. Haidasz for Mr. Klein, from the Special Joint Committee on Immigration, presented the Third Report of the said Committee, which is as follows:

On Thursday, October 20, 1966, the following matters were referred to the Special Joint Committee of the Senate and House of Commons on Immigration for its consideration and report:

The White Paper on Immigration tabled in the House of Commons by the Minister of Manpower and Immigration on October 14, 1966, and tabled in the Senate on October 18, 1966, and also the Reports on immigration matters made to the Government of Canada by Mr. Joseph Sedgwick, Q.C., in 1964 and 1966.

From November 10, 1966 to May 8, 1967, the Committee has held 37 meetings and has heard 39 briefs from and including the Government of the Province of Manitoba, representatives of the Canadian Chamber of Commerce, Professional and Business Men's Association, Labour Unions, many national organizations of ethnic groups and individuals.

The Committee, not having presently access to all the evidence adduced before it, is reluctant to present a final report to both Houses.

Your Committee therefore recommends that it be reconstituted next session and the evidence adduced during the present session, in both French and English, be referred to it, so that it will be in a position to pursue its work on this important matter, namely Canadian Immigration Policy.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 1 to 20) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 75 to the Journals).

Mr. Allmand for Mr. Basford, from the Special Joint Committee on Consumer Credit and Cost of Living, presented the Sixth Report of the said Committee, which is as follows:

1. Introduction

Your Committee met in Ottawa on 42 occasions in the period September 28 to December 13, 1966. It tabled an Interim Report on December 20 outlining its findings based on this first series of hearings. For ease of reference, this Interim Report is included as Appendix D. It resumed public hearings on January 17, 1967 and met 17 times in Ottawa in the period up to February 16. Immediately following this, two subcommittees were established and these subcommittees began a series of public hearings in most of the major centres of Canada. Several additional meetings of your Committee were held in Ottawa after their return from their field trip.

Your Committee found that many organizations and individuals were eager to express their views on the cost of living in Canada and on many other aspects of consumer welfare. Your Committee was a forum for the expression of consumer complaints, ideas and suggestions and provided a

useful means of informing the public on current economic issues. Men of business, the academic community and members of the public service gave your Committee a great deal of valuable information which has a direct bearing on public policy. The submission of this report does not mean that parliamentary concern for the well-being of consumers can now be suspended even temporarily.

Much of the attention of your Committee has been devoted to factors influencing the cost of food. To a lesser extent your Committee has concerned itself with housing. Your Committee recognizes that price changes have been very important in other fields of consumer expenditure. This is clearly indicated by the behaviour of the various components of the Consumer Price Index published by the Dominion Bureau of Statistics. The change in the principal components is illustrated by the following index numbers (1949=100).

	Component Weights	March 1967
All-Items	. 100	146.5
Food	. 27	143.3
Housing	. 32	148.4
Clothing	. 11	130.8
Transportation		155.6
Health and Personal Care		185.2
Recreation and Reading	. 5	163.7
Tobacco and Alcohol	. 6	127.5

Your Committee is well aware of the importance of those areas which it has not investigated but its time was almost completely absored by issues to which it assigned a higher priority. There remain many issues affecting consumers requiring continuing investigation which can be usefully carried out by a parliamentary committee. With this in mind your Committee again recommends that it be continued as a standing committee preferably for the life of a parliament to maintain surveillance over the welfare of consumers. It is particularly important to extend the Committee's life until the forecast department of the government responsible for consumer affairs is in full operation.

Your Committee is very conscious of its debt to many people for their helpful assistance during the course of its hearings. It recognizes that the preparation of some of the information asked for from corporate witnesses was burdensome and costly and it gratefully records its appreciation of the co-operation which was universally displayed both by them and by other witnesses. The list of witnesses appearing before your Committee is shown in Appendix B and Appendix C.

Recommendation:

That a standing committee of the House of Commons and Senate be appointed, preferaby for the life of a parliament, to concern itself with the problems of consumer welfare.

2. Price Trends in Canada

Your Committee heard from many sources of the social and economic advantages of relative price stability and had presented to it a variety of statistical material on price trends. It must be clearly appreciated that the problems associated with rising prices exist in other countries and also that the recent Canadian experience has been relatively favourable. The following

table, showing the trend of consumer prices in 27 countries from 1958 until late 1966, indicates that Canada has not fared badly in comparison.

Change in the Cost of Living in Twenty-Seven Countries (from 1958 to November, 1966)

	Percentage Change
United States	14
Canada	
Australia (to September, 1966)	
Belgium	
Greece	
South Africa	21
Germany	22
Mexico	24
New Zealand (to third quarter, 1966)	24
Switzerland	26
United Kingdom	27
Portugal (to October, 1966)	28
Austria	29
Ireland	29
Pakistan	29
Norway	31
Italy	34
Sweden (to October, 1966)	34
France	37
Finland	43
Denmark (to October, 1966)	44
Japan	50
Israel	60
India (to October, 1966)	65
Spain (to September, 1966)	65
Turkey	77
Yugoslavia	167

Source: International Financial Statistics February 1967.

Much of the expert testimony of both academic and government economists emphasized that the increase in the cost of living which has been observed in Canada in the recent past is a complex phenomenon. There have been many influences at work and these in turn set up chain reactions which ultimately permeate the economy and have a buoyant influence on particular prices and on the price level in general. One fact to bear in mind is that the Canadian economy is strongly influenced by the prices of imported commodities which fluctuate in response to world market conditions. In other cases, there was evidence that the price of some foods had increased because of a fall in farm output attributable to lower prices in an earlier period.

While your Committee observed erratic increases in the prices of some farm commodities, it noted that farm prices are subject to a complex of market and technical influences. Farm prices have been affected by short-term cyclical movements as well as by changing agricultural technology not to mention changes in taste, weather and erratic fluctuations in world supply and demand. Your Committee found it difficult to arrive at any generalization concerning farm prices in view of the different patterns which were observed.

Nor did it make any judgment on the trend of farm income in Canada, an issue which fell outside its terms of reference.

In general, it is to be expected that prices will rise in response to high levels of demand arising from larger amounts of money that people have to spend on consumption. An increase in consumer prices will in turn generate demands for higher wages which affect costs and so the whole process is a self-reinforcing one.

This complicated process is sometimes oversimplified and an attempt made to attribute a general price increase solely to some particular group such as trade unions, business, financiers, farmers, profiteers or even consumers themselves. The evidence presented to your Committee did not support any such unsophisticated view. It is instructive to note that the trend of consumer prices in Canada and the United States has exhibited a similar pattern. The table below shows the course of the Consumer Price Indexes since 1949. Although the absolute levels of these indexes differ the close correspondence in their movement is remarkable.

CONSUMER PRICE INDEXES (1949 == 100)

	Canada	United States
1949	100	100
1952	116.5	111.5
1955	116.4	112.5
1958	125.1	121.3
1961	129.2	125.9
1962	130.7	127.0
1963	133.0	128.5
1964	135.4	130.6
1965	138.7	132.8
1966	143.9	136.6

Your Committee heard on several occasions about certain statistical investigations which had analyzed the relation between unemployment and price changes. The general conclusion seemed to be that once unemployment reached some critical level attempts to reduce it further would lead to price increases. Such statistical analyses throw interesting light on the problems of price stability but the validity of the precise relations appear to depend heavily on a number of special assumptions. Your Committee has some concern that an oversimplified version of the so-called "trade off" relationship showing the statistical relation between unemployment and price changes might foster the view that an increase in unemployment is essential if excessive price increases are to be curbed. Price stability which is achieved at the expense of increased unemployment is not an acceptable policy in the opinion of your Committee. It believes, on the contrary, that reasonable price stability and reasonably full employment levels are compatible, assuming that both the government and the public are well informed and act accordingly.

On numerous occasions, expert witnesses before your Committee stressed the importance of timing in any actions taken by the government to counteract either inflationary or deflationary trends. However, changes in fiscal policy are usually tied to federal budgets whose timing is strongly influenced by administrative considerations. Correspondence between short-run economic fluctua-

tions and the presentation of a budget may be erratic and this raises the question whether it would be practical to introduce some additional flexibility in fiscal policy. The suggestion has been made that some discretionary authority be given to the government to modify tax rates within specified limits. Some of the discretionary features embodied in the legislation relating to the five per cent refundable tax on corporations introduced in the spring of 1966 will serve as an example. Your Committee believes that the feasibility of greater discretionary fiscal authority is worth exploring.

Recommendation:

That consideration be given to the feasibility of providing the government with greater discretionary fiscal authority.

3. The Third Annual Review of the Economic Council of Canada

In March, 1965, the Economic Council of Canada was asked by the Government to undertake a special study of economic conditions in Canada. Specifically the Council was requested:

- 1. To study factors affecting price determination and the interrelation between movements in prices and costs and levels of productivity and incomes.
- 2. To report on their relationships to sustained economic growth and to the achievement of high levels of employment and trade and rising standards of living.
- 3. To review the policies and experiences of other countries in this field and their relevance to Canada.

The results of the Council's work were published in November, 1966 with the title "Prices, Productivity and Employment." It was a fortunate coincidence that this valuable and timely analysis became available to your Committee in the course of its deliberations. The Chairman of the Economic Council supplemented the published report with oral testimony to your Committee. Following this, the Senate formally referred the Third Annual Review of the Economic Council of Canada to your Committee. In consequence, many of the hearings of your Committee in the early part of 1967 were in the form of commentaries and elaborations on some of the conclusions of the Economic Council, A number of distinguished academic and other economists gave testimony on different aspects of the Economic Council's report. Since the number of witnesses was limited, it was not possible to ascertain whether there was any consensus among Canadian economists on the main conclusions of the Economic Council's report but the evidence presented to your Committee indicated that there was a substantial measure of agreement among the expert witnesses. Your Committee is aware that differences of opinion on the Economic Council's report exist among professional economists but its general conclusion was that these differences are not sufficiently important to cast doubts on the validity of the Economic Council's findings and recommendations.

A detailed assessment by your Committee of all the Economic Council's conclusions is not called for but your Committee does have some comments on a few specific topics. These are:

- (a) The need for improved economic statistics;
- (b) The encouragement of economic research;
- (c) Public information on economic affairs.

(a) The need for improved economic statistics

Your Committee became aware, early in its hearings, of the need for reliable, comprehensive and timely statistical information in order to form a judgment on the state of the economy. These views were formed before the issuance of the Third Annual Review of the Economic Council but the following observation in the Review summarizes the conclusions of your Committee:

Questions of high policy are decided on the basis of the presumed accuracy of our economic statistics. If the statistics are inaccurate, the policies may well be wrong. Good information is required for good decision-making at all levels—business firms, governments, labour unions, and private individuals. In the light of this, it is clearly of fundamental importance to consider Canadian price measures from the standpoint of their reliability and usefulness for economic analysis and policy decisions.

In its interim report, your Committee recommended "both a greater degree of interdepartmental co-ordination in the compilation of price statistics and the diversion of professional staff to expand and improve the statistical information on prices throughout the public service, and particularly in the Dominion Bureau of Statistics." Your Committee reaffirms this recommendation.

Any general and persistent increase in the price level has a profound effect on both the economic and social fabric of a country. When the rate of increase exceeds some critical level it produces unrest and inequities and may create economic problems which have a high social cost. Parts of the population may be able to adapt to rising prices but in general these will be those who have economic or market power and whose earnings increase sufficiently fast to maintain their real income. That part of the population which is disadvantaged and economically weak will usually suffer. The handicapped, the aged, the pensioners the underemployed and the unskilled workers bear an undue share of the burden of rising prices. One major contribution which could be undertaken by the federal government would be to carry out surveys of family expenditure patterns at frequent intervals to provide some objective assessment of the impact of rising prices on the disadvantaged. While it was not your Committee's duty to enquire in detail into incomes policy, your Committee feels that one aim of such studies would be to facilitate studies of the feasibility of establishing guaranteed minimum annual incomes for all citizens.

Your Committee has also been made aware, through testimony submitted to it, of the pressing requirement for more and more factual information about social, demographic and economic trends both regionally and for Canada as a whole. It recommends that this whole area of activity within the public service be kept under continual review by the government to ensure that the necessary manpower and financial resources are available to support a vigorous and coherent program.

(b) The encouragement of economic research

Your Committee was particularly impressed by the recommendation of the Economic Council for the creation of "an independent research institute, specializing in the analysis of current economic developments..." This would be a

counterpart of a number of similar agencies in other countries which have contributed so outstandingly to the understanding of economic problems. Your Committee concurs in this view concerning the need for such an agency and is also in agreement with the views of the Economic Council concerning its organization and independence.

In the opinion of your Committee, such a research institute should have four principal functions. The first would be the issuance at frequent intervals of bulletins on economic developments designed primarily for government and business. The second would be the dissemination of information to the general public. This would be intended to promote greater popular understanding of economic issues. The third would be to provide a training ground for academic and other students of economics. This visualizes the establishment of a number of internships or fellowships which would be open to graduate students, business economists or representatives of the press or other media. The fourth function would be to sponsor and stimulate research on economic problems in Canadian universities. This would be an attempt to remedy the present deficiencies in funds available for academic research in applied economics in Canada.

(c) Public information on economic affairs

Your Committee called attention in its Interim Report to the desirability of a much wider dissemination of information about the prices of consumption goods. It reiterates its views on this subject and emphasizes the importance of detailed price information if the market place is to be competitive. The extent to which the government can publicize information about individual prices is necessarily limited because of the wide variation among local markets. Consumers must follow the trend of prices in their own locality if they are to exercise rational and informed choices. Your Committee, however, believes that the newspapers and other media of public information should devote even greater attention to the presentation of factual and interpretive information about price movements in order to stimulate informed public discussion on economic affairs. The object would be not only to assist consumers in shopping more carefully, but to improve the level of public understanding of a variety of developments in the economy including trends in wages, income, interest rates and other economic indicators.

Recommendations:

- (a) That efforts be made to achieve a greater degree of interdepartmental co-ordination in the compilation of price statistics and that more professional staff be diverted to expand and improve statistical information on prices throughout the public service;
- (b) That the federal government should carry out surveys of family expenditure pattern at frequent intervals to provide some objective assessment of the impact of rising prices on the disadvantaged;
- (c) That a vigorous and coherent program of research on social, demographic and economic trends in Canada be undertaken;

- (d) That an independent research institute specializing in the analysis of current economic developments be established;
- (e) That the government, newspapers and other media devote greater attention to the dissemination of information on price movements and economic affairs.

4. Regional Committee Hearings

During the fall of 1966, it became evident from the letters and submissions to your Committee that public concern over the rising cost of living was widespread and that the problems of diverse regions could not all be dealt with during the Committee's sessions in Ottawa. For one thing, it was not practical for many groups and organizations in the provinces to travel to Ottawa to present briefs. Consequently, it was decided that sessions of your Committee should be held in a number of centres outside Ottawa. It was the opinion of your Committee that regional views might yield useful information on trends in the cost of living generally and on the costs of housing in particular.

Having received the authorization on December 20, 1966, from the Senate and House of Commons "to adjourn from place to place," your Committee scheduled public hearings in twelve cities selected primarily to represent the various regions in the country. To save time, two subcommittees were formed which covered eastern and western Canada simultaneously between February 20 and March 1. During the hearings outside Ottawa the subcommittees heard 197 witnesses who spoke on behalf of 90 groups and organizations. A list of the cities visited and the witnesses appearing before each subcommittee is given in Appendix C.

This report makes no attempt to summarize the vast amount of written and oral information presented. The written submissions of the witnesses have been printed as a part of the proceedings of your Committee (No. 39, March 21, 1967). It is the hope of your Committee that this body of testimony will be of continuing value for study and research by various government departments, and in particular by the Department of Consumer Affairs which it is hoped will be established.

The subcommittees found without exception that public interest in the cost of living was keen in every part of the country. This was demonstrated repeatedly both by the number of witnesses and spectators in attendance at the hearings and the extent of public interest in the sessions. Most impressive, however, was the degree of concern shown on the part of the witnesses. It was evident that considerable research and thought had been devoted to the written and oral testimony. In view of the very short notice that was given, most of the submissions were exceptionally well prepared. The Committee wishes to record its appreciation to all the participating individuals, groups and organizations for their valuable testimony and co-operation.

A good deal of useful information on various aspects of food costs was presented and most of it substantiated the earlier findings of your Committee. However, your Committee noted that there did not appear to be complete unanimity among Canadian consumers on specific consumer problems. The range of opinion on certain advertising and promotional practices, for example, was so wide that few conclusions could be drawn about their acceptability to the average consumer. On the other hand, the consumer was unanimous in her appeal for more informative labelling on packaged goods. There was also a

widespread opinion that the proliferation of package sizes was excessive and that size standardization was needed for numerous products.

In many instances consumer groups were well aware of the previous work and findings of the Committee. Many presentations did no more than emphasize the findings and recommendations tabled in the Interim Report of December 20, 1966. It is the conclusion of your Committee that national and regional publicity given to its sessions in Ottawa had provided useful information to many consumers.

In line with a recommendation in the Interim Report, several organizations called for more and better consumer education and information services. Nearly all consumer groups expressed the view that a government body was needed to protect their interests on a continuing basis.

Both subcommittees were impressed by the high calibre of the testimony presented on the subject of housing. Treatment of this complex subject was often very thorough and extensive.

5. Department of Consumer Affairs

Your Committee has been pleased to note from statements in the House of Commons that consideration is being given by the government to the establishment of a Department of Consumer Affairs. Testimony presented to your Committee indicates that there is widespread public support for such an agency and it urges that the necessary legislative and administrative action be taken as quickly as possible.

Your Committee believes that a centralization of government responsibility for consumer problems would be beneficial to the general welfare. At the present time, inadequate recognition is given to the growing importance of consumer protection. Present responsibilities in this field are spread over several departments and the lack of a completely co-ordinated approach is evident. Consumer protection is a technical field involving legal and technical specialization and there would be great advantages in assembling in one agency the expertise necessary to deal with a wide range of consumer matters. Above all, a department would clearly assign responsibility to a minister and his staff to do all in their power to improve the lot of the Canadian consumer.

While your Committee is not in a position to make specific recommendations concerning the way in which a Department of Consumer Affairs should be organized it does suggest that the components of the department concerned with consumer affairs should have three principal functions or aims: (a) consumer standards; (b) consumer protection; (c) consumer information.

(a) Consumer standards

Great progress has been made in Canada in the development of grades and standards for consumer goods, particularly for food. Nevertheless, your Committee feels that much remains to be done in the extension of the grading system to include a much higher proportion of the items in the family budget. The Development of grades often involves technical difficulties and would clearly require the co-operation of industrial or producing groups. However, your Committee is strongly of the opinion that the grades that are established should reflect the tastes and preferences of well-informed consumers. Your Committee also feels that a standard method of designating grade standards would help the consumer. The present system which makes use of numbers, colours, letters and adjectives for different commodities is confusing to the uninitiated and would be more informative if the grade designations were standardized and simplified. Standards should not apply only to specific commodities, but where feasible, packaging and weights and measures should be designed to inform the consumer as fully as possible.

Although your Committee is reluctant to become involved in the technical aspects of grade labelling, it did conclude that the consumer would benefit by the establishment of standard grades at the retail level for such foods as beef, bacon and sausages. Your Committee noted the use of a stamp "Canada Approved" on certain products processed in plants inspected by the Department of Agriculture. The wording of this stamp is easily subject to misinterpretation and your Committee suggests that a different form of words would be more suitable.

(b) Consumer protection

Your Committee perceives the need for an expert group within the Department to investigate any merchandising practices which take advantage of or mislead consumers. This group should have the responsibility for looking into consumer complaints and for undertaking legal or other action to rectify legitimate grievances. One example of an area which would merit attention is Section 306 of the Criminal Code dealing with misleading advertising. Evidence before your Committee has shown that this section is used very little, in part because the Attorneys-General of the provinces are absorbed with more immediate matters, and in part because the wording of the section is open to differing interpretations. Your Committee is of the opinion that the Department of Consumer Affairs should investigate complaints and undertake specific studies of advertising practices which tend to mislead consumers so that appropriate legal or administrative action could be taken to eliminate abuses in advertising and selling practices.

(c) Consumer information

In its Interim Report, your Committee called attention to the need for additional efforts by government departments "to distribute as widely as possible attractive and informative material which will help the Canadian housewife to be a well informed and careful shopper." The formulation of an information program should be centralized in the Department of Consumer Affairs. Without disputing the value of informative and attractive pamphlets for distribution to schools, consumer groups and the general public, your Committee believes that increasing attention should be devoted to television programs of interest to consumers. The impact of information conveyed in this fashion is likely to be greater, provided the material is well-conceived and well-executed.

Your Committee was favourably impressed during its hearings in Ottawa and in other parts of the country by the valuable work being done in continuing consumer education by the Consumers' Association of Canada. This organization has been effective in sponsoring many changes beneficial to the health and pocketbook of the consumer. Its periodical publication "Canadian Consumer" (Le Consommateur) contains a great deal of useful information on consumer products. Your Committee believes that the program of product testing which the Consumers' Association of Canada has undertaken would be of great value to a much larger group of Canadian consumers. In addition to the Consumers' Association of Canada, your Committee wishes to acknowledge the vigour and initiative of other consumer organizations, both local and national, who drew attention so forcefully to the problem of rising food prices during 1966.

Your Committee heard expert testimony on the question of the control of domestic commerce through the criminal law and was impressed by the views expressed by Lord Atkin for the Judicial Committee of the Privy Council in the case of *Proprietary Articles Trade Association v. A.-G.* for Canada, (1931) A.C. 310.

"if Parliament genuinely determines that commercial activities which can be so described are to be suppressed in the public interest, their Lordships see no reason why Parliament should not make them crimes. 'Criminal law' means 'the criminal law in its widest sense': A.-G. for Ontario v. Hamilton Street Railway Company, (1903) A.C. 524. It certainly is not confined to what was criminal by the law of England or of any Province in 1867. The power must extend to legislation to make new crimes. Criminal law connotes only the quality of such acts or omissions as are prohibited under appropriate penal provisions by authority of the State. The criminal quality of an act cannot be discerned by intuition; nor can it be discovered by reference to any standard but one: Is the act prohibited with penal consequences?..."

Despite this, your Committee feels that too much reliance has been placed on criminal law in controlling or prohibiting practices which are injurious to the welfare of consumers. The fact that federal jurisdiction for consumer welfare has depended so heavily on criminal law has made it difficult to regulate some practices which are undesirable from an economic point of view but which do not seem to be "crimes" to a layman. Your Committee believes that more reliance should be placed on the federal powers to regulate trade and commerce to impose standards of good behaviour in the marketplace. There appears to be a need for a commission or board under the aegis of the Department of Consumer Affairs which is empowered to hear public testimony and to enjoin persons from conducting business in a manner which, through misrepresentation, incorrect labelling, misleading advertising or fraudulence, is injurious to the public welfare.

Recommendations:

- (a) That a Department of Consumer Affairs be established to undertake the discharge of federal responsibility for consumer standards, consumer protection and consumer information;
- (b) That simplified and standardized methods of designating grade standards be established for the widest practical range of consumer commodities;

- (c) That packaging and weights and measures be designed to inform the consumer as fully as possible;
- (d) That the stamp "Canada Approved" on certain products be replaced by a less ambiguous designation;
- (e) That the Department of Consumer Affairs undertake studies of advertising practices with a view to eliminating abuses in advertising by appropriate legal or administrative action.
- (f) That a consumer information program be centralized in the Department of Consumer Affairs;
- (g) That more attention be devoted to television as a means of informing the consumer;
- (h) That a commission or board under the aegis of the Department of Consumer Affairs be established and empowered to hear public testimony and to enjoin persons from conducting business in a way that unfairly or adversely affects the welfare of consumers.

6. Housing

Your Committee heard testimony on the factors which were increasing the cost of housing in Canada. It was emphasized by some witnesses that the many new houses embodied changes which reflected higher quality or greater convenience. Your Committee found difficulty in distinguishing between the increased costs associated with higher quality housing and other aspects of increased cost of building houses. The attention of your Committee was directed to many elements which tended to increase the cost of residential housing including the cost of serviced land, interest rates, fluctuations in the availability of mortgage credit, higher labour rates, increased sales taxes and rising material costs.

The National Housing Act, since its inception, has undoubtedly contributed to the improvement of housing conditions in Canada. This legislation clearly recognizes the importance of good housing in the betterment of social conditions and in the creation of a satisfactory family environment. However, your Committee has concluded that the division of jurisdiction in the housing field among the municipal, provincial and federal authorities has proved a serious bar to action. This is particularly true in the field of public housing where the regional distrbiution of expenditures leaves much to be desired. Your Committee feels that the lack of progress in public housing in some areas of the country reflects a need for vigorous and decisive action by all levels of government. It was pointed out by the President of the Central Mortgage and Housing Corporation that during 1966 about 60 per cent of the total federal grants of \$100 million for public housing went to Ontario. This fact appears to establish a lamentable lack of geographic balance in the public housing program because of the failure of some of the provinces to take advantage of the relevant provisions of the National Housing Act. Your Committee suggests that there should be an annual federal-provincial conference on housing whose principal purpose would be to assess the housing requirements of each province in the short-term future. This would permit an up-to-date review of housing conditions and it is hoped would stimulate the appropriate levels of government to improve the effectiveness of the provisions of the National Housing Act.

In one other area your Committee is of the opinion that there is an unacceptable lack of symmetry in the National Housing Act between the treatment of new and existing housing. Recent changes in the Act concerning existing housing were referred to in testimony by the President of the Central Mortgage and Housing Corporation:

The recent legislation to bring lower priced existing homes under the insured loan provisions of the National Housing Act is also part of the effort to remould our arrangements to meet the circumstances of the future. This legislation is intended to remove the inequity that existed in the past in terms of ease of access to home-ownership as between those in the lower income groups and those of higher income groups. It will, at the same time, help to bring about a more efficient use of our housing stock and add to the incentives for the better maintenance of the older part of that stock.

Your Committee's view is that the amendments to the National Housing Act providing for guaranteed loans on existing housing, introduced in 1966, was a major step forward. However, it feels that the double-barreled requirement involving both buying and improving a property as well as the maximum guarantee of \$10,000 is unsatisfactory. Your Committee is of the opinion that there should be no difference in the maximum loan between new and existing housing. Apart from this, your Committee believes that such loans should be available for the purchase or the improvement of the existing stock of housing. This proposal is made because of the recognized difficulty of adding to the amount of housing available in the short run. Any action which can be taken to use existing stocks more effectively should be encouraged.

Your Committee reached the conclusion that a significant contribution to the improvement of the quality and quantity of the housing now available could be achieved by an increase in the upper limit of home improvement loans made under Section 24 of the National Housing Act.

In its argument for greater stability in the construction industry in its Third Annual Review, the Economic Council of Canada lists two factors which have impeded successful governmental action:

- (1) An excessively short-term, intermittent, and one-way approach to the problem. A policy for stabilizing the growth of construction expenditure that manifests itself chiefly as an attempt to cut back spending in years when a boom situation and numerous pockets of excess demand have already developed is unlikely to stem the momentum greatly in the short run. Its main effect may well be deferred somewhat, involving some risk of administering a depressant to a patient that has begun to need a stimulant.
- (2) An excessive concentration of attention on the instability of construction spending in the private sector of the economy, as compared with that in the public sector, some of which is inherently more susceptible to stabilizing action.

The heavy impact of fiscal policy on the volume of residential construction results in fluctuations which impair the efficiency of the construction industry and lead to intermittent housing shortages. These bring with them serious economic and social problems.

Your Committee feels that there is an overwhelming need for a national housing plan based on the premise that every Canadian deserves a decent place to live in. Good intentions in this field have abounded but progress has been unsatisfactory. Local planning has, with few exceptions, been inadequate but the

chief obstacle has been the lack of local or municipal financial resources. This difficulty is not likely to disappear. After hearing testimony on the subject your Committee concludes that housing has been a neglected poor relation for far too long.

The objective of a viable housing plan is not likely to be achieved so long as responsibility rests unevenly with municipal, provincial and federal authorities. To clarify the federal responsibility and to assign to housing the importance it deserves, your Committee recommends that a much higher priority be assigned to the housing problem by the federal government.

Recommendations:

- (a) That there should be an annual federal-provincial conference on housing to assess the housing requirements of each province in the short-term future;
- (b) That the maximum loans available under the National Housing Act for existing housing be no less than for new houses, and that such loans be available either for purchase or improvement;
- (c) That the upper limit of home improvement loans under Section 24 of the National Housing Act be increased;
- (d) That the federal government assign a higher priority to the problems of housing in Canada.

7. Concentration in the Food Processing and Distribution Industries

Monopolistic control of any significant part of food processing or distribution in Canada is inimical to the national interest. Your Committee has therefore been most eager in the course of its hearings and investigations to detect any instances of undue market power. In its Interim Report your Committee recommended:

that a thorough assessment should be made of the organization of the food industry with the object of publicizing any monopolistic tendencies which may exist, of determining whether the market power of any group or groups is sufficient to impair the workings of a competitive market and whether there are any undue barriers to entry.

Some preliminary investigation in this field was sponsored by your Committee but it became evident that any firm conclusions would have to be based on detailed research, which could not be carried out in the time available. Your Committee agrees with the conclusions of the Economic Council of Canada in its Third Annual Review.

It is clear that a continuous approach, to the extent that it is possible, is likely to be more effective than, say, an approach which consisted only of sporadic ripostes to those more obvious exercises of market power which readily attract public attention.

One witness in speaking before your Committee and referring to the National Commission on Food Marketing in the United States said:

The Commission did not find a general case for opposing vertical integration and conglomeration. It did conclude, however, that the good conduct of firms of this kind would be more nearly assured if they were required to disclose to the public the financial results of their operations in each major field in which they were engaged.

Your Committee strongly espouses the doctrine of visibility in corporate affairs. It feels that many more intimate details of the way particular markets

work should be exposed to the public view. The argument that the competitive position of a firm would be damaged by the revelation of information must be balanced against the possibility that its actions may be damaging to other members of the industry or to the public. As an example, your Committee feels that more information should be made public on advertising, selling and promotional expenses and the way these costs are shared by the different levels of the food industry. The precise method by which this should be done is outside the province of your Committee but it nevertheless feels that the information is essential to anyone studying the impact of market power in Canada.

In the course of dealing with the question of market power and consumer protection, the Economic Council of Canada concluded that market power could not "be assigned sole or principal responsibility for the kind of rising price phenomenon which the economy typically experiences as it moves through a business-cycle expansion." Your Committee subscribes to this conclusion but it has at the same time noticed a tendency in both Canada and the United States toward increasing concentration in the manufacture and distribution of consumer goods. Such trends are not readily assessed and it is not possible to measure the increased concentration with precision or to predict its impact on market behaviour. Your Committee feels that the question of concentration, particularly in areas affecting the consumer, should be the subject of continuous review and examination. Such an examination might well include corresponding analyses of price behaviour to determine whether there is any identifiable relation between price trends and the degree of concentration in particular areas of the economy. A judgment about the social consequences of market power does not, of course, depend solely on the course of prices but may involve many other aspects of economic behaviour which might affect the welfare of the community. For example, your Committee would be greatly concerned if increasing concentration were associated with barriers to entry or any other restrictive practices which would diminish the effectiveness of competition.

Your Committee noted that the Director of Investigation and Research under the Combines Investigation Act reported the discontinuance of a study of concentration in the food retailing industry in Canada on March 15, 1963 (Report of the Director of Investigation and Research, Combines Investigation Act for the year ended March 31, 1963). Your Committee recommends that this study be resumed on a continuous basis and broadened to cover both food retailing and manufacturing in Canada with a particular view to examining concentration, market power and trade practices in the relations between retailers and suppliers.

Your Committee also reiterates the conclusion of its Interim Report that the differences in the disclosure requirements of public companies and private companies whose operations significantly affect the public should be abandoned.

Recommendations:

- (a) That the government, as a matter of policy, encourage the publication of data concerning detailed corporate operations which affect consumer welfare:
- (b) That the discontinued study of concentration in the food retailing industry conducted by the Director of Investigation and Research under the Combines Investigation Act be resumed and broadened to cover both food retailing and manufacturing;
- (c) That the differences in the disclosure requirements of public companies and private companies whose operations significantly affect the public be abandoned.

8. Commodity Taxes and Tariffs

Your Committee has observed a number of instances where new or increased taxes on commodities have had the effect of increasing consumer prices. It did not undertake to explore this question in detail partly because of the anticipated release of the Report of the Royal Commission on Taxation (1966). Your Committee noted with interest and approval the comments of the Royal Commission on Taxation on the regressive characteristics of the present sales taxes and its recommendation that "necessities" and goods and services required to produce "necessities" be exempt. Low income groups which are particularly susceptible to economic damage by rising prices are also hurt by fiscal policies which rely unduly on commodity taxes.

The federal sales tax on margarine was complained of frequently by consumer groups before your Committee during its hearings across the country. Representatives of margarine manufacturers also gave testimony recording their opposition to the retention of this tax and indicated that the benefits of repeal would be completely passed on to the consumer.

The Royal Commission on Taxation (1966) referred to this question in the following terms:

Before leaving the subject of food, mention must be made of an an anomaly which does not create administrative difficulties under a manufacturer's tax but which nevertheless amounts to discrimination of such flagrant character that it cannot be ignored. Butter is exempt from sales tax, but margarine, butter's direct competitior and inexpensive substitute, is taxable in nine of the ten Canadian provinces. Only Newfoundland consumers are allowed to purchase tax-exempt margarine... Hence not only is there discrimination between competing products but there is also discrimination between Canadian consumers, depending on their province of residence. From a neutrality standpoint, it is imperative that both butter and margarine receive the same sales tax treatment.

Your Committee agrees with this conclusion.

Some evidence was also presented to your Committee concerning the impact of tariffs on consumer prices. The fundamental impact of tariffs is on the pattern of utilization of domestic resources and it is clear that abrupt changes in such patterns may lead to unwanted dislocations. Canadian tariff policy in recent years has been moving in the direction of reducing trade barriers and it seems obvious to your Committee that the process must be a gradual one and must also involve time-consuming international negotiations. On the other hand, there are certain existing tariffs which are a burden to consumers and whose protectionist characteristics are either negligible or redundant. They provide some revenue to the federal government but, in general, the amounts are not large and the incidence may be erratic. In the opinion of your Committee, the prospective Department of Consumers Affairs should carefully study the problems associated with tariffs in this category.

Recommendations:

- (a) That the discriminatory tax treatment of margarine be modified;
- (b) That the Department of Consumer Affairs should undertake studies of tariffs on certain classes of food items which may be unduly burdensome to consumers;

9. Advertising

A considerable volume of evidence was accumulated by your Committee on the economic and other effects of commodity advertising. There is clearly a wide spectrum of opinion on the social benefits of advertising and on the impact of advertising expenditures on the cost of consumer goods. Although it does not wish to make any recommendations respecting the control of advertising expenditures, your Committee was concerned about the volume of advertising whose sole or primary purpose is to create consumer preference for a particular brand of some staple product on the basis of trivial variations. Your Committee's opinion is that an extensive program of compulsory grade labelling for established and common consumer goods would encourage some reduction in socially wasteful advertising costs.

10. Co-operatives

Since the beginning of 1967, your Committee heard testimony from a variety of representatives of co-operatives in Canada including the Co-operative Union of Canada (Ottawa), Maritime Co-operative Council (Moncton), Federated Co-operatives Ltd. (Saskatoon), Co-op Wholesale Society of British Columbia (Vancouver) and the Newfoundland Co-operative Union (St. John's). The views presented covered a wide range of issues affecting the cost of living but your Committee did not feel it appropriate to express a judgment on the actual or potential benefits to consumers to be achieved through the techniques of the co-operative movement. Your Committee did, however, conclude that federal legislation governing the incorporation of co-operatives is long overdue. This recommendation is totally unrelated to the question of the taxation of co-operatives, an issue which was outside the purview of your Committee.

Recommendations:

That federal legislation governing the incorporation of co-operatives be introduced as soon as possible.

11. Behaviour of Food Prices over the Christmas Season

Early in November, your Committee became aware of the view that food stores normally raised the prices of many foods during the Christmas rush. It announced publicly that it had enlisted the help of the Consumers' Association of Canada in conducting a survey of prices to determine whether this was so.

A list of 34 feed items was drawn up and representatives of the Consumers' Association of Canada in 14 cities were asked to record the prices on November 15, December 1, December 15, December 23, 1966 and January 15, 1967. Each shopper kept a record of the prices in a particular store, often a supermarket, in her locality. The cities included in the survey were: Charlottetown, Edmonton, Halifax, Hamilton, Montreal, Moose Jaw, Nanaimo, Ottawa, Quebec City, St. John's, Nfld., Toronto, Vancouver and Winnipeg.

No attempt was made to simulate a food basket which reflected the pattern of expenditure on foods and therefore no conclusions can be reached about changes in the total cost of buying food for a family over this period. However, many common types of food purchases such as bananas, bread, hamburgers, pork chops, eggs, margarine, butter, tomato juice and sugar were included along with some others which are often bought at Christmas such as cranberries, turkey, raisins and walnuts. Nationally advertised, private labels and unbranded foods were on the list.

Altogether, 71 stores were covered by the survey but in a few cases not all the stores were covered in each survey. Similarly, not all the products, particularly brand name merchandise in a particular size, were available in each store. There were therefore some gaps in the data and item by item comparisons could not always be made.

When the results of the survey were completed they were mailed to Ottawa and turned over to the International Business Machines Co. Ltd. for analysis. The analysis was carried out on an electronic computer and it was possible to summarize the results in this way. To avoid the presentation of large masses of statistics it seemed easiest to compare the total cost of an identical basket of goods in each store in successive surveys. The identical basket of goods, of course, varied between stores. The percentage change in each store from one survey to the next was calculated. This yielded the following comparisons:

Survey 1 to Survey 2 (November 16—December 1) Survey 2 to Survey 3 (December 1—December 12) Survey 3 to Survey 4 (December 12—December 23) Survey 4 to Survey 5 (December 23—January 13)

An examination of the results did not provide any evidence of a trend to increased prices in the 1966 Christmas season. In fact, between December 12 and December 23, there was a preponderance of stores where prices dropped. The nature of the survey was such that precise measurements of the trend of prices were not practical but the bulk of the stores in the sample showed declines in the aggregate cost of the sample of foods beginning on December 1. On the basis of this evidence, the Committee concluded that there was a downward trend for the sample of prices in the stores covered by the survey over the 1966 Christmas season.

12. Trading Stamps and Related Issues

In accordance with the findings of its Interim Report your Committee undertook further investigations of the impact of trading stamps on consumer prices. Representatives of the Canadian Association of Stamp Companies testified before your Committee and a review of many of the studies on the subject was carried out. The findings of these studies, none of which applied specifically to Canada, indicated that prices were normally higher in stores that gave stamps compared to stores that did not. The differentials, however, were small. There is little doubt that many consumers like trading stamps but it is also true that any competitive advantage resulting from the introduction of stamps tends to decline as they come into general use. Your Committee has observed that, in the recent past, the use of trading stamps in Canada has diminished. Your Committee still believes, as it stated in its Interim Report, that the food retailing industry should adopt reasonable and fair standards in its non-price promotional activities in order to give consumers the benefits of vigorous price competition.

Recommendation:

That the food retailing industry should adopt reasonable and fair standards in its non-price promotional activities in order to give consumers the benefit of vigorous price competition.

13. The Profits of the Major Food Retail Chain Stores

In the early fall of 1966, there was widespread criticism of the major food retail chains because of rising food costs. Accusations were made that recent price increases were a result of profiteering. After hearing testimony from the

principal corporate retail chains and a number of important food wholesalers your Committee decided that additional information was necessary and undertook to commission a detailed study of profit levels in the corporate food chains. This study was carried out on behalf of your Committee by Clarkson, Gordon & Co. and the results were tabled on April 11, 1967 and ordered to be printed as a part of the proceedings of the Committee.

The significant profit ratios for the food retailing operations of the five corporate chains (The Great Atlantic & Pacific Tea Company Limited, Dominion Stores Limited, Loblaw Groceterias Co. Ltd., Canada Safeway Limited and Steinberg's Limited) are summarized in the table below.

All	Sales	Profit Ratios (per cent)		
Chains	(\$ Thousands)	Profit/Sales	Profit/Equity	Profit/Total Assets
1965-66	2,081,092	1.66	12.56	6.65
1964-65	1,949,437	1.60	12.30	6.75
1963-64	1,845,188	1.51	12.10	6.67
1962-63	1,703,555	1.37	11.09	6.12
1961-62	1,622,970	1.35	10.93	6.25

The computation of these ratios involved severe difficulties since the accounting systems of the chains do not readily yield such ratios for food retailing by itself. The necessary qualifications are carefully set out in the study prepared by Clarkson, Gordon & Co. The written submission and oral testimony indicated that the behaviour of profit ratios in the major food retail chains did not support the opinion that any very significant component of the rising trend of food prices during 1966 could be explained by changing profit levels in food retailing.

APPENDIX A

PROGRESS REPORT

SPECIAL JOINT COMMITTEE ON CONSUMER CREDIT (PRICES)

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- 8. Commodity Taxes and Tariffs
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APPENDIX B

List of Hearings and Witnesses in Ottawa

No. 28 January 17, 1967.

Canadian Consumers Protest Association (Mrs. L. Wilson, President; Mrs. S. Hammond, National Director, Hamilton; Mrs. B. Gelinas, National Director, Montreal). Professor L. Skeoch, Department of Economics, Queen's University.

No. 29 January 19, 1967.

Canadian Construction Association (Mr. M. Stein, National Vice-Presidentelect; Mr. S. D. C. Chutter, General Manager). Canadian Welfare Council (Mr. M. Wheeler, Director, Special Project on Housing; Dr. M. A. Malik, Associate Director, Research and Special Projects; Dr. P. Geisel, Associate Director of Research).

No. 30 January 24, 1967.

Mrs. A. F. W. Plumptre, Past President, Consumers' Association of Canada.

No. 31 January 26, 1967.

Mr. H. W. Hignett, President, Central Mortgage and Housing Corporation. Dr. G. E. Brandow, Professor of Agricultural Economics, Pennsylvania State University.

No. 32 January 31, 1967.

Dr. O. Thür, Department of Economics, University of Montreal. Dr. Walton Anderson, Agricultural Economics Research Council of Canada.

No. 33 February 2, 1967.

Co-operative Union of Canada (Dr. A. F. Laidlaw, General Secretary; Mr. R. S. Staples, President; Mr. D. F. MacDonald, Director; Mr. J. MacDonald, Executive Secretary, National Labour Co-operative Committee).

No. 34 February 7, 1967.

National House Builders Association (Mr. W. G. Connelly, President; Mr. W. M. McCance, Director of Research; Mr. L. C. Gunby, Chairman, Economic Research Committee). Mr. W. A. Beckett, President, W. A. Beckett Associates.

No. 35 February 9, 1967.

Mr. J. A. Scollin, Criminal Law Section, Department of Justice. Dr. G. L. Reuber, Department of Economics, University of Western Ontario.

No. 36 February 14, 1967.

Dr. D. Smith, Department of Economics, Queen's University. Dr. D. Slater, Department of Economics, Queen's University.

No. 37 February 16, 1967

Canadian Association of Stamp Companies (Mr. M. West, Chairman, Dr. B. Dixon, Assistant Professor, Commerce and Business Administration, McGill University.)

No. 40 April 11, 1967.

Clarkson, Gordon & Company (Mr. Donald C. Scott, C.A. Mr. Marcel Camirand, C.A., Mr. Fred S. Mallett, C.A., Mr. John H. O'Callaghan, Senior Consultant, Woods, Gordon & Co.)

APPENDIX C

List of Hearings and Witnesses outside Ottawa

Eastern Canada

No. 1 February 20 1967, Halifax, N.S.

Mr. C. W. McAllister, Manager, The Housing Authority of Halifax, Mr. Ralph M. Medjuck, President, Centennial Properties Ltd. Maritime Co-op Services Ltd., Mr. W. H. McEwan and Mr. Keith Russell. Consumers' Association of Canada (Nova Scotia), Miss Theresa MacNeil. Consumers' Association of Canada (P.E.I. Branch), Mrs. P. B. Butt. Mr. Duncan McIntyre, Saint Francis Xavier University. Professor Milton Moore, Department of Economics, Dalhousie University.

No. 2 February 21, 1967, Saint John, N.B.

Saint John Consumer Protest Committee; Mrs. Lola Mitton, Mrs. Margaret Roy, Mrs. Anna Hebert. Urban Renewal Commission; Mr. B. R. Doucet, Mr. Donald Buck, Re-development Officer, Mr. E. F. Charlton, Chairman, Saint John Housing Authority, Mr. W. M. Hazen, Manager, Saint John Housing Authority, Mr. Bernard Elliot, Shamrock Realty Ltd. Miramichi-Ease-the-Squeeze Committee; Mrs. F. Balser, Mrs. G. W. Yates. The Oromocto and Fredericton Protest Group; Mrs. E. M. Doerksen. Saint John Board of Trade; Mr. George Robinson, Mr. Wallace Trynbull, Mr. J. Watts, and Mr. G. H. Lummis.

No. 3 February 22, 1967, Montreal, Quebec.

Retail Merchants Association of Canada Inc., Mr. D. W. Rolling, General Manager. Consumers' Association of Canada (Quebec); Mrs. R. Brander, Provincial President, Mrs. N. W. Duck, Mrs. Pierre Lemerise, Mrs. Lucille Forget. Le Federation des Consommatrices du Quebec Inc., Mrs. Helene Maynaud, Provincial Secretary, Mrs. Georgette Grenier, Mrs. Nicole Mougeau, Mrs. Madeleine Plamondon. N. D. G. Angry Consumers; Mrs. Norma Myer. Inflation Fighters of Montreal, Mrs. Veronica Morissette. Inflation Fighters of Laval, Mrs. Pat Ball. Montreal Diet Dispensary; Mrs. Agnes Higgins, Executive Director, La Ligue des Femmes de Quebec; Mme. Blanche Gelinas, Mrs. Bernadette LeBrien. East End Price Protectors; Mrs. L. A. Munday, Mrs. Veronica Morissette. Chateauguay Valley Consumers League; Mrs. J. D. Sizaire, Mrs. Ellen Harnest. Mr. Adrien Letourneau, Letourneau et Freres.

No. 4 February 23, 1967, Quebec City, P.Q.

L'Association Canadienne des Consommateurs, Quebec City Section; Mrs. Lucien Farrell, Mme. Paul Demers, Mme. T. J. Lamontagne, Mme. G. Goulet. Le Federation du Quebec des Unions Regionales des Caisses Populaires Desjardins; Mr. Andre Morin, Senator C. Vaillancourt, Mr. I. Bonnier, Mr. Henri Louis Marier, Mr. Jean-Paul Langlois, Mr. Rene Croteau, Mr. Paul Emile Charron, Mr. Harry French. The Canadian Construction Association; Mr. Armand Trottier, Immediate Past President. Dr. Roger Dehem, Laval University. Mr. Jean-Claude Allard, Manager, Yves Germain Inc., Building Contractors.

No. 5 February 27, 1967, London, Ontario.

Consumers' Association of Canada (London); Mrs. H. S. Tennant, Mrs. W. A. Shepherd, Mrs. A. Vogelsang, Mrs. J. Askew, Mrs. R. E. K. Pemberton. Catholic Family Centre; Mr. F. P. Martin, Mr. A. McEchearn, Director Family Services Bureau. Kitchener-Waterloo C.A.C., Mrs. B. M. Jackson, President, Mrs. K. E. MacIntosh. Consumer Protest Shoppers Association of London and District; Mrs. G. E. Ball, Mrs. Irma Reid, Mr. Andrew A. Chrisholm. Windsor C.A.C.; Mrs. Eleanor Haddow, Mrs. John Durrent, Mrs. W. H. McDowell, Mrs. W. P. Augustine. Consumer-Producer Association of Windsor; Mrs. Nelson Dearing, Mrs. Mary McCallum, Mrs. Rose Marie Warren, Mrs. Barbara Ellis, Mrs. Bernice Lasorda. Sarnia C.A.C.; Mrs. L. J. Archibald, Mrs. E. M. McAlpin. London and District Labour Council; Mr. Roland Parris, Mr. Vern Crawford, Mr. R. Sexsmith. Hamilton and District Consumers Protest Association; Mrs. Susan Hammond, Mrs. Betty Bridgewood, Mrs. Peggy Robertson, Mrs. Alice Pow.

No. 6 February 28, 1967, Toronto, Ontario.

Ontario Housing Corporation; Mr. P. E. H. Brady, Mr. R. W. Riggs. Cadillac Development Corporation Ltd.; Mr. E. A. Diamond. Bramalea Consolidated Development Ltd.; Mr. A. F. B. Taylor, Mr. A. S. Armstrong, Mr. H. D. Smith, Mr. S. Edwards, Toronto, Humber, Oakville and St. Catherines C.A.C. and C.A.C. (Ontario); Mrs. Gordon B. Armstrong, Mrs. W. Brechin, Mrs. S. B. Karim, Mrs. R. J. O'Donnell, Mrs. G. B. Barrick. Women Against Soaring Prices; Mrs. Grace Hartman, Mrs. M. Ruble, Mr. Peter Homenuck. Ontario Federation of Labour; Mr. David Archer, Mr. D. F. Hamilton, Mr. Henry Weisbach, Mr. John Eleen, Mr. J. H. Craig. The Canadian Economic Foundation; Mr. George J. Rodgers, Mr. Walter Huebbischer. Edible Oil Foods Institute; Mr. T. S. Snowden, Mr. David Scott Atkinson, Mr. John Heggie. Urban Development Institute; Mr. Grant L. Duff. Corporation of the Municipality of the Borough of Scarborough; Mr. A. Kellerman, Mr. Allan Johnson, Director of Purchasing, Mr. Karl Mallette, Controller.

Western Canada

No. 1 February 20, 1967, Port Arthur, Ontario.

Mayotte Construction Co. Ltd.; Mr. E. L. Mayotte, President. C.A.C., Fort William Branch, Mrs. C. E. Wachter. Consumers' Action Committee, Fort William; Mrs. Alice Peck, President. Mrs. D. K. Dickey, Home Economist. Headway Builders Limited; Mr. R. D. Kennan, President. Mr. Don MacLeod, Welfare Administrator, City of Fort William.

No. 2 February 21, 1967, Winnipeg, Manitoba.

Housing and Urban Renewal, Metropolitan Corporation of Greater Winnipeg; Mr. E. G. Simpson, Director, Mr. J. G. Thomas, Assistant Director. Home Development Co. Ltd.; Mr. Phil Young. Canadian Association of Consumers, Manitoba Branch; Mrs. D. M. McLean, President, Mrs. M. W. Menzies, Research Director, Mrs. E. Tilheridge, Convenor of Investigations. Canadian Consumers Protest Association; Mrs. Gail Pearase, President, Mrs. E. Heber, Recording Secretary, Mrs. Doreen Plowman, Corresponding Secretary, Mrs. Donna Hagnor, Treasurer, Mrs. Barbara Gommerman, Publicity Chairman, Mrs. Jackie Senhow, Mrs. Eva Reeves, Mrs. Frances Hall. Mr. C. W. Gonick, Department of Economics, University of Manitoba. Mr. O. P. Tangri, Assistant Professor, Department of Agricultural Economics, University of Manitoba. Winnipeg Chamber of Commerce; Mr. Evan McCormick. Age and Opportunity Bureau; Dr. C. Earle Gordon, President, Mrs. A. S. R. Tweedie, Executive Director, Mr. Scott.

No. 3 February 22, 1967, Regina, Sask.

Cairns Homes Ltd.; Mr. R. Gerla, General Manager. C. A. C. Saskatchewan Branch, Mrs. Gordon Moxley. Regina Food Suffragettes, Mrs. Bonney Petruic, Treasurer, Mrs. Betty Marzek, President. Federated Co-operatives Ltd.; Mr. L. L. Lloyd, President, Mr. L. J. Doucet, Chairman, Managers' Advisory Committee, Mr. J. E. Trevena, Director of Information, Mr. W. Bergen, Controller, Mr. A. V. Kroll, Research Director.

No. 4 February 23, 1967 Edmonton, Alberta.

Chartered Investments Ltd., Mr. J. L. Harris. Canadian Cattleman's Association; Mr. Fred Newcombe. Edmonton Welfare Council; Mr. L. D. Hyndman, Mr. E. S. Bishop, Executive Director. Mr. S. C. Rodgers, Chief Planner, City of Edmonton. National Farmers Union, Mr. Atkinson, President, Mr. Paul Baby, Vice-President. Lethbridge Consumers Protest Assoc.; Mrs. Ruth Truant, President. Consumer Protest Association; Mrs. K. Swinton, President, Mrs. Proserloe, Mrs. N. Lampton. Dr. T. L. Powrie, Dr. M. D. Stewart, Department of Economics, University of Alberta.

No. 5 February 24, 1967 Vancouver, B.C.

C.A.C., Vancouver Brance; Mrs. S. Ettinger, President, Mrs. T. D. Stout, Mrs. L. van Blankenstein. Co-op Wholesale Society of B.C.; Mr. K. F. Harding, Vice-President, Mr. R. L. Simpson, Assistant General Manager, Mr. A. E. Pershick, Manager, Retail Services Division, Mr. Corbin King, General Manager Terrace Co-op, Mr. Hans Hanston, General Manager, Dawson Creek Co-op Union. B.C. Federation of Labour; Mr. R. C. Haynes, Secretary-Treasurer, Mr. Paul Phillips, Research Director. Mainland Dairymen's Assoication; Mr. F. V. Bradley, Secretary Manager. Women Against Soaring Prices; Mrs. Carol Millan, President. C.A.C., Victoria Branch; Mrs. R. P. A. Coombs. Women Against High Prices; Mrs. Elaine Podovinnikoff, Chairman. B.C. Federation of Agriculture; Mr. R. B. Stocks, Manager. Mr. W. E. Graham, Director of Planning, City of Vancouver. West Coast Land Development Ltd., Mr. James Houston, Vice-President.

Newfoundland

No. 6 March 1, 1967, St. John's, Nfld.

Mr. A. Vivian, Commissioner of Housing, Department of Municipal Affairs and Housing, Government of Newfoundland and Labrador. Newfoundland Co-op Union; Mr. G. Haggett, President, Mr. D. Garland, Managing Director. Newfoundland Fish Trades Association; Mr. Eric Harvey, Secretary-Treasurer, Mr. H. Lake, Mr. G. Etchegary, Mr. P. Russell, Mr. P. K. McGrath. C.A.C., St. John's, Nfld. Branch; Mrs. G. M. Walsh, Provincial President. Women's Club, Memorial University of Newfoundland; Mrs. Evelyn Barton, Chairman, Mrs. E. T. Kelly, Member. Mrs. J. A. McKim.

APPENDIX D

INTERIM REPORT

(Tabled in both Houses of Parliament Tuesday, December 20, 1966)

1. Preamble

During the first two weeks of September, 1966, the Senate and the House of Commons agreed to expand the terms of reference of the Joint Committee which had been appointed earlier to enquire into the problems of consumer credit. The

added responsibility given to your Committee was "to enquire into and report upon the trends in the cost of living in Canada and factors which may have contributed to changes in the cost of living in Canada in recent months." Because of the public concern over increases in food prices, your Committee decided to concentrate its attention initially on the reasons for the upward movement in food prices. It also undertook to present an interim report to Parliament sometime during December. Your Committee met on forty-two occasions in the period from September 28 to December 13, 1966 and heard testimony from a representative cross-section of individuals and organizations. The list of hearings and witnesses during this period is shown in an appendix. Because of the pressure of time, many of the witnesses appeared on very short notice and your Committee wishes to record its appreciation to them for their invaluable assistance in its efforts to throw light on the factors influencing consumer prices.

Recently, Parliament has also referred to the Joint Committee on Consumer Credit (Prices) the Third Annual Review of the Economic Council of Canada entitled "Prices, Productivity and Employment." This important and complex report obviously requires detailed study and because of the shortness of time, it has not been possible to do more than refer briefly to some of the conclusions of the Economic Council of Canada which impinge directly on the work of your Committee.

This interim report is necessarily brief. It is not and could not be expected to be an exhaustive analysis of the evidence. The limitations of time meant that the report could deal with a limited number of issues. Many other problems referred to during the Committee hearings require additional evidence, study and research before useful conclusions can be drawn.

2. General Observations

The economic experts both from the public service and the academic community who gave evidence to your Committee made it obvious that the factors influencing the cost of living in Canada were many and varied. Some changes could be explained by the increased price of imports. Canada's trading relations with other countries are intimate and important and it is therefore natural that the general increase in price levels in the recent past in most western countries has had a contagious effect on Canadian prices. In addition, domestic changes in the price of goods and services interact and reinforce each other. A great deal of the evidence presented to your Committee emphasized the fact that consumer prices moved in response to changed market conditions in other sectors of the economy or in markets outside Canada. These changing market conditions, in turn, affected the share of the national income going to labour, to farmers, to business and to others, but there was nothing to indicate that the recent changes in the cost of living in Canada arose out of unusual or unwarranted increases in the sizes of their respective shares. Your Committee's review of the evidence has not yet revealed any group or sector of the economy which could be singled out and blamed for the recent increase in consumer prices. Its general conclusions were that there have been many factors contributing to the changes in the cost of living, particularly the price of food.

While there are many groups in the economy which are able to protect themselves against the rising costs of living, your Committee must recognize there are many such as, the handicapped, the aged and the unemployed upon whom the burden of price increases falls most heavily.

Since your Committee commenced its hearings on September 28, food prices as reflected in the food component of the Consumer Price Index have declined slightly and it is believed that the information which reached the housewife through the Committee hearings has had a stabilizing influence. The hearings have had a significant educational value for the members of your Committee, for the housewives and for the business community. Public attention has been focussed on the importance of the price and quality of consumer goods and it is the earnest hope of your Committee that Canadian housewives will shop both selectively and carefully.

For the first time, full public disclosure of the business practices and affairs of companies appearing before your Committee was requested. This applied to Canadian companies as well as to subsidiaries of non-Canadian corporations. In some instances, new light was thrown on extensive inter-corporate relationships which had not been made public before. In one case, one newspaper reported "For the first time, amazing extent of holdings revealed" and a press service referred to the "Stunning scope of food empire". All the proceedings were open and no information was given to your Committee in confidence. There was extensive coverage of the work of your Committee in the newspapers and on the radio and television.

3. The Need for Improved Statistical Information

Your Committee experienced some difficulty in obtaining satisfactory statistics on the prices of a number of important commodities at the farm, wholesale and retail levels. This was particularly true of meats. In part, this arose from the division of responsibility between the Department of Agriculture and the Dominion Bureau of Statistics. It is the view of your Committee that there will be continuing interest in the trend of prices. For purposes of economic analysis and studies of distribution, improved statistics concerning prices at all distributive levels are essential. For this reason, it recommends both a greater degree of interdepartmental co-ordination in the compilation of price statistics and the diversion of professional staff to expand and improve the statistical information on prices throughout the public service, and particularly in the Dominion Bureau of Statistics. While the quality of the work performed by the Dominion Bureau of Statistics is very good, your Committee firmly believes that its work in some fields was being impeded by shortages of professionally qualified staff.

The principal way of informing the public of the changing level of prices is the monthly Consumer Price Index issued by the Dominion Bureau of Statistics. This is a sophisticated and valuable economic measuring device but it is nevertheless difficult for an ordinary consumer to interpret it as it applies to her normal purchases for her family. While the existing published consumer price indexes provide a very useful measure of price movements affecting consumers nationally and in major urban centres, additional statistical indicators are required. In particular, there is a pressing need for the Dominion Bureau of Statistics to broaden the scope of its retail pricing program to encompass a wider range of qualities of good and services and to allow more useful item price averages to be derived, by cities, on a continuing basis. It is recognized that an

expansion of available retail price statistics along these lines will require additional resources, both in the collection of price data and in its evaluation, processing and analysis. A good deal of information on various aspects of consumer prices is published by the Dominion Bureau of Statistics but it is not usually easily available to the consumer. The consumer appears to be less well served in this respect than some other groups in the community. For example, her ability to detect seasonal and other trends in food prices is impaired by a lack of information. Your Committee recognizes that there are technical problems in compiling accurate price statistics but nevertheless believes that it is an appropriate governmental function to disseminate price information as widely as possible to the consuming public.

Although your Committee's primary concern was with prices, it necessarily became involved on several occasions with other kinds of economic statistics. Specific evidence was given, notably by the Chairman of the Economic Council of Canada, that there were serious deficiencies in the government system of collecting, analyzing and issuing statistics relating to economic conditions. Moreover, your Committee was impressed by the urgent need for comprehensive, accurate and timely statistics in the formulation of government economic and fiscal policy. Because of the importance of having good and current information about short-run economic changes, your Committee proposes that a detailed review of the government statistical system be undertaken with a view to modernizing, improving and co-ordinating the whole process of collecting and compiling economic data.

Recommendations:

- (a) That additional staff resources be provided to the Dominion Bureau of Statistics to improve the collection of urgently needed statistical information on price movements.
- (b) That more information concerning consumer prices be made available to the public in as simplified a form as possible.
- (c) That a thorough review be made of the governmental system of collecting, analyzing and issuing other types of economic statistics in addition to price statistics.

4. Parliamentary Responsibility for Consumer Affairs

The experience in Canada and in many other western countries demonstrates the need for Parliament to be informed on both general and specific economic developments. Economics cannot properly be the exclusive province of experts, even though it has aspects which are technically complex. The study of particular legislation or special problems by ad hoc parliamentary committees does not meet the continuing need of Parliament to become familiar with the issues of current economic policy. For this reason, your Committee has concluded that it would be desirable to establish a Joint Committee of the Senate and House of Commons whose primary aim would be to keep under continuous review the whole field of consumer affairs. In addition to this, the proposed Committee should have the responsibility for surveying economic developments in the Canadian economy which affect employment, income and consumption levels. A Committee of Parliament would be immediately responsive to parliamentary or public concern over problems affecting the consumer.

It is recommended further that such a Joint Committee be established for the life of a parliament in order to provide continuity to its work and that it should act on problems referred to it by Parliament.

It is essential to provide the Joint Committee with the services of a professional staff. It is of interest to note that the Third Annual Review of the Economic Council makes a somewhat similar suggestion and outlines some specific tasks which a Joint Committee might undertake.

Recomendation:

That a Joint Committee be established to review consumer affairs and the state of the Canadian economy.

5. The Influence of Consumer Demand on Food Prices

It was brought out in testimony before your Committee that there is an increasing tendency for consumers to buy convenience foods. Such foods require a minimum of preparation before cooking and in some cases merely need to be thawed. In part, this is a consequence of the increasing number of married women in the labour force and the unwillingness or inability of many consumers to devote much of their time to food preparation. Your Committee has no views on the cultural aspects of this development but does recognize the fact that the price of convenience foods must inevitably include some allowance for the costs of preparation. If consumers prefer partially or completely prepared foods, they should be perfectly free to exercise their choice. However, if their time spent in the kitchen is reduced, it is to be expected that the cost of eating will be increased.

In the past few months, there has been widespread publicity and controversy concerning rising food costs. Public interest has been stimulated by the formation of consumer protest organizations, by the hearings before the Joint Committee on Consumer Credit (Prices) and by discussions in the press and on the radio and television. Your Committee has gained the impression, based partly on the volume of its mail from the public, that consumers are looking at prices more carefully. There are quite acceptable substitutes for many types of food and consumers can affect the prices of particular items simply by not buying them if they think the price is excessive. It is also true that some consumers could reduce their food budgets by shopping carefully provided the retail food markets available to them are truly competitive. The conclusion of your Committee is that if consumers are well informed and discriminating in their shopping practices they can reduce their food bill appreciably in many cases. Consumers education is a matter of such importance for the welfare of individuals and families that increasing attention should be devoted to it in the Canadian educational system beginning in the secondary schools. A vast amount of information useful to consumers is available through newspapers, magazines and the publications of government departments. Your Committee's opinion is that increased efforts should be undertaken by the government departments involved to distribute as widely as possible attractive and informative material which will help the Canadian housewife to be a well informed and careful shopper.

Recommendation:

That increasing attention be devoted to consumer education both through the educational system and by the wider distribution of information useful to consumers through government channels.

6. Consumer Standards and Consumer Protection

The problems of the consumer in the market place are accentuated by the changing nature of retailing itself. The rise of the supermarket has meant that for a wide range of commonly purchased items retailing has become impersonal. At one time the retailer was a source of information about the products he sold but the modern supermarket offering many thousands of products usually relies on the consumer to select her own purchases on the basis of her own knowledge.

Product information must be provided. Consumers must be informed about physical properties or products they are buying such as weight, volume, quality and number of units and this information should be immediately available at the time of purchase and should be expressed clearly and unequivocally.

Your Committee could cite many examples taken from letters received from dissatisfied consumers about merchandising and packaging techniques which annoy the consumer and make it difficult if not well nigh impossible for the consumer to compare price and quality of different products effectively and quickly.

Facts should be presented in a prominent place on the package or container in a form which is legible and free from graphic distortion. Where applicable, the ingredients should be revealed both by name and percentage of composition, and the consumer should also know about the quality of the product.

In particular:

- (1) the product should be described by its generic name where this is meaningful;
- (2) where products are of a certain type, variety and quality, they should be graded;
- (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.

It is essential for the government to take all measures within its power to foster the welfare of the consumer. In particular, the government has a responsibility for protecting the consumer against all forms of exploitation.

One aspect of this responsibility was referred by the Government in July, 1966 to the Economic Council of Canada for investigation. The terms of reference of the study to be carried out are:

"In the light of the Government's long term economic objectives to study and advise regarding:

- (a) the interests of the consumer particularly as they relate to the functions of the Department of the Registrar General;
- (b) combines, mergers, monopolies and restraint of trade;
- (c) patents, trade marks, copyrights and registered industrial designs."

In the normal course of events the findings of the Economic Council of Canada will not be available until late 1967. Your Committee, however, feels that the function of consumer protection is of such urgency as to require the establishment of a Department of Consumer Affairs. Because of the special responsibility of the Department of Health and Welfare, the Department of Agriculture, the Department of Fisheries and the Department of the Registrar General, your Committee is not prepared to recommend the nature of the administrative structure for such a department until the Economic Council of Canada reports. However, because of the need for consumer protection, for coordination of existing legislation and for the immediate establishment of machinery to receive and investigate consumer complaints, the Economic Council of Canada should be asked to report on item (a) of their reference as soon as possible.

Additional legislative authorization may be necessary ultimately for the protection of the consumer but this should not stand in the way of immediate action which could be carried out under existing regulations. Your Committee reached certain specific conclusions, which are:

- (a) with particular respect to food, that the establishment of standards and grades should be extended to cover all commonly purchased foods for which standards or grades would be useful to the consumer.
- (b) that a standardized nomenclature for designating grades for different classes of food should be developed as quickly as possible and that an intensive campaign should be undertaken to acquaint consumers with the meaning of the grades;
- (c) that manufacturers of consumer products should be required to modify their packaging techniques so that, where applicable, the weights or contents are expressed in terms which minimize the difficulties of calculating and comparing prices.

Recommendations:

- (a) That a Department of Consumer Affairs headed by a Minister be established.
- (b) That immediate steps be taken to promote standardization and simplification of grades, nomenclature and packaging for commonly purchased consumer items.

7. The Promotion of Retail Sales

Your Committee noted, with interest, the variety of promotional schemes which had been introduced by the major retail chains to encourage customer loyalty. One senior executive of a corporate chain expressed the view:

"A lot of people are anxious to play games and have these contests. It is all part of their present-day life to engage in these adventurous things. It is a challenge... Have you ever considered how dull it would be for a housewife to go into a store and see nothing but price tickets and a display of produce."

The competitive significance of promotional devices was emphasized by another chain store executive when he said, "If stamps are in fashion, then you had better be in style yourself."

The impact of stamps, premiums, games and contests on the retail price level is difficult to assess and clear differences of opinion were expressed by responsible officials of the chain and other stores. Your Committee did not have sufficient evidence at this time to reach any final conclusions about the effect of promotional devices on prices but it did conclude that the different forms of promotion should be used with restraint. Its opinion was that competition not based on price should not be allowed to diminish unduly the healthy effects of vigorous price competition at the retail level. It is your Committee's intention to conduct further investigations for the purpose of making final recommendations on promotional devices such as trading stamps, games and contests.

Your Committee, however, saw at least one example of a technique of price competition which it considered to be objectionable. This was the system, evidently sponsored by manufacturers or processors, of labelling packages to imply that the product was being sold below the regular retail price. The use of the so-called "cents-off" labels seems to be of fairly recent origin and now to be quite common for such classes of commodities as detergents and processed foods. Your Committee feels that this device tends to create uncertainty about what the regular retail price is, particularly in a period of change. Cents-off labels therefore, confuse the consumer and lead to abuses. Anything which smacks of deception in advertising and merchandising is unacceptable. Competition or promotion on the basis of price or quality is a desirable goal but competitive methods which create doubt or confusion should be prohibited.

Your Committee learned much about the methods used by chain stores to attract customers. On the other hand, it observed some actions by food retailers which were poor from the viewpoint of their public relations. Your Committee's attention was repeatedly drawn to the practice of remarking goods on the shelves with a new and higher price without removing the old price. Whatever the reason for the practice, your Committee's view was that some adjustment in the method of inventory management and more care in marking prices on containers would eliminate this irritant to consumers.

Recommendations:

- (a) That non-price competition by retail food outlets should not be allowed to become sufficiently important to outweigh price competition.
- (b) That cents-off labels, in view of their tendency to cause confusion and to distort price relationships, should be prohibited.
- (c) That the Minister to be responsible for consumer affairs undertake a review of the effectiveness of the investigation and prosecution procedures under existing statutes relating to misleading advertising.
- (d) That more care should be used in re-marking the prices of goods in the inventories of retail food stores.

8. Public Disclosure

In times of both depression and prosperity, Canada has in the past resorted to a series of Royal Commission or parliamentary inquiries on prices and price spreads, each of which has had to compile its own information on costs, profits and return on investments. Your Committee was no different, and used its parliamentary privilege to ask for and receive from corporate witnesses information never before made public. However, your Committee feels strongly that if those responsible for or concerned about the management of public affairs are to be properly informed, such information should be available publicly on a continuous basis for the scrutiny of parliamentarians, public officials, consumer groups investment analysts and the academic community. Such public disclosure would also be a spur to greater efficiency and productivity by preventing inefficient entrepreneurs from hiding their inefficiency from shareholders or public scrutiny. Further, your Committee sees no reason why large public companies should be compelled to compete in the market place against other large private competitors whose operations are almost wholly secret and many of which are privately held wholly-owned subsidiaries of non-Canadian parents.

Recommendations:

- (a) That the distinction between disclosure requirements for private companies of significance to the public and public companies be eliminated.
- (b) That the disclosure requirements for both public and such private companies be enlarged to assure full and complete disclosure of corporate activities to give to the public sufficient information for meaningful continuous analysis and comparison.

9. Profits of Corporate Food Chains

The Joint Committee on Consumer Credit (Prices) asked for and received detailed statistical information concerning the experience of the companies which appeared before it. One of its principal purposes was to determine if there had been any significant recent changes in the levels of costs, prices or profits which would help to account for the upward movement of the cost of living. In particular, your Committee concerned itself with the profit levels of the corporate food chains. This whole question was looked into by your Committee.

One way of measuring profitability is to examine net profit after taxes as a percentage of gross sales. Your Committee is aware that this method of comparing profit levels has some deficiencies and that an analysis should also be made of profits in relation to invested capital. Such an examination raises theoretical and practical accounting problems and while the necessary research has been stated, the results are not available for this interim report. Your Committee has retained the services of a firm specializing in management consulting and accounting which has undertaken to conduct a study in this field.

The level of profits in the Canadian economy as a whole was discussed by several expert witnesses who testified before your Committee. Their opinion was that in the late stages of an expansionary period there tended to be a squeeze on profit margins. This resulted from rising costs and the inability of sellers in competitive markets to raise prices sufficiently to offset them. Although statistical evidence was not conclusive, it did appear that profit levels

or ratios had not risen generally and that one would have to look elsewhere to explain the changes in the cost of living after a long uninterrupted period of prosperity.

10. Advertising

Your Committee heard lengthy arguments concerning the economic consequences of advertising. It also accumulated a considerable amount of information relating to advertising expenditures and the way in which advertising costs are shared among different distributive levels in the food industry. There was evidence that the market power of the retail level of the food industry was sufficiently strong to shift some of the burden of advertising costs to food processors or manufacturers. In the time available to your Committee, it was not possible to ascertain all the facts necessary to reach any firm conclusion. However, your Committee decided that more information was needed.

11. Concentration and Cost Levels in the Food Industry

The terms of reference of the Joint Committee on Consumer Credit (Prices) necessarily meant that primary attention was focussed on factors influencing recent changes in consumer prices. Your Committee was not, as a result able to devote more than passing attention to some of the longer run influences at work in wholesale and retail food distribution.

Although the preliminary judgment of the Committee was that profits in the different levels of food processing and distribution had not increased substantially or generally in the recent past this does not answer a very relevant question, namely, whether the cost levels in the industry were reasonably low in the light of Canadian conditions.

Your Committee uncovered specific evidence of great concentration of market power. It came to public attention as a result of questions by your Committee and disclosed more particularly the so-called Weston Empire.

This disclosure was an astonishing revelation and the enormity of the Weston complex surprised even the sophisticated. The far-reaching implications will take some time to assess. The Weston Empire reveals for the first time vast holdings and control over food and other related aspects of the economy which will need further investigation to reveal all the implications and to do this, more specific information will of course, be required.

The detergent and soap industry, it appears from the evidence, is controlled by three giants which among them have between 85 and 90 per cent of the total business.

The five great corporate food chains and the voluntary chains control more than 75 per cent of the grocery business in urban areas and their percentage is increasing.

In one part of the food processing industry, one firm controls 100 per cent of the market in the Maritimes and Western Canada and at least 80 per cent of the market in Ontario and Quebec.

The domination of a few large corporations in some sectors of the Canadian economy is clearly evident and gives rise to the question, "Is this in the public interest?" Your Committee feels that the implications of this question must be fully examined.

In view of this, your Committee recommends that a thorough assessment should be made of the organization of the food industry with the object of

publicizing any monopolistic tendencies which may exist, of determining whether the market power of any group or groups is sufficient to impair the workings of a competitive market and whether there are any undue barriers to entry.

Recommendation:

That the Joint Committee on Consumer Credit (Prices) continue with its investigation of concentration in the food industry.

12. Price Control

The view is sometimes expressed that price control by government edict is the easy answer to price stability. All the witnesses who were questioned on this matter disagreed with the opinion and demonstrated clearly that this was an unworkable and unrealistic solution. Your Committee concurs in the conclusion that price control is a fallacious method of attempting to control any general increase in prices. It notes, furthermore, that the federal government does not have the constitutional power to enter this field.

13. Co-Operatives

In order to meet its self-imposed deadline of an interim report in December, your Committee did not have an opportunity to call witnesses on co-operative organizations, but recognizing the importance of the movement intends to do so.

A copy of the relevant Minutes of Procedings and Evidence (Issues Nos. 2 to 41) is tabled.

(The Minutes of Proceedings and Evidence accompanying the said Report recorded as Appendix No. 76 to the Journals).

Mr. Marchand, a Member of the Queen's Privy Council, laid before the House,—Copy of Department of Manpower and Immigration Administrative Circular No. 1-12-1, dated December 4, 1966, cancelling certain employment circulars. (English and French).

Pursuant to Standing Order 39(4) the following twelve Questions were made Orders of the House for Returns, namely:

No. 2,595-Mr. Southam

- 1. What is the direct impact upon the Canadian economy of foreign purchases in support of military activity in Vietnam, in terms of (a) quantities of Canadian raw materials, semi-finished products, finished products, components (b) export value, in the same categories (c) direct employment of Canadian citizens?
- 2. What is the current and the long-term impact of the above, on the basis of contracts which have been (a) arranged or sponsored directly by the Government of Canada or any of its agencies (b) allocated by foreign corporations to their own Canadian subsidiaries (c) arranged directly on the corporate initiative of Canadian-controlled companies?

- 3. To what extent are Canadian exports (as described in Part 1 (a) above) being purchased by or on behalf of any foreign government (a) to replace other supplies or products thereby released for direct use in the Vietnam conflict (b) to assist in the training of any foreign government's armed forces for the Vietnam conflict?
- 4. What is the Government of Canada now doing, or proposing to do, to ensure that (a) Canadian-controlled companies, including banks (b) Canadian subsidiaries of foreign corporations, are able in their individual corporate capacities to make and give effect to decisions appropriate to the functioning of their usual business operations—all within the framework of Canada's own foreign policy and without 'direction' or 'persuasion' from governmental or corporation sources in any foreign country?

No. 2,633—Mr. Schreyer

- 1. Are all Government of Canada advertisement placements administered through one co-ordinating office, or is this a matter for each department or agency to administer?
- 2. What is the name of the Director or Directors in charge of Government of Canada advertisement placement?
- 3. What is the budget for advertising for each department and agency of government in the current fiscal year?
- 4. How many advertising agencies are retained on account of the Government of Canada and what are the names of these agencies and how much has been paid to each in this and the preceding fiscal year?
- 5. Of the total number of advertising agencies holding an account with the Government of Canada, how many were holding government accounts in (a) 1961 (b) 1964?

No. 2,663-Mr. Webb

- 1. What organizations are eligible to receive a commission on the advance sale of EXPO tickets or passports?
 - 2. What is the total commission paid to date?
 - 3. Who were the recipients of the commissions paid to date?

No. 2,714-Mr. Allard

- 1. In what countries does Canada maintain commercial government offices, services or agencies?
- 2. Are these commercial branches located in Canadian Embassy Offices or outside Embassy Offices?
- 3. What are the functions and the operations of these commercial branches?
- 4. In each of these countries, how many employees of Canadian origin and how many locally hired employees does Canada retain and pay?
- 5. In each of these countries, how many employees working in the commercial branch (a) speak French as their mother tongue (b) speak English as their mother tongue (c) are bilingual in terms of Canada's two official languages (d) speak French or English and another language which is not one of Canada's two official languages?

- 6. In those countries and cities in which Quebec has representatives or commercial offices, is there any collaboration or consultation between the Quebec representatives and Canada's commercial representatives?
- 7. In what languages do Canadian Government commercial offices advertise abroad?
- 8. How do the employees of these commercial branches go about interesting foreigners in doing business or investing in certain Canadian provinces?

No. 2,725-Mr. Schreyer

- 1. Since February, 1965, in how many instances did the Department of Transport and the Department of Defence production enter into contracts involving amounts in excess of \$25,000 without the approval of Treasury Board?
- 2. In cases of entering into contract without Treasury Board approval, were tenders called in each case?
- 3. How many contracts were let without tender being called and what was the value of each?
- 4. By what authority do the Department of Transport and the Department of Defence Production enter into contracts exceeding \$15,000 value without Treasury Board approval?

No. 2,761-Mr. Brand

- 1. How many bids were received on the 71 buildings from Camp Wainwright, Alberta, recently sold by Crown Assets Disposal Corporation?
- 2. What are the names of those individuals or groups who submitted tenders?
- 3. Who was awarded the tender and what was the amount of the successful tender?
- 4. In deciding the successful tender was any consideration given to charitable or community organizations in preference to those who are interested mainly in speculative purchasing?

No. 2,779—Mr. Caouette

- 1. What criteria does the government use in judging the financial stability of persons bidding on government projects?
- 2. What method does the government use to determine the capacity of the bidder to complete work within a prescribed deadline?

No. 2,817-Mr. Caouette

- 1. What are the components of the Consolidated Revenue Fund?
- 2. What specific use is made of the Consolidated Revenue Fund?
- 3. How many warrants were issued to obtain money from the Consolidated Revenue Fund (a) during the years 1964, 1965 and 1966 (b) in what amount in each case (c) for what purpose in each case?
- 4. What factors are used to determine the urgency and the necessity of obtaining money from the Consolidated Revenue Fund?

No. 2,820-Mr. Caouette

What was the total amount spent by the federal government for the years 1965-66, 1964-65 and 1963-64, in each province, for the (a) rehabilitation of alcoholics (b) education of the population with regard to alcoholism?

No. 2,823-Mr. Caouette

In the following departments and agencies: Agriculture, Citizenship and Immigration, Finance, Fisheries, Forestry and Rural Development, Industry, Mines and Technical Surveys, National Health and Welfare, Northern Affairs and National Resources, Post Office, Public Works, Trade and Commerce, Transport, Unemployment Insurance Commission, Veterans Affairs, Farm Credit Corporation, Industrial Development Bank (a) what was the total amount spent by these departments or agencies during the years 1965-66, 1964-65 and 1963-64 (b) what was the total amount paid by such departments to interested taxpayers, as loans, grants, etc., for the years 1965-66, 1964-65 and 1963-64 (c) what amount was paid in each province, during the same years?

No. 2,873-Mr. Mandziuk

- 1. How many copies of the booklet "Twenty Ethnic Songs from Western Canada" were published and at what cost?
 - 2. Are other such publications planned by the Secretary of State?
- 3. On what authoritative basis have the Doukhobors and Mennonites been designated as ethnic groups in Canada?
- 4. What cultural organizations or scholars were consulted about the material in said booklet?

No. 2,877-Mrs. MacInnis

- 1. At the time contracts were awarded for the restoration of the Fortress of Louisbourg, did the government deal with any of the following firms or their agents in Sydney and/or locally in Louisbourg and District: J. W. Stephens Ltd.; Chappells Ltd.; M. R. Chappell; Maritime Cement; Atlantic Spring and Machine; Canadian General Electric; Northern Electric; Imperial Oil; Irving Oil Co.; Municipal Ready Mix; D. & B Concrete; Steel City Sales; Canadian Pittsburg Ltd.; Mira Lumber Co.; Dominion Rubber Co.; Canadian Johns-Manville; Warrander Photographic Services; Goodyear Tire and Rubber Co.; Kirshner Camera Supplies; Parl Photo Services; Canadian Kodak Sales; Hudson Photographic Industries and, if so, with what firms or what agents for what firms in Sydney and/or Louisbourg and District?
- 2. What were the details of the services and/or materials provided for the Fortress of Louisbourg restoration project by (a) Donald Beaver, September 18, 1961, \$1,000; November 15, 1961, \$4,000; August 6, 1962, \$2,250 and \$300; September 13, 1962, \$3,500; April 24, 1963, \$300; December 4, 1963, \$300; December 18, 1963, \$300 (b) M. R. Chappell, September 13, 1962, \$400; August 27, 1962, \$725; March 27, 1963, \$440 (c) MaCaulays Garages, October 25, 1961, \$13,144 (purchase order No. 17344) (d) Island Motors, January 23, 1962, \$4,103.40 (purchase order No. 20980); April 15, 1965, \$500.00 (purchase order No. 32900) (e) Mrs. D. Pearl MaCaulay, June 27, 1962, \$14,850 (purchase order No. 04517) (f) Lewis and Company, April 1, 1964, \$2,000 (purchase order No. 22153-2); February 28, 1966, \$2,000 (purchase order No. 40742) (g) William Dalton, June 14, 1962, \$1,200 and \$962?

Mr. Stewart, Parliamentary Secretary to the Minister of Public Works, presented,—Returns to the foregoing Orders.

A Message was received from the Honourable Mr. Justice Fauteux, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy to His Excellency the Governor General, desiring the immediate attendance of the House in the Senate Chamber.

Accordingly, Mr. Speaker, with the House went to the Senate Chamber where the Honourable the Deputy to His Excellency the Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act respecting Interprovincial Pipe Line Company.

An Act to incorporate Anniversary Life Insurance Company.

An Act respecting La Société des Artisans.

An Act to incorporate Laurier Life Insurance Company.

An Act to amend the National Defence Act and other Acts in consequence thereof.

An Act respecting the occupational training of adults.

An Act to amend the Income Tax Act.

To these bills the Royal Assent was pronounced by the Clerk of the Senate in the following words:

"In Her Majesty's name, the Honourable the Deputy to His Excellency the Governor General doth assent to these bills."

The Honourable the Speaker of the House of Commons addressed the Honourable the Deputy to His Excellency the Governor General as follows:

"MAY IT PLEASE YOUR HONOUR:

"The Commons of Canada have voted Supplies required to enable the government to defray certain expenses of the public service.

"In the name of the Commons, I present to Your Honour the following bill:

'An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March 1968'.

"To which bill I humbly request Your Honour's Assent."

Whereupon the Clerk of the Senate, by command of the Deputy to His Excellency the Governor General, did say:

"In Her Majesty's name, the Honourable the Deputy to His Excellency the Governor General thanks Her Loyal Subjects, accepts their benevolence, and assents to this bill."

After which, the Honourable the Deputy to His Excellency the Governor General was pleased to close the First Session of the Twenty-Seventh Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

During the first Session of the twenty-seventh Parliament, which opened on January 18th, 1966, much important legislation has been enacted and many government actions of great significance have been approved.

The hearts of all Canadians were saddened during this session by the death of our distinguished and well-beloved Governor-General, His Excellency General Georges P. Vanier. His selfless devotion to duty during a lifetime of public service will always be an inspiration and an example to all.

Recognizing the vital importance to Canada of effective administration of our public affairs, early in the session you approved a measure providing for an extensive reorganization affecting certain departments of the government to enable them to respond more appropriately to the needs they serve, and to facilitate closer co-ordination in various fields of government activity. You also have enacted three measures which together make provision for a complete transformation of the processes of personnel management in the Public Service of Canada. They provide for the introduction of collective bargaining and for the continuation and extension of the merit principle of appointment under an independent Public Service Commission. My government has also announced a series of programmes designed to encourage the development of bilingual skills within the Public Service of Canada.

Following an important Federal-Provincial Conference held in October, major improvements were made in the fiscal arrangements with the provincial governments. A new system of equalization payments was introduced which will enable all provincial governments to provide a reasonably comparable level of basic services. A new revenue stabilization policy will protect provinces against serious declines in total revenues. Substantial additional financial resources have also been made available to the provinces in respect of the costs of post-secondary education.

You have completed the first comprehensive review of the Bank Act in the past decade, and have approved a measure amending that Act to bring it into line with present-day needs. This statute completes the most thorough and far-reaching revision of our banking legislation that has ever been made, and will increase the degree of competition and flexibility both within the banking system and between the banks and other financial institutions, thereby improving the service available to the people of Canada. A further step in the strengthening of our financial system was the adoption of legislation to establish the Canada Deposit Insurance Corporation.

Approval was given to the Canada-U.S. Agreement on automotive products. My government regards this Agreement as one of the most important trading arrangements ever made between Canada and the United States. It has already led to a substantial increase in production and employment in the automotive industry, and to a significant decrease in the imbalance of trade between the two countries in these products.

In recognition of the importance of science and technology to Canada's industrial and economic well-being, you approved during this session a measure to provide incentives to increased activity in industrial research and development.

You have approved the National Transportation Act which will provide a completely new basis for an overall approach to the development of transportation in Canada. This measure defines a national transportation policy suited to modern requirements in this country and provides for the establishment of a national transportation authority to give effect to the policy. It provides for new methods of fixing freight rates and for the rationalization of

branch lines. Through these and other provisions, the Act will be of major assistance to the continuing economic growth of the country.

You have enacted legislation authorizing the unification of the Canadian Armed Forces. This makes possible the completion of the reorganization begun in 1964.

You were obliged to give consideration to labour disputes of serious concern to the national interest. My government, deeply aware of the human as well as the economic price of work stoppages, has appointed a Task Force of highly qualified persons to examine, as a matter of urgency, the many aspects of labour-management relations and to make recommendations for their improvement.

You have amended the Fair Wages and Hours of Labour Act so that standards prescribed in the Canada Labour (Standards) Code concerning hours of work and minimum hourly rates of pay will be applicable to Government construction contracts. You have also amended the Code to ensure that longshoremen who work for more than one employer may qualify for general holidays. The Canada Labour (Safety) Code that you have enacted constitutes Canada's first national safety code and is an important addition to the body of labour law applying to industries within federal jurisdiction.

You have adopted a measure to make crop insurance applicable to all phases of agriculture and to make the program more attractive to Canadian farmers. The establishment of the Canadian Dairy Commission represents an important milestone for Canadian agriculture. Measures were also enacted to provide assistance to livestock feeders in Eastern Canada and British Columbia, and to establish a fund for the economic and social development of special rural development areas.

Under the provisions of the Fisheries Development Act, passed during the session, fishery development activities are being intensified in co-operation with the governments of the provinces and with the fishing industry.

My government has continued in its efforts to work for the co-ordination of measures to reduce poverty and increase security in all parts of Canada. In this connection, a measure has been passed providing for guaranteed income supplements for recipients of old age security. You have also enacted legislation introducing the Canada Assistance Plan to provide assistance to persons and families in need.

A measure of particular importance enacted during the past session was the Medical Care Act which provided for the commencement in Canada of a national Medical Care Program. This measure will make a major contribution toward the improvement of the health of the people of Canada and toward the mitigation of domestic financial crises caused by illness.

You have approved legislation authorizing the establishment of a Health Resources Fund to provide financial assistance to the provinces to aid them in research and in the training of health personnel.

You have passed legislation to encourage the occupational training of adult Canadians by the payment of training allowances and by providing for the federal purchase of training services through the facilities of the provinces and of industry.

Under the provisions of a major extension of the National Housing Act, Central Mortgage and Housing Corporation has been authorized to insure loans made by approved lenders and make direct loans to persons who intend to purchase, improve and occupy existing housing. To assist provinces and municipalities in continuing their efforts to combat soil and water pollution, the period of forgiveness for loans made on sewage treatment projects has been extended three years to March 1970. Mortgage loans have also been made available for the provision of student housing at vocational and training schools, training hospitals and schools for special groups of handicapped people.

In order to provide young people with increased opportunities for service to the community, you have approved a measure to establish the Company of Young Canadians.

In the last Session of Parliament before the day marking the Centennial of Confederation, it was appropriate that attention should be given to some of the symbolic and non-material aspects of our nationhood. The achievement that began with the adoption of our national flag was carried forward with the approval of "O Canada" as our national anthem. My government also announced the approval by Her Majesty the Queen of the Order of Canada as a means of recognizing service of special quality and merit to our country.

Looking to another aspect of the quality of our national life, my government has established a Royal Commission to inquire into and report upon the status of women in Canada and upon the steps the government might take to ensure for women equal opportunities with men in all aspects of Canadian society.

My government has tabled a White Paper setting forth its views with regard to future broadcasting policy. This statement, together with the report of the Standing Committee of the House of Commons on the subject, will provide the general background for the legislation on broadcasting which is soon to be introduced.

You have enacted a measure to provide for the establishment of a National Arts Centre, which will be the principal centennial project in the National Capital and will have beneficial effects for the performing arts in Canada. You have also passed legislation to establish the Canadian Film Development Corporation which will help to stimulate the film industry in this country.

You have approved a measure establishing rights of appeal to an independent tribunal both by persons ordered to be deported and by Canadians wishing to sponsor the admission of certain relatives to Canada. A White Paper defining the principles of immigration policy has been presented for your consideration.

Many other important items of legislation were approved in this session of Parliament which has been one of the most productive in our history. My government is conscious, however, that the need for legislative change and reform in Canada is greater today, and more constantly demanding, than at any period in our history. The accomplishments of this Session of Parliament must, therefore, be regarded less as a source of satisfaction than as an indication of the pace and scope of change that must be maintained and increased if the needs of the country are to be met.

Members of the House of Commons:

I thank you for the provision you have made for the public services in the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country.

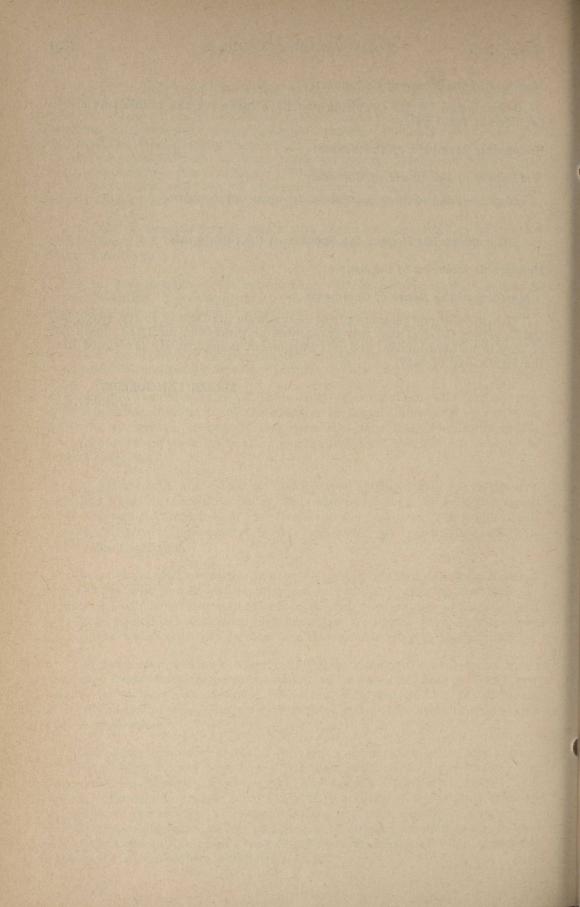
After which His Honour the Speaker of the Senate said:

Honourable Members of the Senate:

Members of the House of Commons:

It is the will and pleasure of the Honourable the Deputy to His Excellency the Governor General that this Parliament be prorogued until the eighth day of May to be here holden; and this Parliament is accordingly prorogued until the eighth day of May.

LUCIEN LAMOUREUX,
Speaker.



APPENDIX TO VOTES AND PROCEEDINGS

STATUS OF BUSINESS ON PROROGATION OF 1st SESSION OF 27th PARLIAMENT

Motions.

February 17—Mr. Ryan (Joint Chairman of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems):

That the First Report of the Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthems, presented to the House on Wednesday, February 15, 1967, be concurred in.

March 1—Mr. Hales (Chairman of the Standing Committee on Public Accounts):

That the Thirteenth Report of the Standing Committee on Public Accounts, presented to the House on Wednesday, March 1, 1967, be concurred in.

INTRODUCTION OF BILLS

April 25—Mr. Bell (Carleton)—Bill intituled: "An Act respecting the Metric System".

ORDERS OF THE DAY

GOVERNMENT ORDERS

Note.—The letters E.F. denote those Bills printed and distributed in both languages when the Orders were printed; E, printed in English, F, in French.

1966.

No. 1.

April 26, 1967—House again in Committee of Supply (the Messages of His Excellency the Administrator with the Main Estimates, 1967-68, and Supplementary Estimates (F) 1966-67, referred).—The Minister of Finance.

No. 2.

April 26, 1967—House again in Committee of Ways and Means.—The Minister of Finance.

No. 14.

January 31—The following proposed Resolution: —

That the Government be authorized to take such steps as may be necessary to provide that "O Canada" shall be the National Anthem of Canada while "God Save the Queen" shall be the Royal Anthem in Canada.—The Prime Minister.

No. 84.

March 15, 1967—House in Committee of the Whole on Bill S-9, An Act to revise and consolidate the Interpretation Act and Amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act (Without amendment).—The Minister of Justice.

No. 114.

December 2—Second reading of Bill S-50, An Act respecting the armed forces of countries visiting Canada.—The Minister of National Defence.—E.F.

1967

No. 136.

March 2—Second reading of Bill C-275, An Act to amend the Canada Corporations Act.—The Registrar General of Canada.—E.F.

No. 137.

March 2—House in Committee of the Whole on the following proposed Resolution:—

That it is expedient to introduce a measure to amend the Parliamentary Secretaries Act to provide for an increase in the number of Parliamentary Secretaries who may be appointed under the Act.—The Prime Minister.

No. 138.

March 13—Second reading of Bill C-279, An Act to amend the Canadian Wheat Board Act.—The Minister of Trade and Commerce.—E.F.

No. 139.

March 13—House in Committee of the Whole on the following proposed Resolution:—

That it is expedient to introduce a measure to provide for the establishment of a Canada Manpower and Immigration Council, of Advisory Boards and of regional and local manpower committees; to provide also for the appointment of the members thereof, their remuneration, allowances and other expenses; and to provide further that all expenditures for the purpose of the Act shall be paid out of moneys appropriated by Parliament therefor.—The Minister of Manpower and Immigration.

No. 141.

March 21—Second reading of Bill S-57, An Act to establish a corporation for the administration of the National Museums of Canada.—The Secretary of State.—E.F.

No. 142.

March 22—Second reading of Bill S-58, An Act respecting interprovincial and international teleferries.—The Minister of Transport.—E.F.

No. 145.

April 25—House in Committee of the Whole on the following proposed Resolution:—

That it is expedient to introduce a measure to amend the Immigration Act to increase from twelve million dollars to twenty million dollars the present limit on the total amount of outstanding advances at any one time that may be made to enable the Minister of Manpower and Immigration to make loans to immigrants to assist them with the expenses of their transportation to Canada.—The Minister of Manpower and Immigration.

No. 146.

April 26—Second reading of Bill S-59, An Act to amend the Canadian Citizenship Act.—The Secretary of State.—E.F.

GOVERNMENT ORDERS ADOPTED BY THE HOUSE SHOWING DATES OF DISPOSITION

1966.

- No. 1 January 31 Committee of Supply established.
 - February 2 Supply Order No. 1—1966-66 Estimates—all Departments entered.
 - March 22 Supply Order No. 1—1966-67 Estimates—10 Departments entered: Agriculture, External Affairs, Fisheries, National Defence, National Health and Welfare, Mines and Technical Surveys, Northern Affairs and National Resources, Secretary of State, Transport, Trade and Commerce.
 - May 3 Supply Order No. 2—1966-67 Estimates—6 Departments entered: Labour, Forestry, National Revenue, Post Office, Industry, Veterans Affairs.
 - May 17 Supply Order No. 3—1966-67 Estimates—7 Departments entered: Citizenship and Immigration, Defence Production, Finance, Justice, Legislation, Privy Council, Public Works.
 - November 22 Supply Order No. 4-final—1966-67 Estimates—1 Department entered: Solicitor General.
 - ²February 7 Appropriation Act No. 1, 1966 (4th Interim Supply for 1965-66)—Bill C-116.
 - ²March 9 Appropriation Act No. 2, 1966 (Main and Supplementary Estimates (B) and (D), 1965-66)—Bill C-140.
 - ²March 25 Appropriation Act No. 3, 1966 (1st Interim Supply for 1966-67)—Bill C-157.
 - ²March 29 Appropriation Act No. 4, 1966 (Supplementary Estimates (E), 1965-66)—Bill C-159.
 - 2May 27 Appropriation Act No. 5, 1966 (2nd Interim Supply for 1966-67)—Bill C-189.
 - ²July 7 Appropriation Act No. 6, 1966 (1st Main Supply for 1966-67)—Bill C-224.
 - ²July 11 Appropriation Act No. 7, 1966 (3rd Interim Supply for 1966-67)—Bill C-226.
 - November 17 Appropriation Act No. 8, 1966 (4th Interim Supply for 1966-67)—Bill C-245. (See also Order No. 109).
 - ²November 25 Appropriation Act No. 9, 1966 (2nd Main and Supplementary Estimates (A), (B) and (C), 1966-67)—Bill C-248.
 - ²December 6 Appropriation Act No. 10, 1966 (Supplementary Estimates (D) 1966-67)—Bill C-254.
 - ²Feb. 24, 1967 Appropriation Act No. 1, 1967 (Supplementary Estimates (E) 1966-67)—Bill C-271.
 - ²Mar. 22, 1967 Appropriation Act No. 2, 1967 (Supplementary Estimates (G), 1966-67)—Bill C-282.

- ²Mar. 22, 1967 Appropriation Act No. 3, 1967 (1st Interim Supply for 1967-68)—Bill C-283.
- April 26, 1967 Appropriation Act No. 4, 1967 (2nd Interim Supply for 1967-68) Bill C-293.
- No. 2 January 31 Committee of Ways and Means established.
 - April 22 Budget Debate.
 - June 23 Excise Tax Act amendment—Bill C-198. (See also Order No. 70).
 - June 23 Customs Tariff Act amendment—Bill C-200. (See also Order No. 71).
 - July 13 Income Tax Act amendment—Bill C-216 (Formerly An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act). (See also Order No. 81).
 - Feb. 13, 1967 Supplementary Budget Debate.
- No. 3 May

 6 Agreement between the Government of Canada and the
 Government of the United States of America concerning
 Automotive Products.
- No. 4 June 6 National Research Council Act amendment—Bill C-150.
- No. 5 June 21 Fund for Rural Economic Development Act—Bill C-151.
- No. 6 April 6 Agricultural Rehabilitation and Development Act amendment—Bill C-152.
- No. 7 May 6 Bretton Woods Agreement Act amendment—Bill C-144.
- No. 8 April 25 Fisheries Development Act—Bill C-145.
- No. 9 April 6 Aeronautics Act amendment—Bill C-153.
- No. 10 June 6 Fair Wages and Hours of Labour Act amendment—Bill C-2.
- No. 11 March 15 Bank Act and the Quebec Savings Banks Act amendment—Bill C-3.
- No. 12 May 13 Northwest Territories Act amendment-Bill C-146.
- No. 13 June 6 Yukon Act amendment—Bill C-147.
- No. 15 April 26 Science Council of Canada Act-Bill C-149.
- No. 16 March 15 Penitentiaries, Joint Committee established.
- 2No. 17 February 8 Question of adequacy of CPR passenger service referred to the Standing Committee on Transport and Communications. (Reported back to House on June 15, 1966).
 - No. 18 March 15 Consumer Credit and Cost of Living, Joint Committee established. (See also Order No 99). (Reported to House May 8, 1967).

- No. 19 February 15 Drugs, Special Committee established. (Final Report to House April 3, 1967).
- 2No. 20 February 18 Bill C-126, An Act to extend the time for consideration of objections pursuant to section 20 of the Electoral Boundaries Readjustment Act with respect to the reports of commissions established for the decennial census taken in the year 1961.
- No. 21 March 15 Parliamentary Restaurant, Joint Committee established.
- No. 22 March 1 First Report of the Standing Committee on Finance, Trade and Economic Affairs, concurred in, to have effect for March 1, 1966.
- No. 23 December 6 Ottawa Terminal Railway Company Act—Bill S-2—Order discharged and Bill withdrawn.
- No. 24 March 17 Milltown Bridge Act—Bill S-15.
- No. 25 March 15 Divorce, Special Joint Committee established.
- No. 26 April 6 Bills of Exchange Act amendment—Bill S-14.
- 2No. 27 March 22 Main Estimates 1966-67—of the Department of Agriculture referred to the Standing Committee on Agriculture, Forestry and Rural Development. (Reported back to House on July 13, 1966).
- ²No. 28 March 22 Main Estimates 1966-67—of the Department of External Affairs referred to the Standing Committee on External Affairs. (Reported back to House on June 17, 1966).
- ²No. 29 March 22 Main Estimates 1966-67—of the Department of Fisheries referred to the Standing Committee on Fisheries. (Reported back to House on June 13, 1966).
- 2No. 30 March 22 Main Estimates 1966-67—of the Department of National Defence referred to the Standing Committee on National Defence. (Reported back to House on June 30, 1966).
 - ²June 29 Supplementary Estimates (A) 1966-67—Emergency Measures Organization—(Department of Defence Production)—
 referred to the Standing Committee on National Defence (Reference Rescinded).
- 2No. 31 March 22 Main Estimates 1966-67—of the Department of National Health and Welfare referred to the Standing Committee on Health and Welfare. (Reported back to House on July 14, 1966).
- 2No. 32 March 22 Main Estimates 1966-67—of the Department of Mines and Technical Surveys referred to the Standing Committee on Industry, Research and Energy Development. (Reported back to House, June 29, November 23, 1966).
- 2No. 33 March 22 Main Estimates 1966-67—of the Department of Northern Affairs and National Resources referred to the Standing Committee on Northern Affairs and National Resources. (Reported back to House on June 28, 1966).

² No. 34 — March	22 — Main Estimates 1966-67—relating to Indian Affairs referred to the Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration. (Reported back to House on June 16, 1966).
² No. 35 — March	22 — Main Estimates 1966-67—of the Department of Secretary of State, and related Agencies, except the Office of the Chief Electoral Officer referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. (Reference Rescinded).
² No. 36 — March	22 — Main Estimates 1966-67—relating to the Office of the Chief Electoral Officer referred to the Standing Committee on Privileges and Elections. (Reported back to House on July 7, 1966).
² No. 37 — March	22 — Main Estimates 1966-67—of the Department of Transport referred to the Standing Committee on Transport and Communications. (Reported back to House on June 17, 1966).
² No. 38 — March	22 — Main Estimates 1966-67—of the Department of Trade and Commerce referred to the Standing Committee on Finance, Trade and Economic Affairs. (Reported back to House on October 25, 1966).
No. 39 — April	29 — Canada-United Kingdom Income Tax Agreement Act, 1966 —Bill C-154.
No. 40 — March	30 — Judges Act amendment—Bill C-160.
No. 41 — March	30 — Admiralty Act amendment—Bill C-161.
No. 42 — April	25 — Canadian National Railway Company—construction of a line of railway from the vicinity of Amesdale on the Redditt Sub-division to a point in the vicinity of Bruce Lake, in the District of Kenora, Act—Bill C-165.
² No. 43 — March	28 — Public Accounts, and Canada Council Financial Statements for 1964 and 1965 financial years and Auditor-General's Reports thereon referred to the Standing Committee on Public Accounts. (Third Report—June 28, 1966).
² No. 44 — March	30 — Report on Hong Kong Veterans, 1964-65, subject-matter referred to the Standing Committee on Veterans Affairs. (Reported back to House on June 15, 1966).
No. 45 — July	8 — Canada Assistance Plan Act—Bill C-207.
No. 46 — April	26 — Export and Import Permits Act amendment—Bill S-23.
No. 47 — Feb. 20, 1	967 — Public Service Staff Relations Act—Bill C-170.
No. 48 — October	21 — Livestock Feeders Assistance Act—Bill C-218.
No. 49 — June	28 — Public Utilities Income Tax Transfer Act—Bill C-211.
No. 50 — April	26 — Farm Credit Act amendment—Bill C-171.
No. 51 — July	11 — Statute Law (Superannuation) Amendment Act, 1966—Bill C-193.
No. 52 — May	19 — Newfoundland Additional Financial Assistance Act, 1966 —Rill C.185.

-Bill C-185.

10	1967
No. 53 — April	25 — Public Service, Joint Committee established [See also Order Nos. 47 (Bill C-170 reported back to House on February 3, 1967)—51 (Bill C-193 reported back to House on June 22, 1966)—58 (Bill C-181 reported back to House on February 3, 1967)—59 (Bill C-182 reported back to House on February 3, 1967) and 123 (Matter of pensions reported back to House May 8, 1967)]—Final report to House May 8, 1967).
No. 54 — June	6 — Combines Investigation Act and the Criminal Code amendment—Bill C-169.
No. 55 — June	28 — Company of Young Canadians Act—Bill C-174.
No. 56 — June	6 — Government Organization Act, 1966—Bill C-178.
² No. 57 — May	3 — Main Estimates 1966-67—of the Department of Veterans Affairs referred to the Standing Committee on Veterans Affairs. (Reported back to House on June 1, 1966).
No. 58 — Feb. 20,	1967 — Public Service Employment Act—Bill C-181.
No. 59 — Feb. 20,	1967 — Financial Administration Act amendment—Bill C-182.
No. 60 — June	9 — Training Allowance Act, 1966—Bill C-186.
No. 61 — July	13 — National Arts Centre Act—Bill C-194.
No. 62 — Feb. 3,	1967 — Canadian Film Development Corporation Act—Bill C-204.
No. 63 — Mar. 15,	1967 — Bank of Canada Act amendment—Bill C-190.
No. 64 — June	20 — Bankruptcy Act amendment—Bill S-17.
No. 65 — June	23 — Canada Student Loans Act amendment—Bill C-197.
No. 66 — June	27 — Health Resources Fund Act—Bill C-199.
² No. 67 — June	2 — Annual and Supplementary Reports of the Canadian Wheat Board for the crop years, 1962-63, 1963-64 and 1964-65—referred to the Standing Committee on Agriculture, Forestry and Rural Development. (Report to House May 8, 1967).
² No. 68 — June	3 — Main Estimates 1966-67—relating to the National Research Council including the Medical Research Council, referred to the Standing Committee on Industry, Research and Energy Development. (Reported back to House on June 29, 1966).
² No. 69 — June	3 — Designated areas programme and the criteria thereunder —subject-matter referred to the Standing Committee on Industry, Research and Energy Development. (Report to House March 21, 1967).
No. 70 — June	23 — Excise Tax Act amendment—Bill C-198. (See also Order No. 2).

No. 71 — June 23 — Customs Tariff Act amendment—Bill C-200. (See also Order No. 2).

No. 72 — June 28 — Exchequer Court Act amendment—Bill C-201.

No. 73 — June 23 — Canadian Dairy Commission Act—Bill C-205.

No. 74 — Mar. 21, 1967 — Bank Act—Bill C-222.

No. 75 — Mar. 21, 1967 — Quebec Savings Banks Act—Bill C-223.

No. 76 — July 7 — Crop Insurance Act amendment—Bill C-208.

No. 77 — June 28 — Atlantic Development Board Act amendment—Bill C-213.

No. 78 — June

27 — Canadian National Railway Company—construction of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately twelve miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province, Act—Bill C-210.

No. 79 — Jan. 24, 1967 — Canadian National Railways Financing and Guarantee
Act, 1965-1966—Bill C-229.

No. 80 — July 14 — St. Lawrence Ports Working Conditions Act—Bill C-215.

No. 81 — July

13 — Income Tax Act amendment—Bill C-216. (Formerly An Act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act). (See also Order No. 2).

No. 82 - December 8 - Medical Care Act-Bill C-227.

No. 83 — Mar. 1, 1967 — Immigration Appeal Board Act—Bill C-220.

No. 85 — December 21 — Canada Labour (Safety Code) Act—Bill S-35.

No. 86 - Mar. 10, 1967 - Pension Benefits Standards Act-Bill C-221.

2No. 87 — July 11 — Annual Reports for 1965 of the Canadian National Railways and of the Canadian National Railways Securities Trust; Auditors' Report to Parliament for 1965 in respect of the Canadian National Railways; Budget for 1966 of the Canadian National Railways; Annual Report of Air Canada for 1965; Auditors' Report to Parliament for 1965 in respect of Air Canada; and the Budget for 1966 of Air Canada referred to the Standing Committee on Transport and Communications.

No. 88 — July 13 — Canadian Corporation for the 1967 World Exhibition Act amendment—Bill S-42.

²No. 89 — July 13 — Standing Committee on Northern Affairs and National Resources—Supplementary powers to Committee. (See also Order No. 102).

²No. 90 — July 13 — Standing Committee on Indian Affairs, Human Rights and Citizenship and Immigration—Supplementary powers to Committee. (Report to House March 21, 1967).

No. 91 — September 1 — Maintenance of Railway Operation Act, 1966—Bill C-230. V 250—5

- No. 92 Jan. 27, 1967 National Transportation Act-Bill C-231.
- No. 93 December 20 Export Credits Insurance Act amendment—Bill C-253.
- No. 94 December 6 Boundary between the Provinces of Manitoba and Saskatchewan Act—Bill S-45.
- No. 95 December 6 Boundary between the Province of Saskatchewan and the Northwest Territories Act—Bill S-46.
- No. 96 December 20 Boundary between the Province of Manitoba and the Northwest Territories Act—Bill S-47.
- No. 97 December 6 Canada Lands Surveys Act amendment—Bill S-48.
- No. 98 November 21 Proposed Address to His Excellency—re: Mr. Justice Leo Landreville—Joint Committee established. (Reports to House March 17 and April 13, 1967).
- ²No. 99 September 9 Cost of living—question of—referred to the Joint Committee on Consumer Credit and Cost of Living. (See also Order No. 18).
- No. 100—Feb. 23, 1967 Industrial Research and Development Incentives Act—Bill C-252.
- No. 101-November 17 National Housing Act, 1954 amendment-Bill C-241.
- No. 102—November 1 Standing Committee on Northern Affairs and National Resources—Further Supplementary powers to Committee.

 (See also Order No. 89). (Report to House March 21, 1967).
- ²No. 103—October 20 Immigration—Joint Committee established. (Report to House May 8, 1967).
- No. 104—Jan. 24, 1967 Canada Elections Act referred to the Standing Committee on Privileges and Elections.
- No. 105—Jan. 24, 1967 Report of the Committee on Election Expenses referred to the Standing Committee on Privileges and Elections.
- No. 106—November 23 White Paper on Broadcasting (1966)—referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. (Report to House March 21, 1967).
- No. 107-April 25, 1967 Canadian Forces Reorganization Act-Bill C-243.
- No. 108—December 6 Order for resuming the adjourned debate on concurrence in the Twelfth Report of the Standing Committee on Transport and Communications—discharged and motion with drawn.
- No. 109—November 17 Appropriation Act No. 8, 1966—Bill C-245. (See also Order No. 1).
- No. 110—Jan. 13, 1967 Canada Corporations Act to facilitate the incorporation by letters patent of corporations without pecuniary gain Act amendment—Bill S-51.
- No. 111-December 20 Old Age Security Act amendment-Bill C-251.
- No. 112—November 28 Bank Act and the Quebec Savings Banks Act amendment—Bill S-53.
- No. 113—December 12 Canada Labour (Standards) Code amendment—Bill S-54.
- No. 115—December 16 Motion to amend Standing Orders 41 and 42—withdraws and Order discharged.

- No. 116-Feb. 24, 1967 Small Businesses Loans Act-Bill C-270.
- No. 117-Jan. 24, 1967 Judges Act amendment-Bill C-262.
- No. 118—Jan. 10, 1967 Air Traffic Control Services—Order discharged and resolution withdrawn.
- No. 119—Mar. 15, 1967 Income Tax Act amendment and to repeal the Canadian Vessel Construction Assistance Act—Bill C-259.
- No. 120-Feb. 27, 1967 Postal Services Interruption Relief Act-Bill S-55.
- No. 121-Feb. 14, 1967 Canada Deposit Insurance Corporation Act-Bill C-261.
- No. 122—Feb. 22, 1967 Governor General's Retiring Annuity Act—Bill C-265.
- ²No. 123—Jan. 10, 1967 Matter of pensions paid to retired civil servants or their dependents—referred to Joint Committee on the Public Service. (See also Order No. 53).
- No. 124—Jan. 25, 1967 Joint Committee on National and Royal Anthems established (Interim recommendations adopted—April 12, 1967).
- No. 125—Jan. 25, 1967 Special Committee on Procedure of the House of Commons established (1st and 2nd Reports to House March 20) (Adopted April 26, 1967).
- No. 126—Feb. 23, 1967 Statutory Salaries Revision Act, 1967—Bill C-266.
- No. 127-Feb. 24, 1967 Judges Act amendment-Bill C-267.
- No. 128—Feb. 27, 1967 Fund for Rural Economic Development Act amendment—Bill C-274.
- No. 129—Feb. 27, 1967 Agreements for the avoidance of double taxation with respect to income tax between Canada and Trinidad and Tobago, Canada and Ireland, Canada and Norway and Canada and the United Kingdom, and to implement a supplementary income tax convention between Canada and the United States of America—Bill S-56.
- No. 130—Feb. 24, 1967 Criminal Code (hate propaganda)—Joint Committee established.
- No. 131—Feb. 21, 1967 Report of the Department of External Affairs referred to the Standing Committee on External Affairs.
- No. 132—Feb. 21, 1967 Judges Act amending Bill C-267—Resolution adopted and referred to Committee of the Whole to be appointed to consider the said Bill (See also Order No. 127).
- No. 133—March 2, 1967 Excise Tax Act and Old Age Security Act amendment—Bill C-268.
- No. 134—April 26, 1967 Adult Occupational Training Act—Bill C-278.
- No. 135—Mar. 10, 1967 Federal-Provincial Fiscal Arrangements Act, 1967—Bill C-277.
- No. 140—April 26, 1967 Income Tax Act amendment—Bill C-280. V $250-5\frac{1}{2}$

- 2No. 143—April 4, 1967 Annual Report and Auditors' Report to Parliament for 1966 together with Capital Budget for 1967 of Air Canada referred to the Standing Committee on Transport and Communications. (Reported back to House on April 25, 1967).
- 2No. 144—April 5, 1967 Public Accounts, and Canada Council Annual Report and Financial Statement for 1966 and Auditor-General's Reports thereon referred to the Standing Committee on Public Accounts.

^{1 —} Senate passage or Royal Assent pending.
2 — All stages passed in one sitting—never appeared under "Government Orders"
3 — To be reinstated on the Order Paper after the Committee reports.

PUBLIC BILLS

Note.—The letters E.F. denote those Bills printed and distributed in both languages when the Orders were printed; E, printed in English, F, in French.

1966.

No. 1.

January 24—Second reading of Bill C-14, An Act to amend the Criminal Code (Abolition of Capital Punishment).—Mr. Byrne.—E.F.

No. 2.

January 24—Second reading of Bill C-17, An Act to amend the Broadcasting Act (Community Antenna).—Mr. Peters.—E.F.

No. 3.

January 24—Second reading of Bill C-23, An Act respecting the Flag Day of Canada.—Mr. Loiselle.—E.F.

No. 4.

January 24—Second reading of Bill C-25, An Act to amend the Immigration Act (Racial Discrimination).—Mr. Brewin.—E.F.

No. 5.

January 24—Second reading of Bill C-31, An Act to provide for a National Anthem.—Mr. Allard.—E.F.

No. 6.

January 24—Second reading of Bill C-32, An Act to enable Civil Servants to engage in Political Activity.—Mr. Scott (Danforth).—E.F.

No. 7.

January 24—Second reading of Bill C-34, An Act to amend the Financial Administration Act (Truth in Receiving Bill).—Mr. Basford.—E.F.

No. 8.

January 24—Second reading of Bill C-35, An Act to amend the Criminal Code (Prohibiting the oral or written publication or distribution of hate literature).—Mr. Lewis.—E.F.

No. 9.

January 24—Second reading of Bill C-42, An Act to amend the Criminal Code (Provincial Lotteries).—Mr. Allard.—E.F.

No. 10.

January 24—Second reading of Bill C-43, An Act to make provision for the Retirement of Members of the House of Commons.—Mr. Basford.—E.F.

No. 11.

January 24—Second reading of Bill C-47, An Act to amend the House of Commons Act (Internal Economy Autonomy).—Mr. Howard.—E.F.

No. 12.

January 24—Second reading of Bill C-48, An Act to amend the Railway Act (Responsibility for Dislocation Costs).—Mr. Fawcett.—E.F.

No. 13.

January 24—Second reading of Bill C-50, An Act to better assure the Public's Rights to Freedom of Access to Public Documents and Information about Government Administration (Administrative Disclosure).—Mr. Mather.—E.F.

No. 14.

January 24—Second reading of Bill C-51, An Act to amend the Income Tax Act.—Mr. Howard.—E.F.

No. 15.

January 24—Second reading of Bill C-54, An Act to provide for a Canadian National Anthem.—Mr. Ryan.—E.F.

No. 16.

January 24—Second reading of Bill C-56, An Act to amend the Criminal Code (Restriction on publication of proceedings).—Mr. Lachance.—E.F.

No. 17.

January 24—Second reading of Bill C-57, An Act to amend the British North America Acts, 1867 to 1965, (Duration of House of Commons).—Mr. Peters.—E.F.

No. 18.

January 24—Second reading of Bill C-60, An Act to amend the Immigration Act (Mental Retardation).—Mr. Mather.—E.F.

No. 19.

January 24—Second reading of Bill C-61, An Act to provide for free transportation on railways of Canada for senior citizens.—Mr. Scott (Danforth).—E.F.

No. 20.

January 24—Second reading of Bill C-62, An Act to amend the Criminal Code (Nuisance).—Mr. Herridge.—E.F.

No. 21.

January 24—Second reading of Bill C-63, An Act to amend the Civil Service Act (Appeal Panel).—Mr. Bell (Carleton).—E.F.

No. 22.

January 24—Second reading of Bill C-66, An Act respecting the Observance of Leifr Eiriksson Day.—Mr. Stefanson.—E.F.

No. 23.

January 24—Second reading of Bill C-67, An Act to amend the Territorial Sea and Fishing Zones Act.—Mr. Howard.—E.F.

No. 24.

January 24—Second reading of Bill C-68, An Act to amend the Oaths of Allegiance Act (Affirmation).—Mr. Howe (Hamilton South).—E.F.

No. 25.

January 24—Second reading of Bill C-69, An Act to amend the Transport Act and the Railway Act (B.C. Water Carrier).—Mr. Barnett.—E.F.

No. 26.

January 24—Second reading of Bill C-70, An Act to amend the Unemployment Insurance Act.—Mr. Cashin.—E.F.

No. 27.

January 24—Second reading of Bill C-72, An Act to establish the Canada Law Reform Commission.—Mr. Bell (Carleton).—E.F.

No. 28.

January 24—Second reading of Bill C-73, An Act to amend the Criminal Code (Abolition of Capital Punishment).—Mr. Scott (Danforth).—E.F.

No. 29.

January 24—Second reading of Bill C-74, An Act to amend the Canada Labour (Standards) Code (Increased Minimum Hourly Wage).—Mr. Knowles.—E.F.

No. 30.

January 24—Second reading of Bill C-75, An Act to amend the Canada Elections Act (Age of Voters).—Mr. Scott (Danforth).—E.F.

No. 31.

January 24—Second reading of Bill C-77, An Act to amend the National Energy Board Act (Drainage Works).—Mr. Thomas (Middlesex West).—E.F.

No. 32.

January 24—Second reading of Bill C-78, An Act respecting the National Indian Day.—Mr. Brown.—E.F.

No. 33.

January 24—Second reading of Bill C-80, An Act to amend the Criminal Code (Contempt of Court).—Mr. Cowan.—E.F.

No. 34.

January 24—Second reading of Bill C-81, An Act to amend the Criminal Code (Company-censored Housing).—Mr. Orlikow.—E.F.

No. 35.

January 24—Second reading of Bill C-82, An Act to amend the Canada Elections Act (Publication of Straw Poll Results).—Mr. Peters.—E.F.

No. 36.

January 24—Second reading of Bill C-83, An Act to amend the Canada Elections Act (University Students' Franchise).—Mr. Hales.—E.F.

No. 37.

January 24—Second reading of Bill C-84, An Act to amend the Criminal Code (Raffles and Bingo for Charitable Purposes).—Mr. Gray.—E.F.

No. 38.

January 24—Second reading of Bill C-85, An Act to amend the Canada Elections Act (Political Affiliations of Candidates on Ballot Papers).—Mτ. Patterson.—E.F.

No. 39.

January 24—Second reading of Bill C-86, An Act to amend the Railway Act (Abandonment Moratorium).—Mr. Southam.—E.F.

No. 40.

January 24—Second reading of Bill C-88, An Act to restrain the use of Tobacco.—Mr. Mather.—E.F.

No. 41.

January 24—Second reading of Bill C-89, An Act to amend the Criminal Code.—Mr. Stefanson.—E.F.

No. 42.

January 24—Second reading of Bill C-90, An Act to amend the Railway Act (Abandonment).—Mr. Thomas (Middlesex West).—E.F.

No. 43.

January 24—Second reading of Bill C-93, An Act respecting Sir John A. Macdonald Day.—Mr. Macquarrie.—E.F.

No. 44.

January 24—Second reading of Bill C-94, An Act to amend the Radio Act (Community Antenna).—Mr. Peters.—E.F.

No. 45.

January 24—Second reading of Bill C-95, An Act to amend the Post Office Act (Hate Literature).—Mr. Orlikow.—E.F.

No. 46.

January 24—Second reading of Bill C-96, An Act to amend the Canada Elections Act (Age of Voters).—Mr. Brown.—E.F.

No. 47.

January 24—Second reading of Bill C-97, An Act to amend the Broadcasting Act (Political Programs).—Mr. Harley.—E.F.

No. 48.

January 24—Second reading of Bill C-98, An Act to amend the Canada Elections Act (Student Voting).—Mr. Scott (Danforth).

No. 49.

January 24—Second reading of Bill C-99, An Act to amend the Canada Elections Act (Advertising during electoral campaign).—Mr. Rynard.—E.F.

No. 50.

January 24—Second reading of Bill C-101, An Act to amend the Criminal Code (Human Rights and Fundamental Freedoms Preserved).—Mr. Scott (Danforth).—E.F.

No. 51.

January 24—Second reading of Bill C-102, An Act to amend the Canada Elections Act (Eighteen year old voters and candidates).—Mr. Basford.—E.F.

No. 52.

January 24—Second reading of Bill C-103, An Act to preserve and promote Native Indian and Eskimo Arts and Crafts.—Mr. Howard.—E.F.

No. 53.

January 24—Second reading of Bill C-104, An Act to amend the Immigration Act (Disclosure of Reasons for Deportation).—Mr. Brewin.—E.F.

No. 54.

January 24—Second reading of Bill C-106, An Act to amend the Criminal Code (Capital Punishment, Form of Sentence).—Mr. Cowan.—E.F.

No. 55.

January 24—Second reading of Bill C-107, An Act to amend the Immigration Act.—Mr. Badanai.—E.F.

No. 56.

January 24—Second reading of Bill C-108, An Act to approve the ex gratia payment of compensation to persons injured by aiding and assisting the Governor General to preserve and maintain the public peace and order and to dependents of persons killed thereby (Criminal Injuries Compensation Act).—

Mr. Ormiston.—E.F.

No. 57.

January 26—Second reading of Bill C-109, An Act to govern, license and regulate the operation of Rainmaking Equipment in Canada.—Mr. Peters.—E.F.

No. 58.

January 26—Second reading of Bill C-110, An Act to amend the Criminal Code (Abolition of Capital Punishment) and the Parole Act (Persons convicted of Murder or Treason).—Mr. Stanbury.—E.F.

No. 59.

February 2—Second reading of Bill C-112, An Act to provide for the Establishment of the Alaska-Yukon Highway Authority (Alaska Highway).— Mr. Thompson.—E.F.

No. 60.

February 2—Second reading of Bill C-113, An Act to establish the Office of Parliamentary Commissioner.—Mr. Thompson.—E.F.

No. 61.

February 4—Resuming debate on the motion of Mr. Brewin for the second reading of Bill C-5, An Act to amend the Canada Elections Act (Limiting Election Expenses).

No. 62.

February 7—Second reading of Bill C-114, An Act to amend the British North America Acts 1867 to 1965, with respect to the Quorum of the House of Commons.—Mr. Knowles.—E.F.

No. 63.

February 7—Second reading of Bill C-115, An Act to amend the Criminal Code (Commutation by Provincial Authorities).—Mr. Choquette.—E.F.

No. 64.

February 9—Second reading of Bill C-117, An Act to amend the Canada Elections Act (Political Affiliations of Candidates on Ballot Papers).—Mr. Leblanc (Laurier).—E.F.

No. 65.

February 9—Second reading of Bill C-119, An Act respecting Canada Day.
—Mr. Forest.—E.F.

No. 66.

February 9—Second reading of Bill C-120, An Act to amend the Criminal Code (Abolition of Capital Punishment).—Mr. Nugent.—E.F.

No. 67.

February 9—Second reading of Bill C-121, An Act to amend the Criminal Code (Young Offenders).—Mr. Woolliams.—E.F.

No. 68.

February 15—Second reading of Bill C-122, An Act respecting the Canada Medal.—Mr. Leblanc (Laurier).—E.F.

No. 69.

February 16—Second reading of Bill C-123, An Act to amend the Criminal Code (Corporal Punishment).—Mr. Choquette.—E.F.

No. 70.

February 16—Second reading of Bill C-124, An Act to amend the Criminal Code (Attempt to commit suicide).—Mr. Watson (Chateauguay-Huntingdon-Laprairie).—E.F.

No. 71.

February 17—Second reading of Bill C-125, An Act to provide for the Establishment of a Hospital Sweepstakes Board.—Mr. Horner (Acadia).—E.F.

No. 72.

February 21—Second reading of Bill C-127, An Act to amend the British North America Acts, 1867 to 1965 (Grounds for Dissolution).—Mr. Aiken.—E.F.

No. 73.

February 21—Second reading of Bill C-128, An Act to amend the Canada Pension Plan (Provision for Retired Persons).—Mr. Otto.—E.F.

No. 74.

February 21—Second reading of Bill C-129, An Act to amend the Criminal Code (Modernization of Law of Picketing).—Mr. Lewis.—E.F.

No. 75.

February 22—Second reading of Bill C-130, An Act to amend the Tobacco Restraint Act.—Mr. Yanakis.—E.F.

No. 76.

February 25—Second reading of Bill C-131, An Act to amend the Canada Fair Employment Practices Act (Age Discrimination).—Mr. Saltsman.—E.F.

No. 77.

February 25—Second reading of Bill C-132, An Act to amend the Combines Investigation Act (Professional Sports).—Mr. Basford.—E.F.

No. 78.

February 25—Resuming debate on the motion of Mr. Rapp for the second reading of Bill C-11, An Act to amend the Agricultural Stabilization Act (Hog and Egg prices stabilized half-yearly and regionally).

No. 79.

March 4—Second reading of Bill C-134, An Act to amend the Financial Administration Act.—Mr. Caouette.—E.F.

No. 80.

March 4—Resuming debate on the motion of Mr. Rapp for the second reading of Bill C-59, An Act to amend the Unemployment Insurance Act (Agricultural Employees' Coverage).

No. 81.

March 7—Second reading of Bill C-135, An Act to amend the Canada Pension Plan (Housewives contributions and benefits).—Mr. Saltsman.—E.F.

No. 82.

March 7—Second reading of Bill C-136, An Act to amend the Financial Administration Act (Parliamentary Commissioner for Administration).— $M\tau$. Thompson.—E.F.

No. 83.

March 9—Second reading of Bill C-137, An Act to amend the Canada Elections Act (Elections on a Sunday).—Mr. Leblanc (Laurier).—E.F.

No. 84.

March 9—Second reading of Bill C-138, An Act to amend the Civil Service Act.—Mr. Lewis.—E.F.

No. 85.

March 9—Second reading of Bill C-139, An Act to amend the Old Age Security Act.—Mr. Comtois.—E.F.

No. 86.

March 10—Second reading of Bill C-141, An Act to amend the Criminal Code (Cruelty to Animals and to Human Beings).—Mr. Klein.—E.F.

No. 87.

March 14—Second reading of Bill C-142, An Act to amend the Canada Shipping Act (Canadian ships in coasting trade).—Mr. Howard.—E.F.

No. 88.

March 14—Second reading of Bill C-143, An Act to repeal the Electoral Boundaries Readjustment Act.—Mr. Caouette.—E.F.

No. 89.

March 18—Second reading of Bill C-148, An Act to amend the Industrial Relations and Disputes Investigation Act (Meaning of "Unit").—Mr. Allard—E.F.

No. 90.

March 18—Resuming debate on the motion of Mr. Ryan for the second reading of Bill C-6, An Act to provide for the length of Sessions of Parliament.

No. 91.

March 25—Second reading of Bill C-155, An Act to amend the Criminal Code (Cruelty to Animals).—Mr. Mather.—E.F.

No. 92.

March 25—Second reading of Bill C-156, An Act to amend the Industrial Relations and Disputes Investigation Act (Powers of Chairman and of the Board).—Mr. Allard.—E.F.

No. 93.

March 25—Resuming debate on the motion of Mr. Caouette for the second reading of Bill C-10, An Act to amend the British North America Acts, 1867 to 1965, with respect to Representation of the Provinces in the Senate and Qualifications of Senators.

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No. 94.

March 28—Second reading of Bill C-158, An Act to amend the Senate and House of Commons Act (St. Luke 11;46).—Mr. Herridge.—E.F.

No. 95.

March 31—Second reading of Bill C-162, An Act respecting the National Fruit of Canada.—Mr. Harley.—E.F.

No. 96.

April 1—Second reading of Bill C-163, An Act to amend the Canada Corporations Act.—Mr. Allard.—E.F.

No. 97.

April 1—Resuming debate on the motion of Mr. Knowles for the second reading of Bill C-15, An Act to amend the British North America Act 1867 (Abolition of the Senate.)

No. 98.

April 4—Second reading of Bill C-164, An Act to amend the Criminal Code (Group Defamatory Libel).—Mr. Nesbitt.—E.F.

No. 99.

April 21—Second reading of Bill C-166, An Act to amend the Criminal Code (Habitual Criminals).—Mr. Guay.—E.F.

No. 100.

April 21—Second reading of Bill C-167, An Act to amend the Food and Drugs Act (Listing of Ingredients).—Mr. Saltsman.—E.F.

No. 101.

April 25—Second reading of Bill C-168, An Act to amend the Criminal Code (Repeal of Power to Commute a Sentence of Death).—Mr. Choquette. -E.F.

No. 102.

April 27—Second reading of Bill C-172, An Act to amend the Parole Act (Power to Commute a Sentence of Death).—Mr. Choquette.—E.F.

No. 103.

April 29—Second reading of Bill C-173, An Act to amend the Combines Investigation Act (Increased prices).—Mr. Saltsman.—E.F.

No. 104.

May 2—Second reading of Bill C-175, An Act to repeal the Maritime Transportation Unions Trustees Act.—Mr. Howard.—E.F.

No. 105.

May 6—Resuming debate on the motion of Mr. Howard for the second reading of Bill C-8, An Act to repeal the British Columbia Indian Reserves Mineral Resources Act.

No. 106.

May 9—Second reading of Bill C-177, An Act to authorize the Government of Canada to enter into negotiations for the creation of an Intergovernmental Advisory Commission.—Mr. Mongrain.—E.F.

No. 107.

May 10—Second reading of Bill C-179, An Act to amend the Criminal Code (Attendance at Execution).—Mr. Klein.—E.F.

No. 108.

May 10—Second reading of Bill C-180, An Act to amend the Criminal Code (Punishment for Murder).—Mr. Klein.—E.F.

No. 109.

May 12—Second reading of Bill C-183, An Act to amend the Canada Elections Act (Qualifications of Voters and Electors).—Mr. Stanbury.—E.F.

No. 110.

May 13—Resuming debate on the motion of Mr. Bell (Carleton) for the second reading of Bill C-12, An Act to amend the National Capital Act.

No. 111.

May 18—Second reading of Bill C-184, An Act to amend the Criminal Code (Right to counsel).—Mr. Choquette.—E.F.

No. 112.

May 20—Resuming debate on the motion of Mr. Deachman for the second reading of Bill C-100, An Act to amend the Canada Elections Act (Students' Franchise).

No. 113.

May 26—Second reading of Bill C-187, An Act to amend the Prairie Farm Assistance Act (Hail damage).—Mr. Woolliams.—E.F.

No. 114.

May 27—Second reading of Bill C-188, An Act to amend the Inquiries Act.—Mr. Brewin.—E.F.

No. 115.

May 27—Resuming debate on the motion of Mr. Peters for the second reading of Bill C-7, An Act concerning the Exportation of the Growth and Produce of Canada.

No. 116.

June 2—Second reading of Bill C-191, An Act to amend the British North America Act, 1867, (Canadian Bill of Rights).—Mr. Badanai.—E.F.

No. 117.

June 8—Second reading of Bill C-195, An Act to amend the Criminal Code (Tire Safety).—Mr. Mather.—E.F.

No. 118.

June 9—Second reading of Bill C-196, An Act to amend the Canadian Bill of Rights.—Mr. Thompson.—E.F.

No. 119.

June 17—Second reading of Bill C-202, An Act to amend the Navigable Waters Protection Act (Prevention of Pollution of Navigable Waters).—Mr. Basford.—E.F.

No. 120.

June 17—Resuming debate on the motion of Mr. Scott (Danforth) for the second reading of Bill C-9, An Act to amend the Criminal Code (A Purge for the King's-evil).

No. 121.

June 20—Second reading of Bill C-203, An Act to amend the Indian Act.—Mr. Reid.—E.F.

No. 122.

June 21—Second reading of Bill C-206, An Act to amend the Navigable Waters Protection Act (Removal of Kitsilano Trestle).—Mr. Basford.—E.F.

No. 123.

June 22—Second reading of Bill C-209, An Act to amend the Criminal Code (Desecration of the National Flag of Canada.)—Mr. Laflamme.—E.F.

No. 124.

June 27—Second reading of Bill C-212, An Act to amend the Canada Grain Act (Off-track Elevator Licensing).—Mr. Horner (Acadia).—E.F.

No. 125.

June 28—Second reading of Bill C-214, An Act to amend the Criminal Code (Firearms).—Mr. Leblanc (Laurier).—E.F.

No. 126.

June 30—Second reading of Bill C-217, An Act to amend the Criminal Code (Publication of ingredients of Wonder Drugs).—Mr. Klein.—E.F.

No. 127.

July 6—Second reading of Bill C-219, An Act to amend the Criminal Code (Maltreatment of a Child).—Mr. Irvine.—E.F.

No. 128.

July 8—Second reading of Bill C-225, An Act respecting the observance of Dominion Day.—Mr. Gray.—E.F.

No. 129.

July 13—Second reading of Bill C-228, An Act to amend the Criminal Code (Harassing telephone communications).—Mr. Mather.—E.F.

No. 130.

August 29—Second reading of Bill C-232, An Act to amend the Supreme Court Act (Payment of costs).—Mr. Herridge.—E.F.

No. 131.

August 31—Second reading of Bill C-233, An Act to amend the Criminal Code (Preventive Detention).—Mr. Orlikow.—E.F.

No. 132.

October 11—Second reading of Bill C-234, An Act to amend the Criminal Code (Elimination of premium stamps in food establishments).—Mr. Klein.—E.F.

No. 133.

October 11—Second reading of Bill C-235, An Act to amend the Criminal Code (Trading Stamps).—Mr. Howard.—E.F.

No. 134.

October 12—Second reading of Bill C-236, An Act to amend the British North America Act, 1867 (Appointment of Judges).—Mr. Stanbury.—E.F.

No. 135.

October 14—Resuming debate on the motion of Mr. Prittie for the second reading of Bill C-18, An Act to amend the Railway Act.

No. 136.

October 21—Second reading of Bill C-237, An Act to amend the Supreme Court Act.—Mr. Bell (Carleton).—E.F.

No. 137.

October 21—Second reading of Bill C-238, An Act to secure freedom of choice in television viewing.—Mr. McCleave.—E.F.

No. 138.

October 21—Resuming debate on the motion of Mr. Bell (Carleton) for the second reading of Bill C-20, An Act to amend the Judges Act (Discontinuation of Pension).

No. 139.

October 27—Second reading of Bill C-240, An Act to amend the Criminal Code (control of motor vehicle).—Mr. Nesbitt.—E.F.

No. 140.

October 28—Second reading of Bill C-242, An Act concerning the labeling of hazardous household products.—Mr. Howe (Hamilton South).—E.F.

No. 141.

October 28—Resuming debate on the motion of Mr. Basford for the second reading of Bill C-27, An Act to amend the Canada Elections Act (Political Affiliations of Candidates on Ballot Papers).

No. 142.

November 4—Resuming debate on the motion of Mr. Orlikow for the second reading of Bill C-30, An Act to amend the Combines Investigation Act (Floor Penalties, Criminal Joint Tortfeasors, and Moieties).

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No. 143.

November 14—Second reading of Bill C-244, An Act to amend the Civil Service Act.—Mr. Bell (Carleton).—E.F.

No. 144.

November 21—Second reading of Bill C-246, An Act to provide for Consumer Protection throughout Canada.—Mrs. MacInnis.—E.F.

No. 145.

November 24—Second reading of Bill C-247, An Act to amend the Dominion Day Act.—Mr. Isabelle.—E.F.

No. 146.

November 28—Second reading of Bill C-249, An Act concerning reform of the bail system.—Mr. Mather.—E.F.

No. 147.

December 2—Second reading of Bill C-250, An Act concerning the Weight and Price of Products.—Mr. Asselin (Richmond-Wolfe).—E.F.

No. 148.

December 9—Second reading of Bill C-255, An Act to amend the Canada Labour (Standards) Code (Square Deal).—Mr. Howard.—E.F.

No. 149.

December 12—Second reading of Bill C-256, An Act to amend the Food and Drugs Act.—Mr. Allmand.—E.F.

No. 150.

December 13—Second reading of Bill C-257, An Act respecting the endorsement of Bills.—Mr. Caouette.—E.F.

No. 151.

December 13—Second reading of Bill C-258, An Act to amend the Broadcasting Act (Television receiving Apparatus).—Mr. Prittie.—E.F.

No. 152.

December 21—Second reading of Bill C-260, An Act to incorporate the Canadian Development Corporation.—Mr. Otto.—E.F.

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No. 153.

January 16—Second reading of Bill C-263, An Act to amend the Criminal Code (Fine print clauses).—Mr. Mather.—E.F.

No. 154.

January 20—Resuming debate on the motion of Mr. Howard for the second reading of Bill C-13, An Act to amend the Juvenile Delinquents Act.

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No. 155.

February 10—Resuming debate on the motion of Mr. Cowan for the second reading of Bill C-36, An Act to repeal the Tobacco Restraint Act.

No. 156.

February 16—Second reading of Bill C-269, An Act to amend the Criminal Code (Invasion of privacy).—Mr. Mather.—E.F.

M7. 157.

February 17—Resuming debate on the motion of Mr. Barnett for the second reading of Bill C-28, An Act respecting the Canada Court of Indian Claims.

No. 158.

February 24—Resuming debate on the motion of Mr. Orlikow for the second reading of Bill C-33, An Act to amend the Criminal Code (Wire Tapping, etc.).

No. 159.

February 27—Second reading of Bill C-272, An Act to amend the British North America Act, 1867 (Duration of House of Commons).—Mr. Bell (Carleton).—E.F.

No. 160.

February 27—Second reading of Bill C-273, An Act respecting the right of privacy.—Mr. Herridge—E.F.

No. 161.

March 3—Second reading of Bill C-276, An Act to amend the Canada Evidence Act (Incriminating statements).—Mr. Orlikow.—E.F.

No. 162.

March 3—Resuming debate on the motion of Mr. Valade for the second reading of Bill C-38, An Act to amend the Criminal Code (Provincial Lotteries).

No. 163.

March 10—Resuming debate on the motion of Mr. Stanbury for the second reading of Bill C-45, An Act to amend the Criminal Code (Wire Tapping, Electronic Eavesdropping, etc).

No. 164.

March 16—Second reading of Bill C-281, An Act to amend the Fisheries Act (Seal hunting prohibited).—Mr. Howard.—E.F.

No. 165.

March 17—Resuming debate on the motion of Mr. Knowles for the second reading of Bill C-37, An Act to amend the Canada Labour (Standards) Code (Three Weeks Annual Vacation after Three Years).

No. 166.

April 3—Second reading of Bill C-284, An Act to amend the Canada Labour (Standards) Code (Notice and Payment to Employees in case of Discharge or Lay-off).—Mr. Knowles.—E.F.

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No. 167.

April 3—Second reading of Bill C-285, An Act to amend the Canada Labour (Standards) Code (Provision for a Ninth General Holiday with Pay).—
Mr. Knowles.—E.F.

No. 168.

April 4—Second reading of Bill C-286, An Act to amend the Supreme Court Act.—Mr. Caouette.—E.F.

No. 169.

April 5—Second reading of Bill C-287, An Act to amend the Broadcasting Act (cigarette advertising).—Mr. Mather.—E.F.

No. 170.

April 7—House again in Committee of the Whole on Bill C-46, An Act to amend the Parliamentary Secretaries Act.—Mr. Bell (Carleton).

No. 171.

April 12—Second reading of Bill C-288, An Act respecting the Crown Corportations.—Mr. Langlois (Mégantic).—E.F.

No. 172.

April 14—Second reading of Bill C-289, An Act to amend the Canada Elections Act (Students' Franchise).—Mr. Roxburgh.—E.F.

No. 173.

April 14—Second reading of Bill C-290, An Act to Control Air Pollution.—
Mr. Haidasz.—E.F.

No. 174.

April 14—Resuming debate on the motion of Mr. Herridge for the second reading of Bill C-52, An Act to provide for the Establishment of the Canada Disaster Fund.

No. 175.

April 19—Second reading of Bill C-291, An Act to amend the Criminal Code (Disturbance in Parliament).—Mr. Caouette.—E.F.

No. 176.

April 21—Second reading of Bill C-292, An Act respecting observation and treatment of drug addicts.—Mr. Klein.—E.F.

PRIVATE MEMBERS' PUBLIC BILLS DISPOSED OF BY THE HOUSE SHOWING DATES OF DISPOSITION

1966.

- March 18—Bill C-4, Control of Consumer Credit—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
- March 15 Bill C-16, Canada Divorce Act—subject-matter referred to the Special Joint Committee on Divorce.
- March 15 Bill C-19, Canada Divorce Act—subject-matter referred to the Special Joint Committee on Divorce.
- March 18 Bill C-21, Weights and Measures Act (Truth in Packaging)—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
- February 21 Bill C-22, Criminal Code (Family Planning) Act—subject-matter referred to the Standing Committee on Health and Welfare (Recommendations reported Dec. 5, 1966).
 - March 18—Bill C-24, Small Loans Act (Advertising)—subjectmatter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
 - March 30—Bill C-26, Criminal Code (Safety Devices for Automobile Vehicles) Act—subject-matter referred to the Standing Committee on Justice and Legal Affairs. (See 10th Report—March 21, 1967—Votes and Proceedings pages 1578-1582).
 - March 18—Bill C-29, Bankruptcy Act (Wage Earners' Assignments)—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
 - March 18—Bill C-39, Bills of Exchange Act (Instalment Purchases)
 —subject-matter referred to the Joint Committee on
 Consumer Credit. (See 5th Report—February 15, 1967
 —Votes and Proceedings pages 1323-1416).
- February 21 Bill C-40, Criminal Code (Birth Control) Act—subject-matter referred to the Standing Committee on Health and Welfare (Recommendations reported Dec. 5, 1966).

- March 15—Bill C-41, British North America Acts, 1867 to 1965
 (Provincial Marriage and Divorce Laws) Act—subject—
 matter referred to the Special Joint Committee on Divorce.
- March 15 Bill C-44, Canada Divorce Act—subject-matter referred to the Special Joint Committee on Divorce.
 - March 30—Bill C-49, Criminal Code (Dangerous Motor Vehicles)
 Act—subject-matter referred to the Standing Committee on Justice and Legal Affairs (See 10th Report—March 21, 1967—Votes and Proceedings pages 1578-1582).
 - March 18—Bill C-53, Small Loans Act—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
 - March 15—Bill C-55, Divorce Act—subject-matter referred to the Special Joint Committee on Divorce.
 - March 15 Bill C-58, Canada Marriage and Divorce Act—subject—matter referred to the Special Joint Committee on Divorce.
 - February 21 Bill C-64, Criminal Code (Family Planning) Act—subject-matter referred to the Standing Committee on Health and Welfare (Recommendations reported Dec. 5, 1966).
 - March 18—Bill C-65, Bills of Exchange Act and the Interest Act (Off-store Instalment Sales)—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
 - February 21—Bill C-71, Criminal Code Act—subject-matter referred to the Standing Committee on Health and Welfare (Recommendations reported Dec. 5, 1966).
 - March 18—Bill C-76, Small Loans Act—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).
 - March 15—Bill C-79, Dissolution and Annulment of Marriages (Additional Grounds for Divorce) Act—subject-matter referred to the Special Joint Committee on Divorce.
 - March 30—Bill C-87, Criminal Code (Impaired Driving) Act—subject-matter referred to the Standing Committee on Justice and Legal Affairs. (Recommendations reported February 9, 1967).
 - March 18—Bill C-91, Small Businesses Loans Act—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report—February 15, 1967—Votes and Proceedings pages 1323-1416).

- March 18—Bill C-92, Interest Act—subject-matter referred to the Joint Committee on Consumer Credit. (See 5th Report —February 15, 1967—Votes and Proceedings pages 1323-1416).
 - June 15—Bill C-105, Criminal Code (Insanity) Act—subject—matter referred to the Standing Committee on Justice and Legal Affairs. (See 8th Report—February 28, 1967—Votes and Proceedings pages 1455-1456).
- March 30 Bill C-118, Criminal Code (Negligence in operation of motor vehicles) Act—subject-matter referred to the Standing Committee on Justice and Legal Affairs. (Principle reported on adversely—February 8, 1967).
- March 16 Bill C-133, Divorce (Extension of Grounds) Act, 1966, subject-matter referred to the Special Joint Committee on Divorce.
 - May 30—Bill C-176, Criminal Code, (Insanity at time of trial)
 Act—subject-matter referred to the Standing Committee on Justice and Legal Affairs. (See 7th Report—February 28, 1967—Votes and Proceedings pages 1453-1454).
- February 23, 1967 Bill C-192, Criminal Code (Destruction of Criminal Records) Act—subject-matter referred to the Standing Committee on Justice and Legal Affairs.
- February 24, 1967 Bill C-264, Divorce Act 1967—subject-matter referred to the Special Joint Committee on Divorce.

PRIVATE BILLS

Note.—The letters E.F. denote those Bills printed and distributed in both languages when the Orders were printed; E, printed in English, F, in French.

1966.

No. 1.

June 30—Second reading of Bill S-40, An Act to incorporate United Investment Life Assurance Company.—Mr. Wahn.—E.F.

No. 2.

July 14—House again in Committee of the Whole on Bill S-4, An Act to incorporate Aetna Casualty Company of Canada (Without amendment).—Mr. Cameron (High Park).

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No. 3.

January 26—Resuming debate on the motion of Mr. Cameron (High Park) for the second reading of Bill S-21, An Act to incorporate Seaboard Finance Company of Canada.

No. 4.

March 16—Resuming debate on the motion of Mr. Stanbury for the third reading of Bill S-26, An Act respecting The Excelsior Life Insurance Company.

No. 5.

April 13—House again in Committee of the Whole on Bill S-31, An Act respecting Quebec North Shore and Labrador Railway Company (Without amendment).—Mr. Blouin.

PRIVATE BILLS DISPOSED OF BY THE HOUSE SHOWING DATES OF DISPOSITION

1966.

- May 10 Bill S-5, United Grain Growers Limited Act.
- November 10 Bill S-6, Pacific Coast Fire Insurance Company Act.
 - March 15 Bill S-7, Evangelistic Tabernacle Incorporated Act.
- December 1—Bill S-8, General Mortgage Service Corporation of Canada Act.
- April 25, 1967 Bill S-10, Interprovincial Pipe Line Company Act.
- December 1—Bill S-11, Income Life Insurance Company of Canada Act.
 - December 1 Bill S-12, Income Disability and Reinsurance Company of Canada Act.
 - December 1 Bill S-13, Canada Health and Accident Assurance Corporation Act.
- December 2 Bill S-16, Bank of British Columbia Act.
 - July 7—Bill S-18, Canadian Board of Missions of the Church of God (General Offices: Anderson, Indiana) Act.
 - May 19 Bill S-20, Trustee Board of the Presbyterian Church in Canada Act.
- March 2, 1967 Bill S-25, North West Life Assurance Company of Canada Act.
- April 25, 1967 Bill S-27, Laurier Life Insurance Company Act.
 - April 25, 1967 Bill S-28, Anniversary Life Insurance Company Act.
 - July 7 Bill S-29, International Society of Endocrinology Act.
 - December 15 Bill S-30, League Savings and Mortgage Company Act.
 - June 23 Bill S-32, Canadian Pacific Railway Company Act.
 - July 7—Bill S-33, United Baptist Woman's Missionary Union of the Maritime Provinces Act.
 - June 23 Bill S-34, Canadian Pacific Railway Company Act.
 - ²April 25, 1967 Bill S-36, Commercial Solids Pipe Line Company Act—referred to the Standing Committee on Transport and Communications.

- July 7 Bill S-37, Mennonite Central Committee (Canada) Act.
- December 21 Bill S-38, Evangelical Covenant Church of Canada Act.
 - July 7—Bill S-39, Lutheran Church in America—Canada Section Act.
- April 25, 1967 Bill S-41, La Société des Artisans Act.
- ²April 25, 1967 Bill S-52, Rainbow Pipe Line Corporation Act—referred to the Standing Committee on Transport and Communications.
 - July 5 Bill C-111, Bank of Western Canada Act.
- ²February 16, 1967 Bill C-239, The Bell Telephone Company of Canada Act—referred to the Standing Committee on Transport and Communications.

^{1 -} Senate or House passage or Royal Assent pending.

^{2—}To be reinstated on the Order Paper after the Committee reports.

NOTICES OF MOTIONS FOR PRODUCTION OF PAPERS

1967.

No. 205-Mr. Langlois (Mégantic)-February 3

That an Order of the House do issue for a copy of all letters, telegrams or copies of letters exchanged between A. G. Heakes and the Acting Registrar General since January 1, 1967.

No. 209-Mrs. MacInnis-February 13

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 between the federal government, any Crown Corporations or federally sponsored organizations or agencies and the provincial Government of Nova Scotia concerning the proposed project known as the "Fleur de Lis Highway" or "Fleur de Lis Drive" in Cape Breton Island, between January 1960 and January 1967.

No. 212-Mr. Cowan-February 15

That an Order of the House do issue for a copy of any contract entered into concerning taxi service to and from the Ottawa Railway Station, since January 1, 1966.

No. 214-Mr. McCleave-February 24

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the Order-in-Council or other document setting out the authorization and terms under which the Canadian National Railways will make payments to municipalities in lieu of taxes for the present year.

No. 222-Mr. Bell (Carleton)-April 3

That an Order of the House do issue for a copy of each delegation of authority granted by the Public Service Commission to a deputy head of the powers, functions or duties of the said Commission under the Public Service Employment Act and of every approval by the said Commission that the said delegation of authority may be exercised or performed by one or more persons under the jurisdiction of a deputy head.

No. 223-Mr. Orlikow-April 6

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 between the provincial governments and the federal government in respect to the decision of the federal government to withdraw from the Technical Vocational Training Program.

No. 224-Mr. Schreyer-April 11

That an Order of the House do issue for a copy of the agreement and all relevant correspondence between TransAir Limited of Winnipeg and Trans Canada Airlines (Air Canada) and/or the Government of Canada, relative to the transfer of certain TCA properties to TransAir Limited.

No. 225-Mr. Fairweather-April 12

That an Order of the House do issue for a copy of all letters or copies of letters exchanged between the Secretary of State and the Canadian Broadcasting Corporation about the Corporation's role or responsibility relative to the development of educational television since January 1, 1966.

No. 226-Mr. Fairweather-April 12

That an Order of the House do issue for a copy of all letters or copies of letters exchanged between the Vice-Chairman of the Board of Broadcast Governors and the Canadian Broadcasting Corporation about the Corporation's role or responsibility relative to the development of educational television since January 1, 1967.

No. 228-Mr. Yanakis-April 18

That an Order of the House do issue for a copy of all correspondence, telegrams or copies of correspondence concerning Rural Route No. 1, Mandeville, Quebec, exchanged between the Post Office Department and the federal Member for Berthier-Maskinongé-Delanaudière, or any other persons of the said constituency, between January 1, 1955, and April 1967?

No. 229-Mr. MacDonald (Prince)-April 20

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all charts, maps, plans, specifications, diagrams and surveys produced by Northumberland Consultants for the Department of Public Works in connection with the construction of the Northumberland Strait Crossing and an analysis of same by the Department as well as regulations, tenders and contracts issued by the Department and all communications exchanged between the Government of Canada and its departments and the Government of Prince Edward Island and its departments relative to the proposed construction of the Northumberland Strait Crossing.

No. 230-Mr. Mather-April 21

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the federal government, provincial governments, municipal governments and federal, provincial and municipal organizations or agencies concerning Lower Fraser River flood control proposals and their financing, and copies of all correspondence between the federal government and organizations and individuals concerning the Lower Fraser River 1967 flood potential.

No. 231-Mr. Racine-April 26

That an Order of the House do issue for a copy of all correspondence exchanged between the Member for Beauce and the Department of Manpower and Immigration, since 1962, concerning winter works at Saint-René and Saint-Benoît, Beauce County, Que.?

NOTICES OF MOTIONS (PAPERS)

(including motions not yet disposed of)

Note: Debate limited by provisional S.O. 47(2) to a total of two hours and forty minutes on each motion.

1966.

No. 145-Mr. Langlois (Mégantic)-July 6

That an Order of the House do issue for a copy of (a) letter of May 19, 1963, from A. G. Heakes to the Honourable Lionel Chevrier, Minister of Justice together with its covering letter of May 21, 1963 (b) letter from Miss Marguerite Ritchie, Executive Assistant to Honourable Lionel Chevrier of July 16, 1963, acknowledging the said letter from A. G. Heakes of May 19, 1963 and its covering letter of May 21, 1963, to Mr. Chevrier (c) all other letters listed in Miss Ritchie's letter of July 16, 1963, to Mr. Heakes (d) complete dossier of court records relating to Mr. Heakes' proposal No. 37-1955 SCM as held in Department of Justice and in particular (i) original proposal of February 7, 1955 (ii) amended proposal of May 31, 1955 (iii) report of the debtor's proposal of September 14, 1955 with its attached record of creditors' meetings and minutes of said meetings (iv) judgment of November 22, 1955 ratifying said proposal (v) petition of Trustee Dansereau of June 3, 1958, to cancel proposal (vi) judgment of June 9, 1958, cancelling proposal; also attached envelope addressed by registered mail and returned as evidence that Mr. Heakes had moved from his place of business (vii) Trustee's motion for discharge of July 2, 1959 (viii) Trustee's petition to cancel unreinstated proposal of August 8, 1963, together with its attached exhibits of minutes of creditors' meetings held on March 8, 1955 and April 15, 1955 (ix) judgment of September 11, 1963. cancelling the unreinstated proposal for a second time (x) judgment of September 12, 1963, discharging Trustee (xi) notice of discharge hearing on September 12, 1963, if any (e) correspondence covering arrangements for postponement of discharge hearing as referred to by the Honourable Davie Fulton in Department of Justice estimates of June 9, 1961 (f) reports by Registrar Gerard Deniger to Department of Justice re cancelation of proposal including all correspondence with and/or reports on other contacts with Registrar Deniger (g) all correspondence and/or other communications with Trustee J. Alexandre Dansereau and/or reports on same (h) report on investigations into cancellation as recorded in speech by the Honourable Davie Fulton in Department of Justice estimates of June 9, 1961 (i) telegram of October 15, 1959, from Mr. Heakes to Mr. Favreau requesting production of papers relating to proposal (j) letter of February 4, 1965, to the Honourable Guy Favreau, Minister of Justice, together with its enclosure of letter of February 2, 1965, to the Rt. Honourable Lester B. Pearson (k) all letters to Mr. A. G. Heakes from officers and Ministers of Department of Justice and in particular (i) letter of February 5, 1960 from Assistant Deputy Minister Favreau (wrongly dated February 5, 1940) to Mr. Heakes (ii) letter of July 16, 1959, from Supt. Larose to Mr. Heakes (iii) letter

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of November 9, 1959, from Miss K. Kierans, Secretary to the Honourable Davie Fulton to Mr. Heakes (iv) letter of the Honourable Davie Fulton, referred to in said letter of Miss Kierans, to the Honourable George Hees (v) all other letters from officers of the Department of Justice and Ministers of Justice to Mr. Heakes (1) letters of July 14, 1959, and July 15, 1959 to Supt. Larose (m) letters and other communications from Mr. Heakes to officers of the Department of Justice and the Minister of Justice listed in the said letter of Miss Kierans of November 9, 1959 (n) letter of August 20, 1963, from A. G. Heakes to Justice Minister (o) copy sent to Mr. Chevrier of telegram of August 25, 1963, from A. G. Heakes to Associate Chief Justice. George Challies (p) copy of brief submitted by A. G. Heakes dated September 1963 to House of Commons Standing Committee on Banking and Finance, re proposed amendment, Bill C-5, to Bankruptcy Act (a) all letters and other communications from A. G. Heakes to Prime Minister Pearson in 1963, 1964, and 1965 and in particular (i) letters addressed to him in January 1964 (ii) letter of December 20, 1965 (iii) letter of December 22, 1965 (iv) telegram of December 25, 1965 (v) letter of January 1, 1966 (vi) letter of January 17, 1966, with its enclosure of a letter of January 11, 1966, to Pierre Elliot Trudeau, M.P. (vii) letter of January 18, 1966 (viii) letter of January 24, 1966, with its enclosure (ix) letter of February 6, 1966 (x) letter of February 8, 1966, with its enclosure (xi) letter of February 9, 1966 (xii) letter of February 12, 1966 (xiii) letter of February 14, 1966.

No. 137-Mr. Langlois (Mégantic)-July 13

That an Order of the House do issue for a copy of the inquiry made by Mr. Georges Danoncourt, a National Employment Service employee in St. Georges de Beauce, in relation to an inquiry made in St. Ephrem de Beauce with regard to winter works between January 1, 1960, and January 1, 1966, inclusively.

No. 128

October 6-Resuming debate on the motion of Mr. Howard:-

That an Order of the House do issue for a copy of any communication exchanged between the Maritime Trustees, or other organizations and other persons, and the Minister of Labour or any official of the Department of Labour, with respect to the Seafarers' International Union.—Time remaining one hour and forty-four minutes).

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No. 191-Mr. Howard-March 15

That an Order of the House do issue for a copy of all correspondence, telegrams or other documents exchanged between the Canadian Broadcasting Corporation, or any official thereof and any other person, group or organization, excepting any other department or agency of the government, relating to the application of the Canada Labour (Standards) Code or the deferment or suspension of any part thereof.

No. 201

April 6-Resuming debate on the motion of Mr. Barnett:-

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all notes and other communications exchanged between Canada and the United States of America since the enactment by Parliament on July 16, 1964, of the Territorial Sea and Fishing Zones Act having to do with the issuance by the Governor in Council of one or more lists of geographical co-ordinates of points from which base lines may be determined in accordance with the provisions of the Act.—(Time remaining three minutes).

No. 200

April 20—Resuming debate on the motion of Mr. Cowan:—

That an Order of the House do issue for a copy of all correspondence, telegrams or other documents, dated since January 1, 1961, exchanged between the Secretary of State or any agency or department of the Government of Canada relating to payments made to John T. Saywell and/or John C. Ricker by the Canadian Broadcasting Corporation, and a list setting out in detail each such payment to each such person.—(Time remaining forty-seven minutes).

QUESTIONS

(Questions to be answered orally are indicated by an asterisk)

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No. 1,796-Mr. Allard-June 30-

- 1. Among federal civil servants receiving annual salaries of \$5,000 or more, what percentage represent French Canadians?
- 2. How are these distributed, in percentages, among the following federal departments and agencies: Agriculture, Citizenship and Immigration, Defence Production, External Affairs, Finance, Labour, Mines and Technical Surveys, National Defence, National Health and Welfare, National Research Council, National Revenue, Northern Affairs and National Resources, Post Office, Public Works, Trade and Commerce, Transport, Veterans Affairs?
- 3. What is the total number of senior officials and the number of French Canadians among these officials in the following federal departments and agencies: Insurance, Export Credits Insurance Corporation, Atomic Energy of Canada Ltd., Industrial Development Bank, Bank of Canada, Canadian Wheat Board (Montreal Branch), Canadian Arsenals Limited, Canadian National Railways, Trade and Commerce, Canadian Commercial Corporation, Farm Credit Corporation, Defence Construction Ltd., Eldorado Mining and Refining Ltd., Atomic Energy Control Board, Finance, Northern Affairs and National Resources, Northern Ontario Pipe Line Crown Corporation, Fisheries, Polymer Corporation Ltd., Canadian Broadcasting Corporation, National Research Council, National Health and Welfare, Central Mortgage and Housing Corporation, Tariff Board, Canadian Overseas Telecommunication Corporation, Air Canada, Transport, Air Transport Board, Labour, and Public Works?
- 4. What is the number of federal civil servants earning \$14,000 or more annually, and what is the number of French Canadians in this group?

No. 2,107-Mr. Latulippe-October 28-

- 1. Does the Government of Canada have a preferential purchasing policy in favour of Canadian products and if so, what is it?
- 2. For each of the last three years, what was the total amount of purchases made by (a) the government (b) departmental corporations (c) agency corporations (d) each proprietary corporation?
- 3. With regard to each of the above-mentioned amounts, what was the annual percentage of purchases of Canadian products and of purchases of foreign products?

No. 2.150-Mr. Irvine-November 7

1. How many people who speak English only are employed in all federal government departments?

- 2. How many people who speak French only are employed in all federal government departments?
- 3. How many people who are bilingual (speaking French and English) are employed in all federal government departments?
- 4. How many people in each of the three aforementioned categories are employed in each of the Crown Corporations in Montreal and Quebec City?

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No. 2,511-Mr. Douglas-January 25

- 1. Has any land been leased by the National Harbours Board in Vancouver to Harbour Park Development Ltd. and, if so, how much land is involved in any such leases?
 - 2. What is the annual lease rental per square foot?
 - 3. How often is this rental rate reviewed?
 - 4. What is the basis upon which any rate adjustment is negotiated?

*No. 2,536-Mr. Irvine-January 26

- 1. Is it the intention of the Department of Veterans Affairs to make a gratuity available for recipients of the Military Medal granted for services in the Canadian Forces in World War I, on the same basis as those granted to service personnel recipients of this medal in World War II?
 - 2. If not, for what reason?
- 3. If so (a) what is the amount of the gratuity to be provided (b) will it be an annual gratuity (c) will it be retroactive?

No. 2,599-Mr. Bell (Carleton)-February 9

- 1. Has the government received any representations from (a) the Canadian Bar Association (b) other organizations or persons, advocating the establishment of a Canadian Law Reform Commission?
 - 2. If so, what consideration has been given to such representations?
 - 3. If the answer to Part 1 (b) is yes, from what organizations or persons?

No. 2,606-Mr. Brand-February 10

- 1. Which company has been awarded the right to produce the drug Myxin?
 - 2. What are the main terms of the production agreement?
- 3. Which personnel were involved in the process of decision leading to the award of production rights for Myxin?

No. 2,612-Mrs. MacInnis-February 13

1. What individuals, companies and/or corporations were awarded contracts for services and/or materials in connection with the Fortress of Louisbourg Restoration Project since January 1, 1960?

- 2. Who were the principals and/or regional representatives of these firms?
- 3. What were the terms of these contracts?
- 4. What were the amounts paid for these contracts?
- 5. On what dates were they awarded?
- 6. Until what dates were or are they operative?

No. 2,624-Mr. Madill-February 15

- 1. Do all Canadian weekly newspapers which are contained in the House of Commons Reading Room receive government news releases?
- 2. Do all Canadian newspapers as stated above receive government advertising?
- 3. Is government advertising graded in size in proportion to the circulation of the paper?
- 4. Are papers in the Audit Bureau of Circulation receiving the same consideration as sworn circulation papers?
- 5. Is all government department advertising done through advertising agencies?
 - 6. What agencies are handling government advertising?

*No. 2,662-Mr. Racine-February 22-

Did the Department of Transport call for tenders for the removal of snow from the dock at Sandy Beach, Gaspé, Quebec, for the winter of 1965-66, and if so (a) how many tenders were received, who submitted these tenders, and what was the amount of each (b) what contractor was employed by the Department for the work of snow removal on this dock during the winter of 1965-66 (c) how much did the federal government pay the contractor for this work of snow removal in 1965-66?

No. 2,673-Mr. Nielsen-February 24

During the last fiscal year of the operations of Canadian National Express, how much money was paid out to satisfy claims for damages caused to goods in transit and what was the cost to Canadian National Railways for the processing of such claims for the same period?

No. 2.678-Mr. Barnett-February 27

Has the Department of Public Works called for tenders to have removed, in whole or in part, the public wharf at Pictou Landing, Nova Scotia and, if so (a) what are the reasons for doing so (b) what is the nature of any wharf facilities that will remain in operation and for what purpose will they be used (c) has the Department of Fisheries been consulted about any action the Department is taking?

No. 2,697—Mr. Godin—March 1—

- 1. Will Canada continue to participate in programs providing for assistance to under-developed countries and, if so, for how many years?
- 2. Since these programs were initiated, what countries have received assistance from Canada and what were the amounts involved in each case (a) as gifts (b) as loans?
- 3. When such programs come to an end, what estimated total amounts will have been supplied by this country?

V 250-7

*No. 2,718-Mr. Bell (Carleton)-March 9

- 1. Has any action been taken by the government at any buildings to require public servants to pay a fee for parking of motor vehicles?
- 2. If so (a) at what buildings (b) what is the amount of the fee (c) how many public servants are involved?
- 3. What is government policy in respect to providing parking for public servants?

No. 2,723-Mr. MacEwan-March 9

- 1. What is the budget for the C.B.C. show "Sunday" per week?
- 2. Is this amount used entirely for talent procurement, or is a portion of it used for the producers and other members of the production staff and if so (a) what portion is used for talent procurement (b) what portion is used for other members of the production staff?
- 3. What is the amount expended weekly, and what is the breakdown in regard to talent procurement and production staff?

No. 2,727-Mrs. MacInnis-March 10

- 1. Was any napalm exported from Canada to the United States in 1966 (a) by any government agency (b) by any other agency, person or company?
 - 2. If so, what quantity?

No. 2,728-Mr. Keays-March 10

- 1. Has there been an agreement signed by the Gaspesia Pulp and Paper Company Limited of Chandler (P.Q.) and the federal government concerning the construction of a wharf at Chandler and, if no agreement has been signed, is there one under discussion?
- 2. What will be the cost of this project, when will it be undertaken, has the land been acquired, from whom, and at what prices?

No. 2,750-Mr. Webb-March 13

- 1. With reference to Expo tenders No. CCWE6-3139/1 and CCWE6-3140/1 for the performing of services, amounting to some \$300,000.00, what company was the successful tenderer, and where is the head office of said company?
 - 2. Has the said company a Canadian office and, if so, where?
- 3. Was the successful tenderer allowed to change his original quotation and thereby qualify for award of the contract and, if so, for what reason?
- 4. Was the opportunity to re-bid, or change the specifications, offered to the other tenderers and (a) if so, when (b) if not, for what reason?
 - 5. What were the amounts of the tenders received, and from whom?
- 6. In view of the national character of Expo '67, why was such a large contract not granted to a Canadian company?

No. 2,760-Mr. Isabelle-March 14-

- 1. In connection with the opening and for the duration of the World Fair to be held in Montreal from April to October, what protocol will be followed at the official events tendered by Expo '67 for the various people who will come to represent their countries?
 - 2. Which will be followed, the Quebec or the federal protocol?

No. 2,777-Mr. Allard-March 15-

- 1. In connection with advertising for Centennial events, what amount of money has been spent to date by the federal government or its agencies and by the Centennial Commission, in Canada and abroad and also in each province?
- 2. With respect to the details of Part 1, what amount has been estimated for the said advertising?
- 3. What proportion of the money was spent for advertising in the French language on T.V., radio, in newspapers, magazines, brochures, leaflets, circulars or other printed matter on billboards, flags, medallions or other advertisements, and for each category, what was the total amount of money spent for Frenchlanguage advertising?
- 4. Taking into account the categories mentioned in Part 3, what proportion of the money was spent for bilingual advertising on the same media, printed matter or object?
- 5. Taking into account the categories mentioned in Part 3, what proportion of money was spent for advertising in languages other than French and English, in Canada and abroad and also by provinces?

No. 2,791-Mr. Nugent-March 17

What was the total cost of the operation and maintenance of Government House in Ottawa in each of the years, 1962 to date, including the estimate for 1966-67?

No. 2,812-Mr. MacLean (Queens)-March 22

- 1. Since April 1, 1964, has the C.B.C. on any occasion sent a radio and/or television team abroad to interview persons who had previously been refused entry into Canada?
 - 2. If so, on how many occasions was this done?
 - 3. What was the total cost involved?
- 4. Were any of these interviews broadcast and, if so, on what dates and on what programs?

No. 2,821-Mr. Caouette-April 3-

- 1. What happens to an unused appropriation at the end of a given fiscal year?
- 2. If such an appropriation is used the following year, what specific legislation authorizes such an action?
- 3. For the years 1963-1964-1965-1966, if applicable (a) what was the amount of each such appropriation (b) what was the purpose of each such appropriation (c) what was the total amount of such appropriations for each of the said fiscal years?

V 250-75

No. 2,828-Mr. Caouette-April 4-

- 1. Who were the recipients of Canada Council grants earmarked for artistic literary projects during the years 1965 and 1966?
- 2. Were any applications for such grants received from one or more persons from the northwestern part of the Province of Quebec during the years 1965 and 1966?

No. 2,831-Mr. McCleave-April 5

- 1. How much did ice-breaking operations cost in each of the last five years?
- 2. How much of such cost, each year, was spent on ice-breaking (a) on the St. Lawrence River (b) in the Gulf of St. Lawrence?

No. 2,836-Mr. Jorgenson-April 5

What are the names of all individuals who were federal candidates for any political party since April 1, 1963, and who have been appointed to the Senate, the bench, any federal government Board, Commission, Agency, Enquiry, Study or Advisory Group or to any Civil Service position or who have been employed in any capacity by the federal government, and what is (a) the position to which each was appointed (b) the date of any such appointment and the duration of the appointment (c) the amount paid to each such individual in each year, for all purposes including salary, expenses and allowances?

No. 2,851-Mr. Baldwin-April 10

- 1. Has the Great Slave Railway line operating from a point near Grimshaw, in the Province of Alberta, to Great Slave Lake, in the Northwest Territories, been declared as a work for the general advantage of Canada?
- 2. If so, on what date was this railway declared to be for the general advantage of Canada?
- 3. Does the Board of Transport Commissioners for Canada have jurisdiction over the Great Slave Lake Railway?
- 4. Are the operating and maintenance personnel on the Great Slave Lake Railway employees of Canadian National Railways, the Great Slave Lake Railway, or some other entity?
- 5. Are these employees subject to the Canada Labour (Standards) Code, the Canada Pension Plan and/or the Railway Act?

*No. 2,856-Mr. McCutcheon-April 10

- 1. Did any automobile manufacturers in Canada cease production operations in or about January to April, 1966, and, if so (a) which ones (b) was any one of said manufacturers indebted to the Crown in customs duties, as described in the Auditor General's Report for 1966, page 64, such indebtedness having arisen because of the importation into Canada of Volkswagen automobiles (c) was any demand for payment sent by the Department of National Revenue to the manufacturer and, if not, for what reason?
- 2. On what grounds is the manufacturer being allowed to retain \$4.2 million stated by the Auditor General as being owing to the Government of Canada as a result of discussions under the Canadian-American Automobile Agreement?

No. 2,858-Mr. Nugent-April 10

- 1. During the last week of March and early April, was the yacht *Malibu Princess* chartered by the National Harbours Board at \$100.00 an hour, with a \$60.00-a-couple dinner and "go-go" dancers, to entertain the Prime Minister during his Vancouver visit?
 - 2. If so, what was the total expenditure in connection with the said cruise?

*No. 2,868—Mr. Bell (Carleton)—April 12

- 1. What are the intentions of the government at this session of Parliament with respect to the following measures forecast in the Speech from the Throne but not yet introduced (a) Canada's participation in the Asian Development Bank (b) a measure to provide cash advances for unthreshed grain (c) legislation to establish a Canada Development Corporation (d) a program of Canada scholarships and bursaries for students undertaking higher education (e) legislation on unemployment insurance (f) amendments to the National Energy Board Act (g) legislation to extend the construction period for the Trans Canada Highway (h) amendments to the Defence Production Act (i) amendments to the Post Office Act?
- 2. Why has no action been taken to date in respect of each of these measures promised in the Speech from the Throne?

No. 2,881-Mr. Nugent-April 14

- 1. Did the Department of National Defence give its approval to a show called "Up With People" which in the last few months has toured Army, Navy and Air Force bases across Canada?
- 2. Was any portion of the tour paid for by the Department of National Defence and, if so, what was the expenditure?

No. 2,883-Mr. Reid-April 17

- 1. With respect to the agreement between Nippon Kokan of Japan and Coleman Collieries to export 13,300,000 tons of coking coal to Japan over the next 15 years, will the Government of Canada be paying subventions on these coal exports and, if so, how much per ton?
- 2. Will the Government of Canada be providing a subvention to assist in transportation costs?
- 3. What is the amount of subventions paid by the Government of Canada on exports of coal from Western Canada and to whom are these payments made?
- 4. For the past 10 years, what has been the annual payment to each company?
 - 5. What is the formula used to calculate this payment?

No. 2,884-Mr. Langlois (Mégantic)-April 17-

Since the submission of the report by the Chief Electoral Officer concerning the last general election (a) how many candidates have submitted reports of their election expenses, and (b) who are they?

No. 2,885-Mr. Brand-April 17

1. Is there a delay in publishing the following reports from the Education Division of the Dominion Bureau of Statistics (a) Survey of Education Finance,

- 1963 (b) Preliminary Statistics of Education, 1965-66 (c) Survey of Elementary & Secondary Education, 1963-64 (d) Salaries and Qualifications of Teachers in Public Elementary and Secondary Schools, 1965-66 and, if so, what is the reason?
- 2. What are the government's intentions as to the future of the Dominion Bureau of Statistics?
- 3. Has an appointment of a Director of the Education Division of DBS been made to replace Dr. Whitworth who resigned more than a year ago?

No. 2,887-Mr. McCleave-April 18

How many awards for its educational programming have been made to the CBC each year since 1955, listing the donor organization and the program receiving the award?

No. 2,890-Mr. Forrestall-April 18

- 1. In connection with the restoration program for Citadel Hill in Halifax and related projects, has the government followed the practice of rehiring all those who were laid off at the conclusion of work last year who have indicated their availability and desire to return?
- 2. If not, how many have not been taken back on, what are their names, and why were they not rehired?

No. 2,892-Mr. Grégoire-April 18-

In connection with section 77 of the Financial Administration Act, why does the government appoint the Auditor General in some cases and a private auditor in other cases to audit the accounts of Crown corporations?

No. 2,894—Mr. Grégoire—April 18—

- 1. Are the proceedings of the meetings of the boards of directors of those Crown corporations known as "proprietary" within the meaning of the Financial Administration Act, submitted to the responsible Minister, to the Minister of Finance or to the Governor in Council?
- 2. Does the responsible Minister or his representative attend the meetings of the boards of directors of the proprietary Crown corporations?

No. 2,905-Mr. Grégoire-April 19-

- 1. Regarding the answer to Question No. 2,447, did the B.B.G. keep a record showing the time devoted to political broadcasts by private television stations during the elections of June 5, 1966 in the Province of Quebec?
- 2. If so, what time was devoted to political broadcasts by each of the political parties?
- 3. If the B.B.G. does keep such a record in accordance with section 11 of the Broadcasting Act, will it record this information in future elections?
- 4. In connection with the information provided at page 427 of the Report of the Committee on Election Expenses, can the B.B.G. provide similar information in reply to questions appearing on the Order Paper?

No. 2,906—Mr. Hamilton—April 19

- 1. What was the date of construction of the government grain elevator at Quebec City?
- 2. What was the accumulated capital cost of this elevator as of March 31, 1966?

- 3. What was the amount of accumulated surplus or deficit as of March 31, 1966?
- 4. Did the government offer this elevator for sale or was the government approached and an offer made?
- 5. If the government offered the elevator for sale, to whom was it offered, and if the government was approached, which company made the approach?
 - 6. Was there any tender call issued?
- 7. What is the name of the company to which the elevator has been leased and what are the terms?

*No. 2,907-Mr. Peters-April 20

- 1. Since the adoption in 1959 of Section 150, 150a, and 150b of the Criminal Code of Canada, what is the breakdown by year of (a) the number of prosecutions under this section (b) the number of convictions (c) the number of jail sentences (d) the number of appeals to (i) provincial courts of appeal (ii) to supreme courts or superior courts of the provinces (iii) to the Supreme Court of Canada (e) the number of reversals?
- 2. Has the government under consideration any amendments to this section of the Criminal Code?

No. 2,909-Mr. McQuaid-April 20

- 1. When the Canadian Forces left France after the withdrawal of France from NATO, did the Government of Canada own any real or personal property in France?
 - 2. If so, what is the estimated value of this property?
- 3. Has any arrangement been made whereby the Government of Canada will be compensated for what has been left?
 - 4. What is the amount of the compensation agreed upon?

No. 2,912-Mr. Bell (Carleton)-April 20

Since January 1, 1966, what meetings have been held by (1) the Chairman (2), the General Manager (3) other official, specifying what official, of the National Capital Commission with each of the municipal councils in the National Capital Region, specifying (a) which municipal council (b) date of meeting (c) purpose of meeting (d) result of meeting?

No. 2,913-Mr. Bell (Carleton)-April 20

Since January 1, 1966, what meetings have been held by (1) the Chairman (2) the General Manager (3) other official, specifying which, of the National Capital Commission with (a) the Government of Ontario or any minister or official thereof (b) the Government of Quebec or any minister or official thereof, and in each case specifying (i) date of meeting (ii) which minister or official in each case (iii) purpose of meeting (iv) result of meeting?

*No. 2,917—Mr. McCleave—April 21

To which departments or agencies of government does the Department of National Revenue make available information from income tax returns?

No. 2,925-Mr. McCleave-April 26

1. Does the government give any priority to persons from whom it has expropriated property to acquire such property in the event the property becomes surplus and is disposed of?

each Member?

- 2. If so, on what terms?
- 3. If not, would the government consider such a policy?

No. 2,926-Mr. McCleave-April 26

- 1. Did the Air Canada Vanguard flight Number 502 between Montreal and Halifax on Friday evening, April 21, departing Montreal at 7.40 p.m. carry only four single servings of rum?
- 2. Will Air Canada take into account well-known preferences of customers on flights to Atlantic Canada?

No. 2,928—Mr. Muir (Cape Breton North and Victoria)—April 26
Did any Members of the Cabinet receive a Resolution from the Municipal
Council of the Municipality of the County of Inverness, dated February 10,
1967, supporting a ferry service between Prince Edward Island and Port Hood,
Nova Scotia, and, if so (a) which Members (b) what reply was given by

PRIVATE MEMBERS' NOTICES OF MOTIONS

(including motions not yet disposed of)

1966.

No. 34-Mr. Coates-January 20

That, in the opinion of this House, the government should give consideration to the advisability of the removing of the means test from Blind and Disabled Persons' Allowances and also the amending of the regulations for the Disabled Persons' Allowance in order to make eligibility more closely associated with unemployability. (Called October 12, 1966).

No. 36-Mr. Orlikow-January 20

That, in the opinion of this House, the government should consider the advisability of including mental hospitals and T.B. sanatoria in the federal hospital insurance program (Hospital Insurance and Diagnostic Services Act) so that the provinces will have available sufficient funds to provide for adequate treatment of the mentally ill, those people suffering from T.B., and the care and training of mentally-retarded children. (Called October 12, 1966).

No. 37-Mr. Laprise-January 20

That, in the opinion of this House, the government should consider the advisability of introducing a measure to provide for the payment to the spouse of a person in receipt of a pension under the Old Age Security Act of a pension regardless of age. (Called October 12, 1966).

No. 40-Mr. Knowles-January 20

That, in the opinion of this House, the government should give consideration to the advisability of introducing a measure to provide for an immediate increase in the amount of the pension payable under the Old Age Security Act to \$100 per month.

No. 41-Mr. Herridge-January 20

That, in the opinion of this House, the government should consider the advisability of the creation of a Water Pollution Control Division, composed of representatives of the ten provinces, within the framework of the proposed National Resources Council, with powers and funds required to institute research programs, collect, collate and analyse water control data, and to co-ordinate the water pollution control objectives for the provinces; in addition, to further the study of water pollution control problems of a national character.

No. 42-Mr. Schreyer-January 20

That, in the opinion of this House, the government should give consideration to the advisability of introducing such measures as are necessary to provide parity price levels for farm commodities and that these be implemented in conjunction with a system of federal producer marketing boards.

No. 43-Mr. Bell (Saint John-Albert)-January 20

That, in the opinion of this House, the government should move for the immediate constitution of a committee of this House to investigate generally the whole St. Lawrence waterway system, covering the area from the Gulf of St. Lawrence to the head of the Great Lakes, and in particular to examine: (a) the present debt structure of the St. Lawrence Seaway Authority and the adequacy of the tolls charged under the terms of the St. Lawrence Seaway Authority Act including the question whether there have ben breaches of the said Act in the method of fixing such tolls; (b) the water levels of the entire system, including the effect of shipping in the Port of Montreal; (c) the serious navigational accidents in the St. Lawrence River and the changes in insurance rates; (d) the danger of flooding in the St. Lawrence region and the relation of ice-breaking thereto; (e) the effects, economic and otherwise, of the present or any projected development of the St. Lawrence waterway system as tending to destroy the transportation contribution role of the Atlantic Provinces to the unity of Confederation; and to make recommendations thereon and to report from time to time.

No. 44—Mr. Stanbury—January 20

That, in the opinion of this House, the government should give consideration to the establishment of an Office of Education within a department of the Government of Canada, for the purpose of co-ordinating federal functions in the field of education and assisting the provinces to develop and maintain a consistently high level of educational opportunity and quality throughout Canada.

No. 45—Mr. Ormiston—January 20

That, in the opinion of this House, the government should give consideration to making payment to the Hong Kong veterans of special compensation.

No. 46-Mr. Saltsman-January 20

That a special committee of the House be appointed to consider and make recommendations on a system of televising and radio broadcasting of the proceedings of this House.

No. 47-Mr. Southam-January 20

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act, Section 11, Subsection (9) (a) by deleting after the word "where" the words "the employer's establishment to which he ordinarily reported for work was located" and substituting the words "he maintained a self-contained domestic establishment in which he resided and actually supported a spouse or a person dependant upon him for support and connected with him by blood relationship, marriage or adoption".

No. 48-Mr. Ricard-January 20

That, in the opinion of this House, the government should study the advisability of immediately increasing Family Allowances, with a view to relating them more closely to the cost of living.

No. 49-Mr. Fulton-January 20

That, in the opinion of this House, the government should give immediate consideration to the calling of a conference on priorities with the provinces to be held at an early date, for the following purposes:

- (a) discussing and agreeing on which of the fields within the collective responsibility of the two levels of government most urgently require action to be initiated or enlarged in the interests of the people of Canada;
- (b) recommending an agreed order of priority to be assigned to those tasks:
- (c) recommending the practical limits of annual expenditures within the priorities so assigned;
- (d) recommending the portions of such expenditures which should be raised by the federal and provincial budgets respectively and, where appropriate, the areas of administrative responsibility within each field which should be borne by the federal and provincial governments in Canada respectively; thereby insuring that the real problems of the second century of the Canadian Confederation in such fields as education, conservation, municipal development and co-ordination, welfare and others, are put in their proper perspective and are dealt with in such a manner that the urgency of the problem is matched by the vigour of the effort assigned to it.

No. 50-Mr. Brown-January 20

That, in the opinion of this House, the government should take into consideration the desirability of introducing legislation providing for an increase in the flat-rate old age pension to a minimum of one hundred dollars per month per person.

No. 51-Mr. Faulkner-January 20

That, in the opinion of this House, the government should consider the expediency of introducing legislation to create a delegation, to meet with similar delegations from such of our North Atlantic Treaty allies as desire to join in this enterprise, to explore the possibility of agreement to the end that national sovereignty would be pooled in fields of essential common interest including foreign policy, defence, economic relations and aid for underdeveloped countries.

No. 52-Mr. Simpson-January 20

That, in the opinion of this House, a directive should be given to the Indian Affairs Branch to negotiate, as quickly as possible, an agreement with interested provincial power authorities for the provision of electric power service for the people living on and adjacent to Indian reservations.

No. 53—Mr. Brewin—January 20

That, any Bill in the name of a private Member that is under consideration by the House shall, if it is adjourned or interrupted, be placed on the

Order Paper for consideration at the next sitting of the House available for the consideration of Bills introduced by private Members, and so on from time to time, so that a decision of the House will be given upon such Bill and that the Standing Orders of the House be amended accordingly.

No. 54-Mr. Forrestall-January 24

That, in the opinion of this House, the government should give immediate consideration to amending the Regulations of the Area Development Incentives Act in such manner as to (a) recognize the special plight of the entire Atlantic Provinces area, and (b) specifically, recognize the advice of the second Annual Report of the Economic Council of Canada by designating the metropolitan areas of Halifax, Dartmouth, Saint John and Fredericton as qualifying areas under the incentive programme.

No. 55-Mr. Howe (Wellington-Huron)-January 26

That, in the opinion of this House, the government should consider the advisability of an improved program of industrial development in Canada; the plan to consider (a) the diversification and decentralizing of industry (b) that in setting up designated areas consideration be given to the importance of providing in their own area employment for students as they leave their educational field (c) that in setting up designated areas consideration be given to slow growth and development as a criteria as well as unemployment figures provided by National Employment Offices.

No. 56-Mr. Thompson-January 26

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.

No. 57-Mr. Ryan-January 27

That, in the opinion of this House, the government should consider the advisability of taking an initiative in the United Nations with a view to the establishment of a committee which would, by consent of participating nations, standardize and internationalize all new scientific and technical words, terms and phrases, and review older terms, scientific and otherwise, that could readily be made into one word for all languages, in order to promote international understanding and facilitate communications between nations.

No. 58-Mr. Brand-January 28

That, in the opinion of this House, the government should consider amendments to the Income Tax Act to permit the deduction as an expense from personal income tax, the cost of babysitters and/or housekeepers, for married working mothers in certain occupations where shortages of trained personnel exist, in order to make it economically possible for their return to work, such occupations to include nursing, teaching, medicine and others to be so designated.

No. 59-Mr. Choquette-January 31

That, in the opinion of this House, for the purpose of completing the constitutional evolution of our country and of strengthening a truly Canadian ideal, all symbols of colonialism should be abandoned, specifically:

By referring to Canada always as a federal state and no longer as a Dominion;

By rejecting the status of "British subject" for all Canadian citizens; By symbolizing the supreme authority of the country in a genuinely Canadian manner, other than by the sovereign of Great Britain.

No. 60-Mr. Deachman-January 31

That, in the opinion of this House, legislation should be introduced into this House by the government for the purpose of bringing the Harbours of Vancouver, the Harbour of New Westminster and the estuary of the Fraser River under a single harbour authority, comprised of federal and local representation, to be known as the Vancouver and Fraser River Harbour Authority, for the purposes of co-ordinating and improving the planning, development and management of port facilities in the region of Burrard Inlet and the estuary of the Fraser River.

No. 1

February 7—Resuming debate on the motion of Mr. Thomas (Middlesex West):—

That, in the opinion of this House, the government should consider including the cost of prescription drugs in any national medicare program that may be established in the future.

No. 2

February 9-Resuming debate on the motion of Mr. Roxburgh:-

That, in the opinion of this House, the government should consider the advisability of amending the Criminal Code so that an accused person who is eventually found not guilty may be paid his costs and expenses and such compensation as a Judge, in his discretion, may decide to be fit and proper in the circumstances: also, so as to provide that a person who has been unjustly kept in custody for the reason that such person was unable to raise bail and who has been afterwards acquitted, may be paid damages and compensation for time lost from gainful employment and such other damages as are fair and just.

No. 3

February 14-Resuming debate on the motion of Mr. Baldwin:-

That, in the opinion of this House, the government should issue a white paper outlining with clarity and in succinct terms its views on certain areas of federal-provincial responsibility and, in particular, in order to settle confusion and to enlighten the people, give its opinion on the question of federal jurisdiction in matters involved in a program of manpower development, the war on poverty including assistance, welfare and family allowances, and corporations and institutions with credit and related functions in their objects and powers.

No. 4

February 16-Resuming debate on the motion of Mr. Cashin:-

That, in the opinion of this House, the Government of Canada should consult with the provinces with a view to calling a Federal-Provincial Conference for the purpose of devising an acceptable formula for federal aid to elementary and secondary education.

No. 5

February 21-Resuming debate on the motion of Mr. Bower:-

That, in the opinion of this House, the government should consider the advisability of withdrawing the reference to the Supreme Court of Canada on the question of off-shore mineral rights, and in the spirit of Confederation, place the question before a Dominion-Provincial Conference to the end that the decision as to ownership of such mineral rights be determined in a manner fair, just and equitable to the provinces concerned.

No. 6

February 23-Resuming debate on the motion of Mr. Prittie:-

That, in the opinion of this House, the federal government should consider the creation of a federal office of education, the purpose of which would be to provide, in co-operation with the provinces, a clearing house for research and information concerning elementary and secondary education, the co-ordination of the present activities of the federal government in education, and to provide leadership in the general field of post-secondary education.

No. 62-Mr. Caouette-February 24

That, in the opinion of this House, the government should appoint a special Committee on Crown corporations carrying on commercial or industrial activities to study legislation setting up certain Crown corporations which have commercial or industrial dealings, the Government Companies Operation Act, Sections 76 to 88 of the Financial Administration Act, and any other Act concerning Crown corporations, and to recommend to this House the passing of a general Act on Government Companies; furthermore, that the said Committee should examine, without limiting itself thereto, the following subjects (a) the legal status of the employees of the said corporations (b) their financial set-up (c) the government's control over the said corporations (d) their tax system (school, municipal; provincial and federal taxes) (e) the status of their directors (f) the privilege enjoyed by the said government corporations as regards bankruptcy and liability (g) the audit made by the Auditor General of Canada or private auditors (h) the advisability for the government to step into the economic field by way of corporations; and all other matters.

No. 63-Mr. McKinley-February 25

That in the opinion of this House the government should give consideration to the provision of additional facilities in Ontario for the "Record of Performance" testing of hogs in order that there may be facilities to test more than one-third of the hogs.

No. 7

February 28-Resuming debate on the motion of Mr. Keays:-

That, in the opinion of this House, the government should give immediate consideration to the advisability of inserting in every contract made under the

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authority of the Trans-Canada Highway Act, a clause to the effect that sidewalks or pedestrian paths be constructed along such highways passing through inhabited areas, so as to assure the protection of life and that the same principle should apply to existing Trans-Canada Highways.

No. 10

March 7-Resuming debate on the motion of Mr. Allard:-

That a Joint Committee of the Senate and House of Commons be appointed as soon as possible to be called the "Joint Committee on Federal-Provincial Relations" to consider all reports dealing with federal-provincial matters in which this Parliament is interested, as for instance the reports of the Bilingualism and Biculturalism Commission, the Carter Commission and other similar commissions, so that the said Committee may make a study of such reports and of the evidence submitted thereto, and that the said Committee have power to call for persons, papers and records and examine witnesses, to report its recommendations from time to time, and to engage the services of counsel, accountants and such other clerical and technical personnel as may be deemed necessary.

No. 9

March 14—Resuming debate on the motion of Mr. Cadieu (Meadow Lake):—

That, in the opinion of this House, the Canadian Broadcasting Corporation should take steps to carry out its duty to provide television coverage by immediately establishing transmission facilities in northwestern Saskatchewan including Buffalo Narrows, Uranium City and on to Fort Smith, Hay River and Yellowknife.

No. 8

March 16-Resuming debate on the motion of Mr. Lewis:-

That, in the opinion of this House, the government should give consideration to the advisability of amending the Canadian Citizenship Act and the Regulations made thereunder to provide that (a) an applicant whose application for citizenship is refused be provided with full particulars of the reasons for such refusal (b) a Citizenship Review Board or similar body be established to which an applicant whose application for citizenship has been refused may appeal such refusal (c) Courts of Citizenship be established in more centres across Canada than is now the case (d) Courts of Citizenship should be open during evenings and on Saturdays and, generally (e) landed immigrants should receive much more encouragement and assistance in preparing themselves to become citizens at the earliest possible date after they become qualified therefor.

No. 67-Mr. McCleave-March 22

That, in the opinion of this House, the government should consider a solution of the freight rates problems of Atlantic Canada, to enable that region to receive its fair share of industry and to overcome the geographical disability caused by distance from the major Canadian markets, and to expand air transport facilities.

No. 68-Mr. MacEwan-March 24

That, in the opinion of this House, the government should give immediate consideration to a return to adequate shipbuilding subsidies, and regional tendering and allocation of new construction, overhaul and repair.

No. 69-Mr. Dinsdale-March 25

That, in the opinion of this House, the government in consultation with the Federal-Provincial Parks Conference, should give immediate consideration to establishing a Recreational Parks Program to:

- 1. Supplement and expand the picnic sites and camp ground program now nearing completion;
- 2. Complement the National Parks system and thus preserve the parks from excessive use:
 - 3. Meet the urgent recreational needs of an industrial urbanized society;
- 4. Assist in providing adequate services and camping facilities for Canada's booming tourist industry.

No. 70-Mr. Kennedy-March 25

That, in the opinion of this House, the government should give immediate consideration to the development of a national power grid which would transmit thermal, hydro and tidal power produced in Atlantic Canada, and accelerate the study of Bay of Fundy tidal power resources.

No. 12

March 30-Resuming debate on the motion of Mr. Fawcett:-

That, in the opinion of this House, the government should consider the advisability of amending the Industrial Relations and Disputes Investigation Act to provide that an employer shall not introduce or implement any technological innovation, development, or change which would materially and adversely affect the working conditions of his employees until after he has negotiated the matter with the bargaining agent of his employees, and that it no agreement is reached, the matter shall be referred to a Conciliation Board as provided by section 22(2) of the Act, and that if the employer introduces or implements the proposed changes without such negotiation and conciliation, his employees shall have the right to strike immediately as if the collective agreement had expired and all other statutory requirements had been met.

No. 71-Mr. Mongrain-March 30

That, in the opinion of this House, the government should give immediate consideration to the appointment of a Royal Commission to study the means of establishing the metric system in Canada, such Commission to report to Parliament within two years of its creation.

No. 72-Mr. Allmand-March 30

That, in the opinion of this House, the government should give consideration to the establishment of a Law Research Institute which would be concerned with the following matters:

- 1. The continuing review and updating of statutes, regulations and other legislative instruments;
 - 2. The comparative study of legislation and legislative processes;
 - 3. The establishment of a comparative law library;
 - 4. Reforms in the administration of justice;
 - 5. Methods of training lawyers, judges and other legal personnel;
- 6. The availability of justice and legal services, including the methods of legal aid;
 - 7. Law reform and legal research in general.

No. 14

April 6-Resuming debate on the motion of Mr. Winkler:-

That, in the opinion of this House, the government should give immediate consideration to the advisability of introducing a measure to increase the amount of pension provided under the Old Age Security Act to \$100.00 a month and lowering the age of eligibility of applicants to 65 years.

No. 13

April 20—Resuming debate on the motion of Mr. Muir (Cape Breton North and Victoria):—

That, in the opinion of this House, the government should take into consideration the advisability of appointing a day during the course of our Centennial Year as a "National Indian Day", to mark the presence among us of our first citizens and to recognize their outstanding contributions to our national life.

No. 15

April 25-Resuming debate on the motion of Mr. McCutcheon:-

That, in the opinion of this House, the government should give consideration to the advisability of constructing a bridge on Chenal Ecarte (also locally referred to as the Snye), one of the channels at the mouth of St. Clair River, where at present there is a cable-operated ferry linking the shore of Walpole Island to the shore of Chatham Township, County of Kent, (mainland side), Ontario.

No. 75-Mr. Matte-May 17

That, in the opinion of this House, the present system of counting votes in the House should be replaced by a more modern and rapid method, namely by electronic voting, except in the case of non-confidence motions for which the present method should be maintained.

No. 18

May 18-Resuming debate on the motion of Mr. Lambert:-

That, in the opinion of this House, the government should consider the advisability of an early amendment to the Criminal Code of Canada making it an offense, punishable by fine or imprisonment or both, to in Canada manufacture or distribute or be in possession of motor vehicle master key sets, or import the same into Canada, save by the manufacturer or the assembler of the said motor vehicles or by such person or persons duly authorized by the said manufacturer or assembler.

No. 16

May 25—Resuming debate on the motion of Mrs. MacInnis:—

That, in the opinion of this House, the government should give consideration to the establishing of a Department of Consumers Affairs.

No. 17

May 30-Resuming debate on the motion of Mr. Walker:-

That, in order to provide elected representation on the boards of Crown corporations and other companies as may be owned, operated, or controlled by the federal government, this House is of the opinion that the government should consider the advisability and the expediency of taking such steps as will provide for the appointment, from time to time, of Members of this House as unpaid directors of some or all of such Crown corporations or companies for a term not longer than the life of one Parliament.

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No. 20

June 1-Resuming debate on the motion of Mr. Stefanson:-

That, in the opinion of this House, the government should give consideration to the advisability of establishing an inland waterway from Winnipeg through Selkirk to Edmonton, via the Red River, Lake Winnipeg and the Saskatchewan River.

No. 19

June 6-Resuming debate on the motion of Mr. Howard:-

That, in the opinion of this House, immediate steps should be taken by the government to arrange for a federal-provincial highway building conference at the earliest possible moment in order that a national highway building program be instituted with special attention in such a program to be given to access roads in the northern areas and lesser developed areas of the nation.

No. 22

June 8-Resuming debate on the motion of Mr. Cowan: -

That, in the opinion of this House, the government should consider the expediency of introducing legislation for the creation of a Criminal Injuries Compensation Board to hear the pleas of persons who have suffered permanent injury or disability as the victims of crime and award compensation to such persons or their dependents as would seem fair in the circumstances, and wherever possible to do so, to impose payment of compensation by criminals to those they have injured.

No. 24

June 13-Resuming debate on the motion of Mr. Leboe:-

That, in the opinion of this House, the government should give consideration to the setting up of ten provincial commissions, consisting of representatives appointed by each province and an appointment or appointments by the federal government, for the purpose of making appointments to the Senate of Canada.

No. 77-Mr. Harley-June 17

That, in the opinion of this House, the government should give consideration to the advisability of amending the Hospital Insurance and Diagnostic Services Act to provide for payment, in agreement with the provinces, for emergency ambulance services.

No. 28

June 20—Resuming debate on the motion of Mr. Bell (Carleton):-

That, in the opinion of this House, the government should give the earliest possible consideration to the advisability of adjusting upwards the pensions of superannuated public servants and of superannuated members of the Armed Forces and the Royal Canadian Mounted Police to take appropriate account of increases in the cost of living, increases in salary levels and other relevant factors occurring since the rates of pension of such persons were determined.

No. 23

June 22—Resuming debate on the motion of Mr. Macquarrie:—
That, in the opinion of this House, the government should consider the advisability of taking an initiative in promoting increased trade between the

Atlantic Provinces and such traditional market areas as the New England States of the United States and those islands formerly comprising the British West Indies.

No. 30

June 27-Resuming debate on the motion of Mr. Hales:-

That, in the opinion of this House, the government should give consideration to the advisability of establishing a form of internship program in the House of Commons; the purpose of the said program being to better equip outstanding young political scientists, journalists and law school faculty members, with a better understanding of the national legislative process; the participants to be brought to Ottawa for six to nine months of fulltime work as assistants to Members of the House of Commons and to be paid a minimum stipend financed by the government and an established foundation grant, competition for the fellowship to be made each year, announced to coincide with the opening of a session.

No. 29

July 6-Resuming debate on the motion of Mr. Monteith:-

That, in the opinion of this House, the government should give immediate consideration to amending the Canada Pension Plan in such a way as to insure that it and complementary pensions and retirement allowance legislation in Canada are based upon the following principles:

- (a) the immediate increase of the Old Age Pension to \$100.00 per month to all present recipients, and the integration and payment of such pensions out of the Pension Fund as amended;
- (b) the establishment of a plan to provide a national minimum retirement income, participation in such a plan to be available but not compulsory to all;
- (c) that a national retirement pensions plan should not be compulsorily superimposed on existing pension and retirement plans, but should be supplementary to them, on the basis of filling in gaps in coverage of existing retirement and superannuation plans so that all are covered up to the level established under sub-paragraph (b), participation being, however, elective to those who are already covered to or beyond that level;
- (d) that true portability of pensions as between industries and areas, which is not affected by the present plan, be the continuing aim of pensions legislation and negotiation;
- (e) that certain specific and foolish anomalies, such as those whereby more than one employer may be compelled to make a full annual contribution in respect of the same employee, with no right of recovery from the fund, and whereby some housewives will be compelled to make deduction from the wages of domestic held while others will not, although the basic wage rate is the same, be eliminated.

No. 78-Mr. Winkler-September 7

That this House is of the opinion that a select committee be appointed forthwith to undertake the immediate consideration of the advisability of unification of the Armed Forces of Canada and to examine witnesses in relation thereto.

No. 79-Mr. Émard-October 11

That, in the opinion of this House, the government should consider the advisability of setting up in the shortest time possible, a foolproof system of protection at all level crossings, especially in urban centres, and that in the meantime security measures be taken to ensure adequate security to the public at all level crossings.

No. 39

October 12—Resuming debate on the motion of Mr. Leblanc (Laurier):—
That, in the opinion of this House, the government should consider the advisability of setting up a special committee to study matters relating to the import, export, production, sale and purchase of firearms, and that this committee should study the advisability of amending the Criminal Code, section 82 and the following sections with regard to offensive weapons.

No. 80-Mr. Laniel-December 21

That, in the opinion of this House, the government should consider the advisability of amending the personal Income Tax Act in order to increase the amount of the basic exemption to \$1,260.00 per person in accordance with the principle of a minimum guaranteed income recognized in Bill C-251, An Act to amend the Old Age Security Act, thus ensuring equal treatment to all citizens.

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No. 81-Mr. Mather-February 7

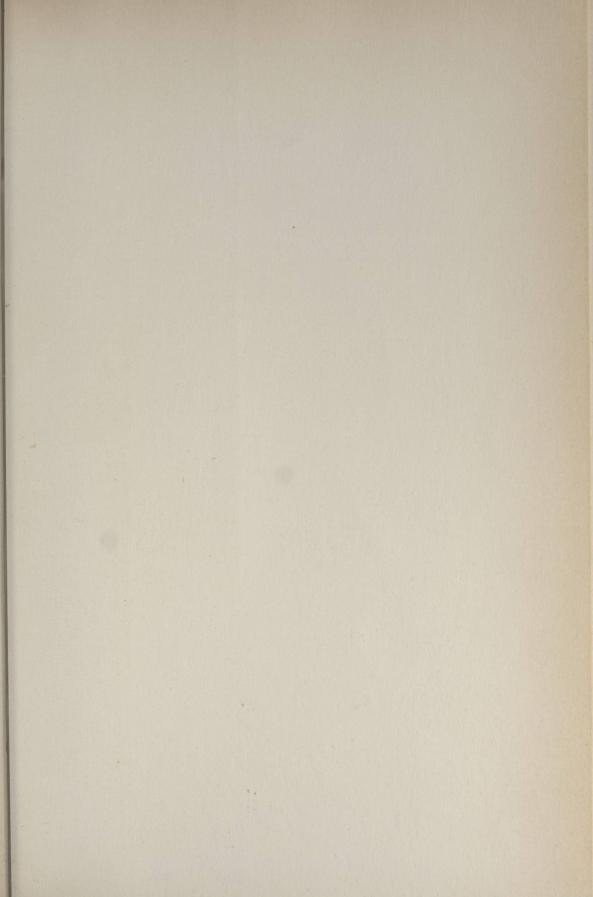
That, in the opinion of this House, the government should give consideration to the advisability of introducing a measure to establish a tribunal to be known as the Crimes Compensation Tribunal with power to award compensation to persons injured or killed as a result of the commission of certain crimes, the maximum amount of compensation to be determined by the Governor in Council and the amount of any compensation ordered by the Tribunal to be paid out of the Consolidated Revenue Fund from money appropriated by Parliament for that purpose.

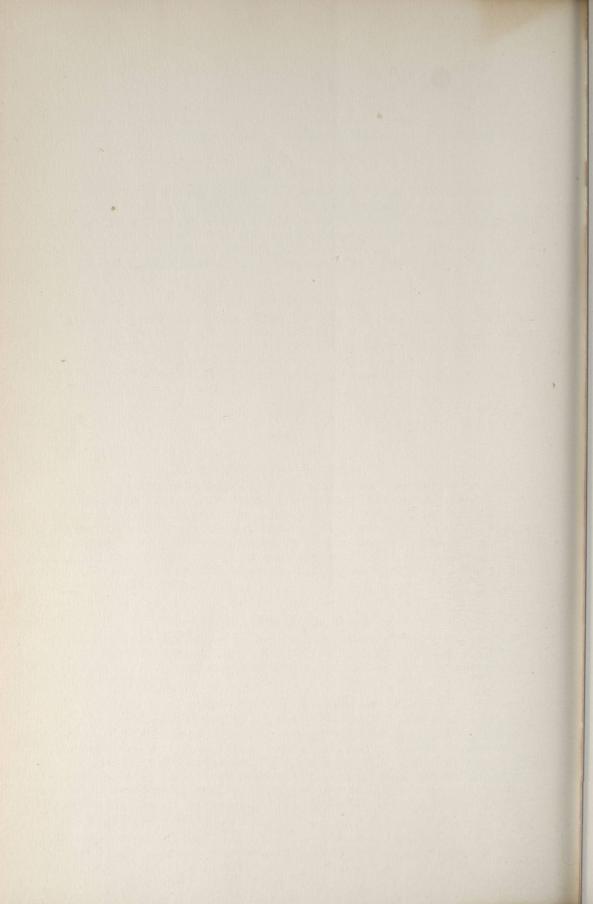
No. 82-Mr. Alkenbrack-March 17

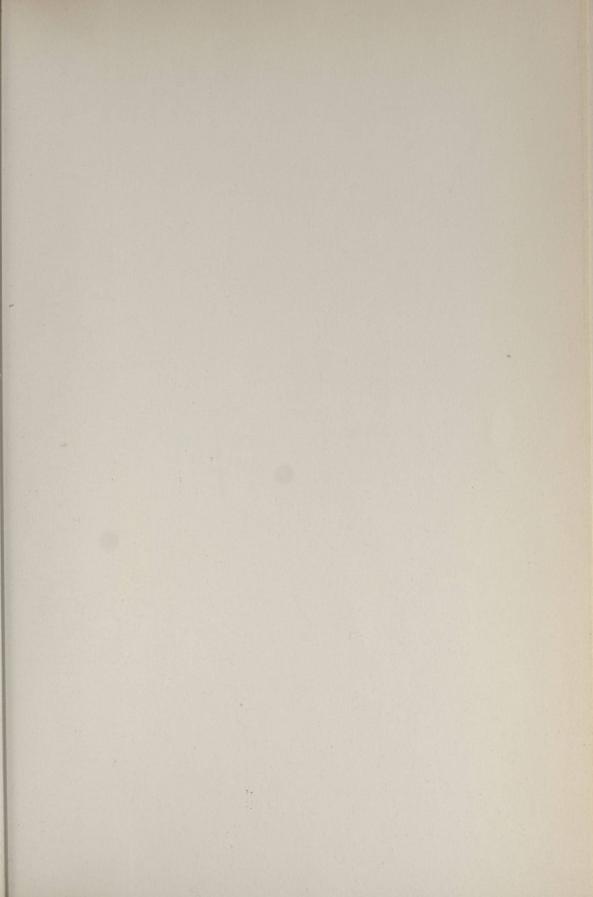
That, in the opinion of this House, the government should give immediate consideration to the advisability of establishing a Canadian Cultural Council to encourage the development of nationhood, recognizing the existence of our cultural plurality.

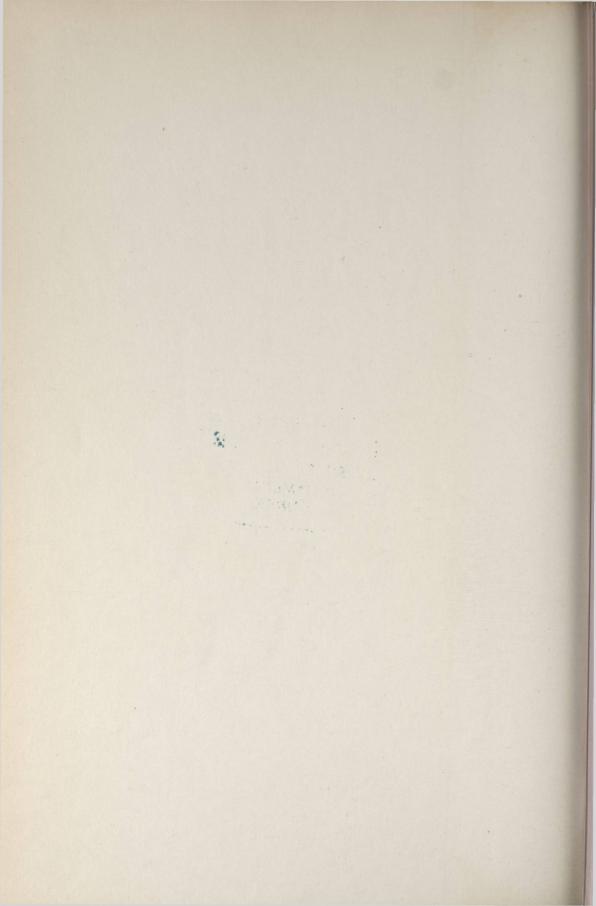
No. 83-Mr. Haidasz-April 12

That, in the opinion of this House, the government should give consideration to the establishment of a national anti-air pollution agency and allocating to it the necessary funds to initiate or conduct research on the problem, prevention and abatement of air pollution in Canada; to the making of grants to appropriate agencies and universities; for the purpose of research in air pollution; and to the encouragement of the installation of anti-air pollution devices by granting appropriate tax incentives to recognized agencies, municipalities, industry and private citizens.









HOUSE of COMMONS
MAURICE OLLIVIER
PARLIAMENTARY
COUNSEL

